Market wasn't quite sure what to do with in-line with expectations PCE & claims Ultimately, month-end flows outweighed the data.

Core services ex housing is what Fed is watching due to it being more influenced by labour input costs -posted 0.46% m/m rise after 0.3% gain in June- indications wages could stay elevated & inflation stays higher for longer.

There is an intriguing dynamics underway for US consumer : faster spending despite slower income growth-Personal incomes rose 0.2%- Yet spending roared at a brisk 0.8% (0.6% in inflation-adjusted terms)- consumer spending on track to drive Q3 GDP growth of perhaps 3-3.5%- question is whether or when a consumer spending pullback ensues. Looks less likely for now.

Data from SWIFT showed that yuan's share of global currency transactions for trade finance rose to 4.5% in March, while USD at 83.71% - the de-dollarisation folks are all too willing make the jump from a piddling 4.5% to 'it's the end of the dollar!"

South Korea August exports dropped 8.4% y/y, imports-22.8% y/y.Trade intensity still soft -global growth getting surely weaker - Today's payrolls might be soft -*embedded by 26k one-time drag from combination of Hollywood worker strikes (-18k) & Yellow trucking layoffs (-8k). Challenger also very soft .*

Schnabel highlighted slowing economy. --later echoed by DeGuindos and that led to a repricing lower in the odds of ECB hike -resultant slump in Euro - closed below 10 dma (1.0851) downside pressure mounts Support at a trend-line drawn from March 15 low at 1.0779.

Much awaited China cut in FX Reserve Requirement Ratio by 200 bp from 6% to 4% from Sept 15th - what it means is that China reduced the amount of FC deposits, banks are required to hold as reserves -visible step to free up dollar liquidity & prop up the yuan. These measures may have only marginal impact.

GBP/USD - falls on Pill .Multiple failures to cross 5 week-long descending resistance line -sustained trading below 200 dma- break of 1.2620 to see deeper downside .

Mfg PMI eases, Capex growth slows -corporate earnings at record high.USD/ JPY at weekly low on EURJPY selling.

However Weekly **close above** 146.11 Fibo last Friday keeps bias on higher- one more weekly close today enough to propel the pair above 147.00

Predictable range 82.65 - 82.75 .GDP data is dated - Brent at 87 plus is the reality .