

All eyes are on Jackson Hole Symposium .
-begins tomorrow & ends Saturday. This
year's topic is ""Structural Shifts in the
Global Economy"- the topic could provide
a backdrop for Powell to delve deeper into
changing dynamics of global economics.

Barkin, who is generally viewed as dovish,
raised risk that Powell might comment on
relative U.S. economic strength &
emphasize Fed's inflation mandate.

Impact of mortgage rates is apparent.
Atlanta Fed Home Ownership affordability
Monitor Index fell to lowest since last Oct
Existing home sales declined 2.2% during
July, the second straight monthly decline.
July's data largely reflect activity in June
when mortgage rates averaged 6.8%, but
rates have marched higher since.

August Richmond mfg index -7 vs -9 - 16th month in a row of contraction. For context, from late 2007 into mid 2009 it was down 21 months in a row. However Chicago Fed's measure of financial conditions is loosest since early Mar 22, before Fed started hiking. So its not all about money ...

In the present day quiet summer markets, all conversations begin and end with question -What's happening to China and where does it go from here & their strategy of relentless defence of renminbi with USD/CNY fix being continuously set a lot lower than modelled estimates.

EURUSD dropped to 1.0847- completed a **bearish** outside day - downside remains vulnerable- negative China sentiment adds to pressure.US-DE 2-year yield spread blew

out 9 bps. EZ PMI today. Key confluence of supports @ 200dma at 1.0799 - 76.4% Fib May-July rise at 1.0786 - early June highs.

Local media narrative centres around how Yuan has strengthened 30% against JPY this year - this deflection is the last line of defence ? Raimondo's long-anticipated visit coincides with worsening downturn. As a relief, Dalian jumped 4.7% to 805.5 yuan. Objective 7.4400

UK Govt transferred £14.3 bio in July to BoE, largest to cover QE losses - transfers have totalled more than £30 bn in past 11 months - does not bode well for currency - Flash PMIs today seen soft - would diminish BoE rate expectations. Despite August's traditional challenges, GBP held its grounding First half this year. So fireworks to begin in the last few days of Aug - Big

downmove ? 100 dma at 1.2634 in focus.

Upbeat prints of Japan's PMIs -cautious optimism - however Dip-buying to persist in USDJPY above 145.16 -Obj Upper 30-wk & day Bollis at 147.00/28 and rising.2023's rising channel top 148.31

USDINR makes multiple attempts at 83.15 & retreats- upside stalled on resolute defence - markets cheer - Oil downmove adds to perceptions- 82.85 83.15 yawn.