

ECB decision which still hangs in balance and US retail sales number should give markets more to ponder today after the US inflation report triggered some initial volatility leaving no lasting impression.

However, the largest increase in consumer prices since June of last year is a reminder that inflation's trajectory towards Fed's target would be bumpy. Gasoline was the key factor accounting for over half the increase. Shelter (especially rent) another big factor. Upside inflationary pressure from energy prices to repeat this month and next, given the rise in oil prices .

CEO Economic Outlook index down 4 points to 72, a level that implies sluggish growth but not a recession (the long-term average is 84). Today's weekly jobless and Core PPI worth a watch .

Fed Reserve Board of Governors is now officially staffed-up. Philip Jefferson was sworn in as vice chair , while Adriana Kugler was sworn in as governor and Lisa Cook was sworn in for a full 14-year term as governor.

ECB is betting on rate hikes to tame the inflation, while governments continue to spend billions of euros on Next Generation Funds & deficits that implies more inflation or taxes in the future. Will she do a 25 bp today ? EUR/USD closed below 10dma (1.0739)- hence downside bias.

**Growth number shrank 0.5% m/m in July vs. 0.5% expansion in June - bigger rise in unemployment than expected but the BoE remains concerned that wage growth will sustain persistent inflation. GBP/USD**

oscillates around 1.2485- 1.2505 region in a narrow trading band.

Machinery Orders - an indicator of Global manufacturing-fell 13% in July from a 5.8% drop in June. Decent support by 147 from Wed's low, Mon's NY high & 10-dma. No real threat to uptrend while closes are above the 21- & 30-dmas. Obj 149.67

USDINR did a 82.90- 83.00 day -nothing to suggest a different narrative today .