

Today's US inflation numbers & Tomorrow's ECB decision are the key talking points . Today's Headline inflation will likely rise from 3.2% to 3.6%YoY - all the helpful base effects that helped lower inflation in the first half of the year are used up now. -will be "something-for-everybody" messaging mess.

Russia wants more weapons to continue its war and North Korea wants nuclear sub tech from Russia -both of them meeting in Vladivostok today. North Korea chose to cheer the meeting with a ballistic missile toward East Sea. His missiles don't anymore frighten the markets though .

About ECB : If you're not sure where you're going, there's less incentive – or even ability – to tell people which direction you're going to turn next. ECB might be

concerned that monetary policy impact is transmitting more rapidly - today's apparent leak of "ECB rate hike coming tomorrow " doing the rounds . However EUR remains vulnerable to long-squeeze.

In a world of state manipulation and control, Chinese savers believed that real estate could be the best asset to own. But unfortunately, the shaken confidence manifests. **Deflation, a real estate crash, and unhappy consumers threaten to indefinitely derail China's economy despite all the barricades at 7.35.** How the PBoC manages the exchange rate could have broader implications for currency markets and economic sentiment

UK wage numbers are more dovish than they look at first glance - **vacancy-to-unemployment ratio- which Bailey is keenly**

**following - is falling quickly.** Various other signals that labour market is cooling more noticeably. Belly of UK 3-month SONIA strip rises 6-8bps (lower rates) weighs on GBP GBP/USD under pressure, BoE hike beyond Sept less likely- Support @ 1.2460 Tues low just ahead of Sep 7 trend low 1.2445, 200-DMA 1.2430

USD/JPY is not ready to turn lower despite Ueda's verbal intervention that kicked off the week. **BOJ has been buying JGBs again, yield on 10yr down to 0.7%. USDJPY all set for 2023's up-channel top & 161.8% Fibon off of July's base by 149.60 .**

Equity euphoria is almost developing into a Tulip mania - masks rupee negatives - let it be higher Oil, elevated US yields, ballooning trade deficit or the uneasy calm in CNY . Trade data for August will probably

show deficit in the -USD20bn range., even  
under a benign oil of August . 82.80 83.30  
broad range well established and for the  
day 82.90 83.00 .