

Davos is always seen as the show piece of Income inequality of the modern era - the theory is that as the income inequality goes higher , the stock prices go higher - But Davos ironically has a different impact - whenever the rich and mighty gather in Davos and begin to share their "expert views ", it has always led to a sell off - this year is no different ?

Its a matter of fact that this bull market depends on Fed policy, with the rally since autumn riding on the notion cuts are on the way - so all the Fed speakers matter - with Willaims (and others) speaking today ,and the release of the Beige Book as well as Retail sales, the day is fully packed .

Rationally speaking.,Global pack lacks an organic positive story to trigger sustained dollar weakness. - it's a matter of time that

the perennial Dollar bears reassess.

Lagarde speaks today - an interesting topic
"How to Trust Economics" (?) - **Villeroy**
also. 1.0875, 38.2% of the Oct/Dec rise
tested- but just holds- Sustained break
targets 1.0793 50% of Oct/Dec rise.

Chinese Deflation isn't an input but output,
and the input stems from the real estate
sector translating to broader consumption.
China has turned into a real blackhole and
shift in exchange rate regime is starting to
have some second-order effects- They
have to sooner or later re visit this new
exchange rate regime.

Atypical Recession with relatively steady
Unemployment- unfathomable but UK
shows what's going to transpire across the
globe - UK ILO Unemployment steady at

4.2% in three months to Nov. **High-impact UK CPI today - consensus sees 3.8%** in Dec (a modest downtick from Nov 3.9%). Break below 1.2610 to see downside till 1.2434.

There is no other "safe" trade other than staying Long USDJPY and earning a carry of 5 % with BoJ facilitating your way to being rich- as expected , **above 146.10**, (50% of 151.92-140.27) momentum strongly on the upside - 148.80/149.05 into focus.

Spent a short span of time below 83.00 - mind you, historically, USDINR invariably records its yearly low in Jan second week. - back into the groove 83.00 83.30 .

