What's next is often more important than what's just occurred -The current spike in oil prices shows the possibility that inflation could be more persistent than markets anticipate- that inflation is likely to be a lot more volatile in the 2020s (even if it doesn't trend higher as in the 70s)

The key take away is that the relationship between oil consumption & global growth has weakened in recent years due to structural changes mainly in the Chinese economy (larger service sector), improved efficiency &reduced energy intensity.This implies oil demand is inelastic to growth Hence this oil price rise looks sustainable.

Return of hot data:**Weekly Claims rose just by 220k -PPI came above consensus.**
upward surprise in retail sales can still be traced to a few retailers—autos & gasoline

-  still does not  look like the last gasp of a consumer who  is struggling on the ropes, pummeled by higher rates & weak confidence.UoM consumer confidence today -  unlikely to swing any needle .

How will Fed navigate the tricky waters of inflation vs growth? Forget the Fed stance - its all about financing -  even without factoring in the cost of servicing the debt, fiscal spending alone represents over 25% of GDP in US- last mile towards 5% US 10 year yield should  be fast and furious .

ECB has chosen to  beat a dead horse. Apprehensions about not getting inflation fully under control must have outweighed concerns of recession risk. Market calls this in its usual way as the Final rate hike- old habits die hard - exposure to energy shocks & global bullwhip effect in mfg - so weak growth and high inflation marks the back drop.**EUR/USD set to close in the red for ninth consecutive week -threat of capitulation to drag EUR to parity. For now, Below 1.0635 , obj at** March's 1.05165 low.

After months of modest policy response, China appears to be getting more serious, **Cut its RRR, 'asked' banks not to buy dollars-**This is not yet a bazooka- problems being kicked into  long grass - drumbeat of negativity about a systemic collapse yet to dissipate.

BoE on 21 Sep - is expected to hike -Close sub-200 dma, which has trailed price since March hints at further slide.Support at 1.2370 June 5 low, 1.2308 May 25 low, then Mar 24 low sub-1.22.

USD/JPY roughly flat -uptrend stays in an eighth day of consolidation below 148.00

Slide in exports has been fairly consistent, but  now reaching a point where year-on-year declines may start to shrink from double digits to low single digits. So the markets all set to cheer that . 83.00 83.10