

Sept CPI is hardly a five-alarm fire type of report- at the margins, If sustained, it may empower the hawks in FOMC- consistent with the view that progress is slower than initial rapid decline from 9% last year -

“Super core” measure of service inflation (ex-shelter, ex-energy) surprised on the upside- - when has anything pertaining to economy (or markets) ever been wiggle-free? The lesson learnt yesterday is the bond market rout is not really over just yet.

However , From here, inflation itself might not evolve as a massive shock factor in either way . Markets too efficient for that- inflation volatility is too well-known for it to have surprise power over forward-looking markets or backward looking Fed .

But more than CPI , its the less tracked or

hardly known ASI which should concern - cracks in the economy visible as ASI fell sharply to 0.1 In Sep from 0.69 in Aug. This decline largest seen in ASI since Mar 2020.

Forget about rates etc - Middle East alone can keep the upside capped in pro-cyclical pair EUR/USD. Nagel said : "I can assure you we will not rest until we've overcome high inflation"- harder they press brakes, the steeper the fall .1.0635 as expected held and 1.0485 has to break

Sept USD denominated Exports -6.2% y/y, Imports -6.2%- registered month-on-month growth for a second consecutive month. China's US\$1.35 trillion sovereign wealth fund increasing its equity stakes in the nation's four biggest banks:

New Zealand election Saturday - change of

govt likely - NZD short trade over the week end could be a good idea

Big down day 1.2331-1.2173, upsets the order. BOE dove Dhingra warned headwinds still growing. She supported a "rate cut " if growth remains below estimates. The core objective at 1.1800 in play

Likely there will verbal intervention as USD/JPY back to within striking distance of 150.00.

Another day- another 83.25 - this artificial strength of rupee against the other currencies is hurting the merchandise Exports - no respite but RBI is more keen on ensuring that FX manipulation is not being talked about .