One Battle After Another has won best picture at the Academy Awards - in a sign of the times that we are living in , the title describes relentless, back-to-back cycle of challenges that markets have been facing.

Understanding how far this War and supply shocks will last remains the priority for markets. However, with no clear end in sight, questions surrounding the war's long-term effects continue to be the key question.Waiting for the exhaustion by either side seems to be the only choice at hand now.

Its probable that rising long-term Treasury yields would be one gauge as to how far the military ambitions can sustain , as it determines how expensive it is to sustain the operation.

According to estimates, the war is costing about $891.4 million per day for US.With 10-year Treasury yields near 4.3% and US nominal GDP growth averaging 5.3% y/y the past ten years, growth exceeds cost of borrowing. But buffer is thin on stagflation risk from sustained energy shock.

A busy week for central banks across the world , as they face inflation-growth trade off.Much will depend on their views as to whether the negative supply shock from higher energy prices proves persistent enough to push inflation higher.Only the RBA and BCB are expected to adjust policy rates, with all other central banks poised to stand pat.

ECB 's oft repeated 'good place' challenged by the energy shock - if current situation persists through to April meeting, a hike is distinct possibility. EURUSD:Decisive break below 1.1540 targets Aug 25 low at 1.1392.

First day of US-China trade talks in Paris yesterday without any development.Befor Iran energy crisis & latest round of China-US trade talks, China's retail spending grew 2.8 % & fixed-asset investment rose1.8 %.
However, debt overhang continues to fuel the vicious circle house price decline.

BoE sensitive to energy prices -monetary policy report & summary key.Savills said UK households spent a record £226bn to keep a roof over their heads last year and housing costs have gone up by £66bn over past five years, a rise of 41%. GBPUSD hits 1.3231: lowest since Dec 3 low.1.3203 break should see break of key 1.3000 zone.

USDJPY hit 159.75 - highest since 161.76 on Jul 11 2024 before fall to 139.58 Sept 16, '24. Note the peak was 161.96 on Jul 3 '24.Japanese & South Korean officials agree to act on FX but to no avail.Trump's call for Japan to send warships to Hormuz puts Takaichi in bind. 159.25- 159.75.

USSINR at 92.45 continues.