

Higher yields, higher Oil, higher Dollar
higher home prices amidst falling stocks,
declining Gold, Up in fumes commercial
real estate and a distracting US govt
shutdown.

Yields : Longer tenor market rates want to
go up-10 year yield could converge with
FFR any time soon- curves want to dis-
invert -its no more about Fed rising rates
-rate cuts becoming unlikely - Fed running
down its balance sheet US\$100bn/mth -
deluge of new issuance is restricting
liquidity - manifesting crowding out effect.

Oil : Surprisingly large draw- Inventories in
US reserves remain at their lowest levels
since 1983- accompanied by oil supportive
news -week-long Chinese holiday coming
up has been touted as another leg of the

support for demand as travel surges .

Shutdown could begin this weekend-
Major impact: Policymakers would be completely flying blind as BLS and BEA could be disrupted. The important nuance here is the Treasury has the cash. It's just that they don't have a legal right to spend it beyond the end of September.

Good news is a bad news for equities as **Orders for** long-lasting goods surged .
Even as the cost of borrowing has soared over last 18 months, corporate investment trends remained solid. In Q2, business equipment spending rose at a 7.7% annual rate,(adds 0.4% to GDP growth).

EZ record money supply shrink is another blow to an already weak economy . For now ,EURUSD broke below Mar 15 low @

1.0516 - with next support @ Jan 6 low @ 1.0486 -loss of which would imply test of 50% 0.9528/1.1276 move at 1.0402.

Fix vs model estimate difference was over 1440 points - record-high divergence.

BoE's surprise pause last week continues to weigh on- Surging inflation on oil prices - Weakening labour market .GBPUSD to test 1.2067, 38.2% 2022-2023 rise.

Suzuki says he is open to taking any "necessary" measures.- certainly he would not want headlines on JPY weakness to overshadow fiscal announcements - hence more such rhetoric -Oct. 24 high at 149.70 is the last before Oct. 21's 151.94 peak.

Pent up energy yet to burst - No sign of any respite from the sustained efforts to hold

83.29 .