

Good news about the economy is once again becoming bad news as macro story is firmly pointing to higher yields. Bigger Worry is about Oil prices & second order impact. Its up over 2.5% on rising Middle East tension & the inventory decline .(SPR inventory still sitting at a near 40-year low of 351.3 million barrels.)

Fed will however have to decide whether backward-looking data indicating a hot September or forward-looking impact of bond market moves should weigh more in setting policy

Retail sales is the story of the day : Rule of thumb for understanding U.S. economy is that **US can't stop and won't stop** spending money - so this consumer is keeping floor underneath the economy, and keeping a recession at bay - standing in the way of

inflation coming down

Second tier data gives better read :NAHB weakened to 40 .Classic stagflation in housing - more people will continue to rent - rentals just going to start inflecting higher again.

Amount of Fed speak coming from today & through Friday is enough for you to buy earplugs. Simply put, Don't expect them to tell anything that markets dont know.

Despite reaching heights , trajectory of USD is currently in an intriguing phase of consolidation- however continue to bet on stronger dollar on enduring U.S. economic vitality & escalating geopolitical conflicts

ZEW came in better than expected.Final reading of the EZ CPI and Construction

Output. EURUSD To stay under pressure on escalating tension in Middle East 1.0550 break to see 1.0450.

Continuing demand improvement in China Xi suggests China will remove restrictions on foreign investment access in mfg sector.

Average Earnings excluding bonuses rising 7.8% 3M y/y in Aug. However **Headline and Core annual inflation are set to fall but will likely stay above 6.0%**. 30% odds of hike on Nov 2, rising to 50% on Dec 14. GBPUSD Set To test 1.2037

BoJ to conduct an unscheduled bond buying operation - indicating that there wont be any intervention in USDJPY anytime soon - so they have sent out invitation for buying USDJPY. 150.16 to

break for 152.00

**Not even a sign of loosening the iron grip
at 83.25 . Geopolitical risks add more
reasons as well -**