

Market reaction to the CPI data considered as overdone - Does one data point really warrant a 22 bp drop in the 10-year yield that too when there would be a historic wave of issuance in 2024... 3.5x times this year!!!!

Retail sales fell 0.1% in Oct, a modest dip - What is apparent again is the bias towards spending on non-discretionary items and much less so on discretionary. Silver lining: subset of stores types aligned with consumption in GDP saw sales rise 0.2%.

PPI : Disinflation continues on wholesale pricing - typically happens after an inflation spike. (There is one thing to have inflation recede, it's a completely another thing to keep it sustainably subdued).

EZ Industrial Production declined 1.1% m/

m. On yearly basis, it fell 6.9% - simply put, stronger EUR is untenable howsoever you love to hate Dollar .Lagarde to speak today . EURUSD closed below 1.0862, 50% 1.1276-1.0448.Support at 200dma 1.0804-break there sets up 1.0755/65

"Green shoots of hope" for Chinese oil demand-Additions of gasoline-fuelled cars in China to rise by 12 million in CY 23 and by 11 million next year. Dont miss to read the big picture : Gasoline & jet fuel consumption is still growing.

Headline CPI flat m/m & decelerated from 6.7% to 4.6% y/y - Economic, political and Policy backdrop limit GBP - **below** pivotal 1.2442 200 dma undermines upside - break of 1.2327, 38.2% of Oct/Nov rise to confirm down trend could dominate into the year end .

Trade data & machine orders mixed. EUR/JPY reaches new 15-year high - long term stops being run over. 150.00 152 00 range still holding well .

Services surplus USD 14.4 bn and Trade Deficit of USD 31.5 bn- shortfall funded by reserves - inexplicably no alarm bells- the markets cheer cross subsidisation of consumption as a sign of Domestic demand - (Gold imports at USD 7.2 bn, highest since Mar 2021) - basic principle of market economics reiterated- when you don't allow market determination of exchange rate, inefficient capital allocation happens and cripples the system (Cash dollar shortage - symptom of a disease)

