

Birthday present wrapped in a fair measure of uncertainty. While the agreement represents the most significant diplomatic breakthrough since the war began, markets will remain on edge until text of the US-Iran deal is signed & released - it's still plausible that the biggest tests for long-term peace are certainly yet to come.

In such high-stakes diplomatic agreements, success or failure usually hinges on the details. And here, the details are scarce. Hence there is likely to be a lot of spin on both sides resulting in violent price action - so FX and Bond markets broadly are cautious and choose to stay in the range whereas the risk and equity stay buoyant.

Oil Prices plunge despite common knowledge that it could take months to restore the Gulf's energy production amidst the question as to whether shipping companies and insurers will feel the strait is safe enough for passage.

Mismatches between global trade and capital flows on China's surging exports, chronic U.S. deficits and Europe's weak investment risk could dominate discussion at Evia G7. It will be touch and go if Trump completes G7 summit. Other G7 leaders have to decide whether to look ahead, or pass verdict on war that has upended global world economy.

UoM Consumer sentiment 48.9 is off its lows, but remains very weak. Consumption driven by higher-income households who are buoyed by big wealth gains, whereas sentiment reflects the median American.

June 16-17 FOMC will mark Kevin Warsh's first as Fed chair. The center of gravity has shifted from an easing to a neutral bias. Focus will be on the degree of hawkishness.

Swiss voters rejected the proposal to cap population at 10 million in what's called "Swiss Brexit" - relief for Europe as a whole. Seasonality is one factor for EUR/USD which has risen in June (16 of last 26 years) - close above 1.1650 would reinforce. However 1.1633 38.2% of 1.1849 to 1.1500 (Apr to June) is tough for now.

Outstanding Chinese govt debt balance surged to 100.6 trillion RMB by the end of May 2026, (46.55 trillion RMB in 2020). Massive capital funneled into state projects with diminishing returns, raising real threat of Japanese-style balance sheet recession.

Thursday is key - BOE to keep the rate at 3.75% for fourth straight meeting - 7-2 vote split is likely (8-1 split Apr 30). Makerfield election happens on the same day. Burnham-led Labour govt will lead to more spending and borrowing, worsening UK fiscal credibility. This political backdrop can amplify a GBP decline. 1.3350 1.3450.

The Iran deal may take some heat off the BOJ but it won't change where rates are going. Ueda will be absent due to hospitalization. Himino will serve as acting chair while Uchida,

will host the post-meeting press conference. 159.50 160.50.

Rupee cheers the oil down move - still would reckon 94.45 to support and consolidate the uptrend .