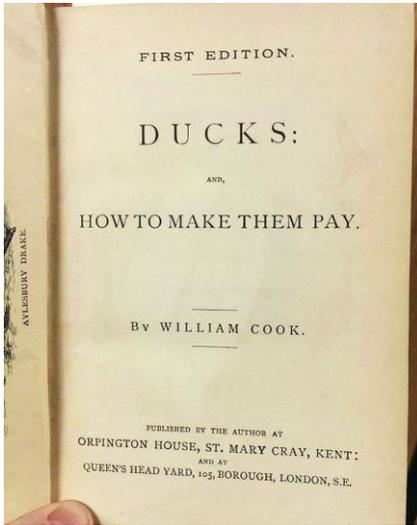


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FX

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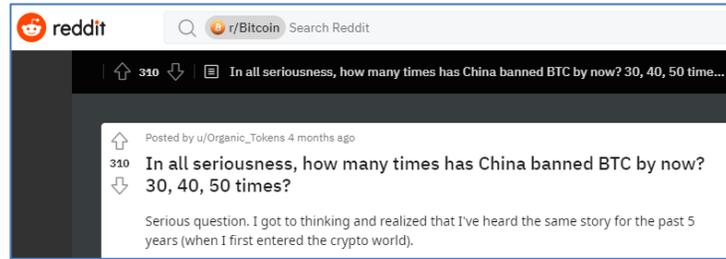
Current Views

Flat

Peaking

BTC banned in China (again)

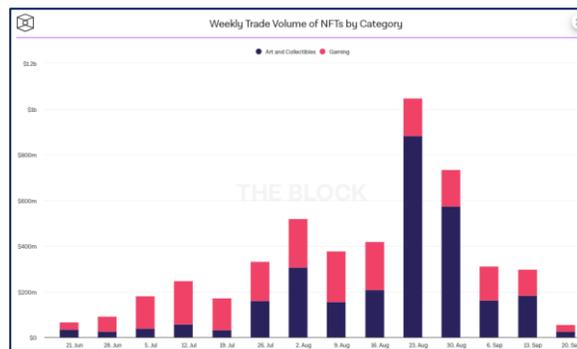
The Reddit post below, from four months ago, is exactly what I was thinking when I saw the China headlines on bitcoin this morning.



It feels like that because: first they banned banks from handling BTC transactions (2013), then they banned local exchanges and ICOs (2017), then they cracked down on miners (July 2021) and today another step in the same clampdownish direction.

Prior China news has had a one or two-day negative impact at most on bitcoin, but the weak side is lower for now, regardless of the China news. Solana Summer is over, the Loot frenzy looks like a major peak for NFT mania, the El Salvador launch on September 7 was the ding dong high for BTC ([predictably](#)), and there is nothing very exciting going on right now, narrative-wise. Here is weekly NFT volume over the past few months. Oof.

NFT volumes collapse post Loot mania peak in late August



<https://www.theblockcrypto.com/data/nft-non-fungible-tokens/nft-overview/weekly-trade-volume-of-nfts>

It will be interesting to see how crypto trades in Q4 in the face of reduced global monetary accommodation and a lack of fun stories now that NFT mania has peaked in the short term and Solana looks like a blowoff top. My guess is that crypto struggles for a while as Fed taper, BoE hawkishness, etc. takes a bit of wind out of the dollar debasement / "fiat gonna collapse!" narrative.

Air ball

Trade ideas don't come much worse than my S&P short yesterday. It was in the money for about nine minutes. Then stopped out at the highs at 3 p.m. **To me, this still looks like a bad environment for stocks** (weaker US consumer as benefits roll off, central banks hiking into an energy crisis in Europe, China deflationary real estate headwinds bad for commodities ex-oil, peak fiscal, peak monetary, peak crypto...) But my timing was horrendous yesterday and my stop was in the wrong place. Moving right along...

Japan LDP race: All you need to know, in 209 words

The September 29 LDP race is not likely to be a huge market mover... BUT... the low-delta and very interesting outcome from the race would be a win for Sanae Takaichi. This looks like a 5%-15% probability, depending on who you ask. A win for Ms. Takaichi will be traded as a clearly bullish USDJPY outcome.

The leadership election process could take more than one round, and run-offs can be trickier to predict than straight up one-round elections. As such, this should be on your radar if you care about any Japanese financial market. A win for one of the other three candidates (Taro Kono, Fumio Kishida, or Seiko Noda) would not matter much for the yen. Mr. Kono and Mr. Kishida are the clear favorites and while there are some long-term concerns for USDJPY under a Kono or Kishida win, it's more like status quo.

My guess is that a win for Ms. Takaichi would be good for ~1.50% higher in USDJPY and that might feed on itself given the series of stacked up bull triangles on every fractal. There has been some interest in buying USDJPY topside because its coiling like mad, vol is extremely low, rates are flying, and the election offers a nice potential kicker.



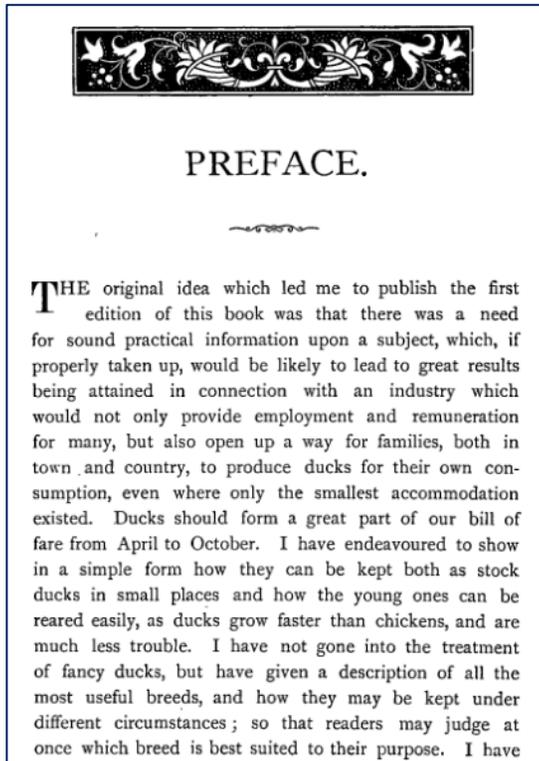
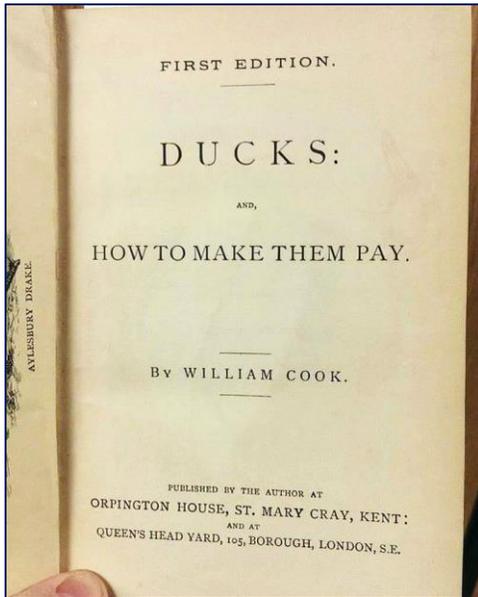
Video killed the radio star

I will be on SiriusXM channel 132 (Business Radio) today with my friend (and WisdomTree's Global Head of Research) Jeremy Schwartz ... 12 noon to 1 p.m. please tune in for some macro talk and (probably) a few laughs. If it's good, I will post the podcast link for anyone that doesn't hear it live.

Have a ducking amazing weekend.

good luck ↑↓ be nimble

Clickbait, 1890 style



@outspanned

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AM/FX is Brent Donnelly's must-read daily macro letter, published since 2004.

It is a clear and concise daily look at one or two important topics related to global markets. Brent talks macro, narrative economics, trading strategy, tactics, positioning, technicals, and market psychology as he covers whatever markets are in play. Topics covered include FX, crypto, stocks, fixed income, commodities, and macroeconomics.

Brent's huge network of hedge fund, real money, central bank, and trading contacts give him unique insight into what's driving markets today, and what will move markets tomorrow.

Brent offers actionable analysis, clear directional views, and real trade ideas as he helps you surf the current narrative. He puts new themes on your radar before they hit the mainstream.

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