

Volker of Dec 1 turns into Arthur burns two weeks later -FOMC put giant "Mission Accomplished" banner even as they are struggling to finish even half way - it leaves everyone wondering what Fed is seeing that we may not fully appreciate yet. Is the end of positive fiscal impulse going to do some of their work for them ?

Soft landing is given up- are they preparing a hard landing .. market frenzy ignores all that nuances .. impact of inflation has been so traumatic over the past 24 months that the good news on this front (which in our opinion is not that good) quickly overshadows the other consequences.

Letting maturing bonds roll off their balance sheet combined with rate reduction should keep M2 flat. The RRP also will get exhausted with lower rates.

With diminishing RRP and flat M2 growth, from where the treasury would get money to finance \$ 7 trillion refinancing without increasing yields - just by hoodwinking the market to believe that they are cutting rates .. all said and done Market liquidity to tighten sharply by any stretch of calculation . Who cares .. buy everything mode dictates the markets ..

ECB decision later today could be a threat to the EUR/USD rally- ECB to remain on hold, but will likely provide dovish guidance. ECB could pre-announce PEPP tapering for March/April just to squeeze that measure when euphoria is currently overwhelming. Clear break above 1.0905 to be elusive - in case of break, 1.1017 test before failure .

UK has entered the pre-election phase

where every economic release gets filtered through a political lens. UK is otherwise lagging behind what's happening elsewhere -services inflation has started to fall more noticeably in EZ, we're yet to see the same in UK -hawkish BoE hold today . Bias to sell with stop at 1.2721 61.8% of the Jul-Oct fall key resistance for 1.2467.

USDJPY : Stopped out on Long trade but not yet on conviction about the upside - The 142.48 level is 200-DMA and 38.2% 2023's uptrend.**Close below** that would target 50% fibo at 139.57.

