

am
FX

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G10 currency name pluralization:

- dollars
- euro or euros
- Canadian dollars
- Aussie dollars
- NZ dollars
- UK pounds
- Japanese yen
- Swedish kronor
- Norwegian kroner
- Swiss francs

Current Views

Short USDJPY @ 136.11

Stop loss 137.15
Take profit 133.15

Happy Place

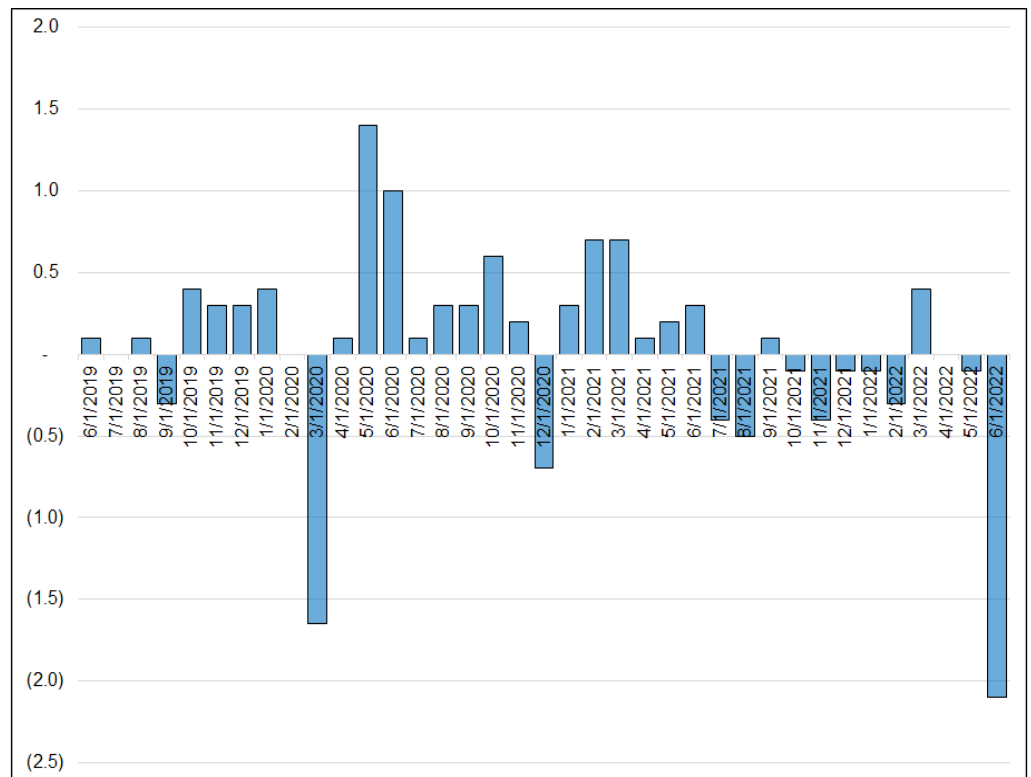
It feels like we have found a bit of a happy place here in markets as the inflation panic is over but there is not clear evidence of recession (most have it as 50/50, which is not particularly helpful). That's probably good for risky assets in the short run and bad for vol as the raging rates inferno calms.

I have been saying that the data is more important than the Fed speak at this point as the forward guidance is not credible anymore and the Fed is just reacting to spot data as it comes out given nobody has a clue how long this shock is going to last. Problem is, there's no real important data for a bit so we're left with all the month end shenanigans and not much else to chew on, theme-wise.

I think it's best to exit the EURUSD long. I was playing for a reversal, and we kind of got one but now with the PMI super bad and month end coming, the trade feels a bit random. Rate differential momentum has turned back down and the play I was making sorta kinda worked but never got much topside acceleration. I'm out with a tiny profit.

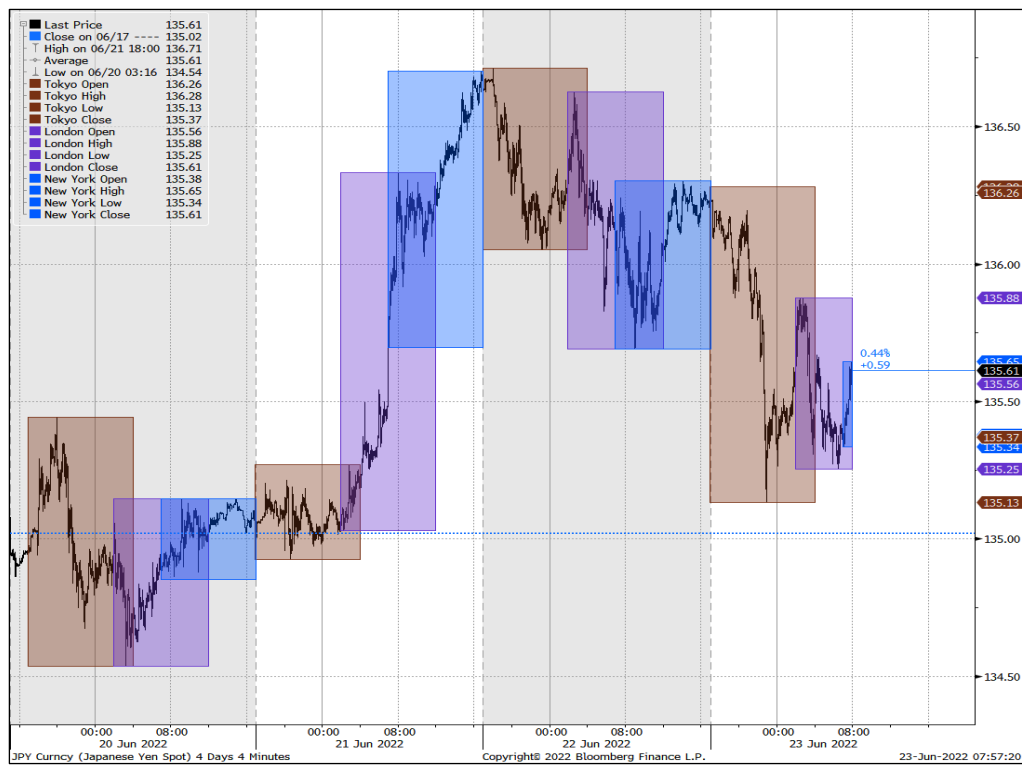
For perspective, here's the Eurozone Composite PMI miss vs. expectations back to June 2019.

Eurozone Composite PMI miss vs. expectations



I still like USDJPY lower. Especially encouraging for the USDJPY short is that Japan sold aggressively again last night. It would be nice to see a day where *New York* sells USDJPY! Here's the USDJPY time of day chart, up to date:

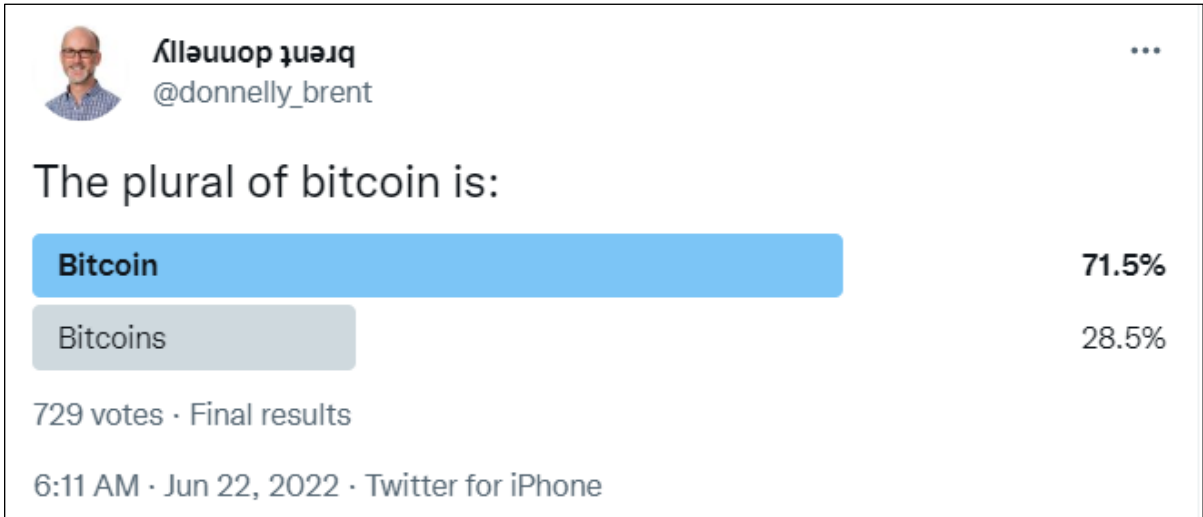
USDJPY by time zone (Tokyo, London, New York)



Final thought

Keeping it short today as it feels like a quiet one. Have a singular day.

good luck ↑↓ be nimble



Why is this what I'm thinking about at 6:11am? Strange kid.

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