AI spending and capital allocation remain in sharp focus this week, driven by Meta's plan to raise up to $95 billion in capital over coming quarters to finance its AI infrastructure.

This underscores a broader trend: demand for capital is accelerating just as net national saving has fallen from a long-run average of 6.8% of national income to near historic lows, creating a sharp disconnect between capital needs and available domestic savings.

Hence an inevitable mix of higher real rates, tighter financial conditions, and reduced liquidity- Leads us to not a simple forecast of continuously rising interest rates, but rather a more volatile interest-rate regime.

Defining moment for the markets as Anthropic prepares to go public in challenging environment. If Anthropic is the pioneer defining how the world interfaces with a new computing paradigm -much like Linux was viewed as the foundational layer of the 'new internet'- doubts do surface as to whether this is the AI boom's VA Linux Systems moment: a classic top-of-the-market IPO debut.

US equities otherwise continue to stay resilient- Early third-quarter results remain strong, with about 84% of reporting S&P 500 companies (roughly a quarter of the index) topping earnings estimates.

Focus is on FOMC - Holding rates steady now would strengthen the case for only quarterly hikes going forward. This is already largely reflected in current pricing. Warsh as usual could continue with his constructive Ambiguity which has now spread across the world of Central bankers.

French bond spreads extended relief rally on Moody's refraining from downgrading France, which still holds its double-A rating. French market turmoil makes Options market to stay wary of deeper EUR/USD decline. However, sixth monthly rise in Ifo index strengthens narrative of German resilience. 1.1173 break to test 1.1113.

China : Profits at industrial firms rose 14.4% y/y (4.2% in Aug) - tech boom widens economic divide

Healey is set to deliver a carefully crafted budget tomorrow - Shop price inflation has risen to the highest level in two and a half years - GBPUSD repeated failures at 55dma -currently at 1.3408, leads to momentum loss aiming at 1.3300 psychological lvl and 1.3268 daily low Oct 16.

LDP compiled a proposal for govt to gradually cut subsidies for gasoline (The subsidy currently amounts to about ¥43 per liter) - the offsetting proposal to cut consumption tax is

from April. So inflation to stay well entrenched .Strong support at 155.96, 50% of 152.89-159.03 - as that holds expect a stab at 159.03.

The equilibrium level at 95.20 is here - stasis...