Higher Treasury yields continue to reverberate across broader markets.
Fed seems to have read the writing on the wall and recognised the undercurrent of the regime shift . In technical terms, so-called neutral rate, which keeps inflation & unemployment stable over time, has risen.

That suggests Higher rates not just for longer - may be forever. This explains why rout in bonds continue to gather pace on the week and why stocks are struggling...

Initial jobless claims fell by a sharp 20k w/o/w to just 201k, well below the estimate of 225k. This brings the 4 week average to 217k from 225k in the week before and that's the lowest since February. Strong show on employment front but 0.4% decline in the Leading Economic Index marks 17th consecutive monthly decline.

Germany's malaise boils down to three big mistakes: dependence on Russia & China, naive degrowth environmentalism, and a reluctance to embrace change - sick man of Europe - today's Flash PMI to confirm. Hawkish ECB comments & rise in EZ yields helped EUR/USD off lows.Support @ 38.2 of 0.9528/1.1276 @ 1.0608 validated by bounce from 1.0617. Upside capped at 1.0688

Swirling row over electric vehicles and Chinese anxiety over EU’s de-risking plans. Narrative of resurgent China doing the rounds - believe that at your risk. Hard to see PBoC going clueless .

BoE said there were mixed developments on indicators of inflation's persistence, noting slower varied signals on wage growth & slower services inflation - entirely possible they think they overshot - Support 1.2247 lower 20-hr Bolli 1.2192 Mar 24 low

Thur's 148.465-147.32 range made a new 2023 high, then five-day low - nervous markets ahead of BOJ who chose to stay unchanged today -There is Ueda's presser coming up - anything short of reiterating a "quiet exit" is not going to fly with market participants surely - hard to imagine any real let up on the pressure against JPY. Don't think BOJ would help dip buyers ..

Higher rates always result in discipline in capital allocation and lazy carry trades don't find a place in this regime .JP Morgan says it will include Indian bonds in its global index- a sophisticated name for carry trades.With miniscule carry in an adverse global environment for Bonds , it makes sense for even the die hard EM investor to hedge FX risk - markets as always got a narrative to stay euphoric - won't last the day - 82.85 83.15