

Policy winds in global economy have been buffeting both the supply & demand sides , each with uncertain magnitudes and lags forcing Two Prime Ministers to bow out of office .Given FX markets consider fiscal risks far more seriously, consensus of the Weak dollar hypothesis may not have further wings.

Friday's payroll showed a labor market which was no longer tight, but far from acutely weak. But markets do not care for those niceties as they force Powell to cut rates even amidst lingering Inflation fears- Core CPI to matter most, but markets won't sweat as it is very difficult to even envisage CPI number that could overwhelm this jobs report. 1970s redux

Market is expecting too much from Fed - but you cant fault the markets as Fed has trained them hard since GFC to think on those lines - As Humphrey Neill, the father of contrarian analysis, liked to say: "When everyone thinks alike, everyone is likely to be wrong"

Hassett talked what markets want to hear He said Fed must remain fully independent of political interference — including from Trump himself.

However , Of immediate interest is that BLS would release preliminary benchmark revision to the Establishment Survey today , and there is potential for even weaker employment from April 2024 until now .Just remember , Last year's benchmark revision showed a large negative number & created lots of noise - no certainty this year's revisions will also be negative.

Bayrou lost the confidence vote - bigger news is internal divisions to undermine attempt at forming stable central bloc.

Public spending would rise by €51.1 bio next year pushing deficit to 6.1% of GDP-Can you believe France had a surplus 50 years ago.Weekly close above 1.1745 - still to happen- would target return to 2021 peak at 1.2349.

China's export growth slowed to weakest in six months-Exports to US fell 33%, the fifth month of double-digit declines.

Luckily , Starmer's cabinet reshuffle did not touch Reeves, who is seen as epitome of credibility - Gilts still remain the weak link for GBP USD. Would short this rally with 1.3588 stop

Return to revolving-door prime ministers who dominated 1990s and late 2000s, before Abe restored stability in 2012.Only real certainty, is that the incoming Prime Minister whoever it might be (seems to be down to two candidates), will lean more on fiscal stimulus. 146.50 148.50.

As expected ,upside precisely held at 88.35 on Friday - for now , Pretty obvious we wont see impact of widespread USD weakness here - 87.95 88.35 .