

After Canada CPI, it's Australia's turn to assert that Inflation is rising again. Base effects can take some of the blame for this- but early indications of second wave of Global inflation if you go by the past. Some similarities can't be dismissed - in late 1970s, the second energy crisis was a main driver for the second inflation wave.

Consumer confidence fell to 4-month low, new home sales had their largest drop in almost a year, while S&P CoreLogic Case-Shiller reported home prices rose to a record high - Corporate stress is seen as credit conditions tighten further, but the labour market still to weaken. Dallas Fed mfg survey prices paid- precursor to US PPI - shows sharp rise - CPI to follow soon.

Villeroy : we should remain at this level (

on rates) for a sufficiently long period of time .Surging oil prices add to trilemma of how to balance slowing economies, the delayed impact of the rate hikes so far and still too-high inflation. Currency weakness is the only solution - Support at CY 23 low 1.0516. Just for academic interest , this is the **longest losing streak since 1975 for CHF**

Data tad positive : Industrial profits slid only by 11.7% y/y, (-15.5% in Jan - Jul period).PBoC says it'll accelerate macro policy adjustments (?) . Daily pattern with fix- Fatigue creeping in .

Mfg & Services PMI below 50.0 -economic contraction takes hold.Bears take control -GBP/USD lowest since mid-March at 1.2155. Little support till psychological 1.20 handle

BOJ minutes - discussed if wage hikes would continue as profits stay weak - what a way to find a narrative to suit the policy. Rumours Kishida may call a snap election - as he mentioned "tax breaks" in outlining his stimulus package. Certainly no BoJ exit - longer the PBoC contains USDCNY, more the pressure on JPY - so any intervention drop without weaker Tsy-JGB ylds spreads - opportunity to get rich quickly. JPY.161.8% Fibo off July's base is at 149.56.

There is a strong case for letting currency weaken rather than spending the reserves as the factors are structural on nature - may even last for weeks if not months - Strategy of "Come what may - we won't yield 83.30" - may have reached its expiry date .

