If rates north of 5% aren't enough to slow the economy, there is possibility that US is in a new normal of having persistently higher rates Kashkari summed it up in his essay : current stance of monetary policy... may not be as tight as we would have assumed.

However there have been mixed signals Better ISM- but almost as many industries seeing contraction as growth.

Prices paid posted largest monthly percentage gain since 2012. (measures of breadth not magnitude)- however rate of job creation marginal- struggles retaining employees or replacing leavers.- not corroborating payroll number- One of these is out of whack. The question is, which ?

SLOOS showed that through Q4, banks tightened lending standards - borrowers reluctant to borrow - bank lending may well turn negative soon-

Farmers' protests in Europe - brushed aside by markets - reflect anger over the rising prices & low wages. **Weaker EZ PPI - Close below** 1.0700 would easily test 1.0611, 76.4% of Oct/Dec upmove -so far holds Dec's 1.0723 low.

One remembers how Miles Guo warned in 2021 that even if US, Europe & Japan gave China $100 trillion, it wouldn't be enough to save China's real estate and economy. But there is glimmer of hope with Xi getting into action - Week-long holidays start on Friday. That ramps up the pressure on policy makers - another view is that it would make sense to announce over the break, or at the end of the break for a reset of sentiment.

Pill: UK economic activity has been quite weak. Cautious consumers & cold weather cooled retail sales - 1.2524, 38.2% of 2023 range tested as expected - but held - downside opens below 200 dma 1.2561.

Japanese wage growth continued- but not enough to trigger imminent policy action. Household spending falls for 10th consecutive month. Stay long for 151.92