

Food prices illustrate several challenges of containing inflation. Thanksgiving meal prices serve as pretty good microcosm for how inflation is still biting.

AFB's benchmark Thanksgiving dinner for ten cost \$64.05 last year - over 30% higher than 2019 - now it is down a bit to \$61.17 this year- correlates well with UN index of world food prices which is down about 25% from its 2022 peak, but it is still about 25% higher than the pre-pandemic reading.

What will you call this - disinflation or deflation ? The term disinflation is always confused with deflation - In reality, even though the rate of inflation is down, prices are still holding - they're building on Two years of historically high inflation. To expect Fed to cut rates and start QE is nothing short of being ridiculous.

OPEC+ meeting of Nov 26 delayed to Nov 30 - Speculation about dissatisfaction on compliance levels - moreover new dynamics of rising US production .Claims came in at 209k - lowest in five weeks.Durable Goods fell by 5.4%. Today Tokyo & US on holiday -

ECB Financial Stability Review: Outlook for financial stability is fragile.Nagel said rates are close to their peak - Guindos said it's premature to discuss rate cuts.EZ flash PMIs later today - can't expect any thing bit weak .**Close below 1.0850** would warn a top may be forming .Resistance at 61.8 of July/Oct fall at 1.0959.

Simple matter of fact is that given the divergent policy directions for Fed and PBoC , its unlikely the new found CNY

strength would sustain not withstanding the use of Fx reserves as monetary policy tool .Headlines now scream Zhongzhi is severely insolvent, with debts more than twice its assets - not a good sign for Financial economy -resultantly for currency

Mfg orders fell to the level since Jan 2021: CBI- tough winter for UK undermines sterling.Hunt plans to reduce debt, cut taxes & incentivize work- incoming Govt is going to have a tough time. 1.2590 held as expected and now.NY 1.2450 low and then 1.2432 10 dma to break

Kishida broke the long held "secret"- when he said BoJ monetary policy is "not" aimed at guiding FX - Japan revised economic outlook downward for the first time in 10 months- Tomorrow inflation numbers -

howsoever it turns out BoJ to stand pat - next meeting on Dec 18th & 19th - should revert back to 152.00 test.

There is a sea of difference between managing the volatility in exchange rates and strangulating the markets . Don't see any end to this logjam any day soon .