

One key reason behind ongoing strength in US economy has been the robustness of corporate profit margins which in turn has underpinned strong employment. Looking forward, if companies want to maintain these margins in the face of rising interest costs , less pricing power and moderated real spending growth, its certain that there will be pressure to lighten up on headcount.

In this context, last week's triennial Survey of Consumer Finances by Fed is relevant - it showed that households are better off - mainly because of strong employment (Over that three year span, median family net worth grew 36.7% to \$192,900). So its prudent to stay focusedesed on corporate earnings as key leading indicator for this business cycle .

About FOMC : Fed will be certainly happy

that the rise in nominal yields has not been driven by a rise in inflation expectations. That helps to give the Fed a pass, as the market has been doing latest tightening for them in real rates space. So long this real rate rally stays, hard to find a reason to sell USD .

German Oct inflation eased to the lowest level in 2 years -Peter Kazimir: "we will have to stay at the peak for the next few quarters, bets on rate cuts happening already in the first half of next year are entirely misplaced." 1.0550 break still elusive .

Mfg PMI dropped back into contraction- non-mfg PMI also fell. Weak export orders & inventory buildup & weak imports weighed. 5% growth achievable this year - however it's a low hurdle, - doesn't mean

that all of China's worries are over.

BoE will maintain the status quo on Nov 2. and may not share Rishi Sunak's view of halving headline inflation to 5.4% by year-end. Directionless GBP.1.2120 London /NY hourly base and 21 dma @ 1.2178 to contain.

No extension of the cap to 1.5% but BOJ instead formalised the 1% cap. With added flexibility to the JGB cap BoJ is looking to hold ultra easy policy. Japanese "Timiraos" did not get it right though . Load up for 152 break .

In sofar USDINR goes , reminded of thr "Road to Nowhere" - classic rock song by Talking Heads . It speaks to the aimlessness and uncertainty of life, but still finds hope in the journey.