

Volatility is the new normal - daily struggle of trying to figure out if the move in bond markets is a glitch or not. Humour aside, Due to a perfect storm of bond-negative drivers, one can easily make a case for 5-handle or stretched 5.50 % on long dated U.S. Treasuries.

U.S. real yields continue to climb, with real 10-year trading at a new cycle high near 2.30%. Only Central banks with no MTM accountability can short Dollar and sleep at peace .

Food prices outperforming hedge funds - Orange juice stays as one of the best performing assets. Since it's low in 2020, price of orange juice up 270%. This year its up 70 % .Message: embrace the verdant vistas of agriculture-based assets and stop expecting Disinflation

Govt shutdown has been avoided -stopgap spending bill at eleventh hour will keep the govt funded until Nov 17. Payroll on Friday may underscore ongoing labour market tightness with the potential for loosening at the margin.

**Improving US activity & decelerating EZ factory activity-** EURUSD trading to a new low going back to Dec 7, 2022, after falling below 1.0483 level -obj Nov 30, 2022 low of 1.0290 & Nov 21, 2022, swing low of 1.0222. today is a bank holiday in Germany activity muted -

Mixed Sept PMI readings from China over the weekend. recent data bounce cannot be sustained while global growth is dramatically slowing & domestic stimulus measures have so far been mild.

Sept prices in British store chains rose at the slowest. GBPUSD is trading the lowest level since Mar 16, 2023. Sustained 1.2067 break to target 1.1805 Mar & 2023 low.

BOJ's recent verbal interventions to bolster the yen, combined with its purchases of JGBs to curtail yield rise epitomizes crux of FX conundrum. Fed remains steadfast to diminish its balance sheet, while BOJ is resolute in its pursuit of YCC. Knocks door at 150.00 - Vertical climb to 152.00 certain. (Long term objective at 183.30)

Long week end saved some ammunition for mint street. Reluctance to let 83.29 go - does this look very similar to what happened at 80.00 just a year back.