

## Stranger than fiction

Markets have rebounded following yesterday's missile scare, but the post-incident analysis is hard to fathom



Iranian missiles

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### US casualties from the Iran missile attacks

Good, but curious

#### Where is Raymond Reddington?

If this were not a daily market opinion piece, but a Netflix drama, I don't think I could have written more twists into the storyline: First, a pariah nation has its top general assassinated and retaliates with a missile attack on the enemy's bases. But what's this? No casualties. And it now seems as if the missiles were targeted to minimise casualties. Could they have been forewarned? Some Iraqi sources are saying yes, they were.

Had Qasem Soleimani gone rogue? Was this a win for Iran as well as the US? And has all the browbeating and public wailing and gnashing of teeth just been for public consumption in Tehran?

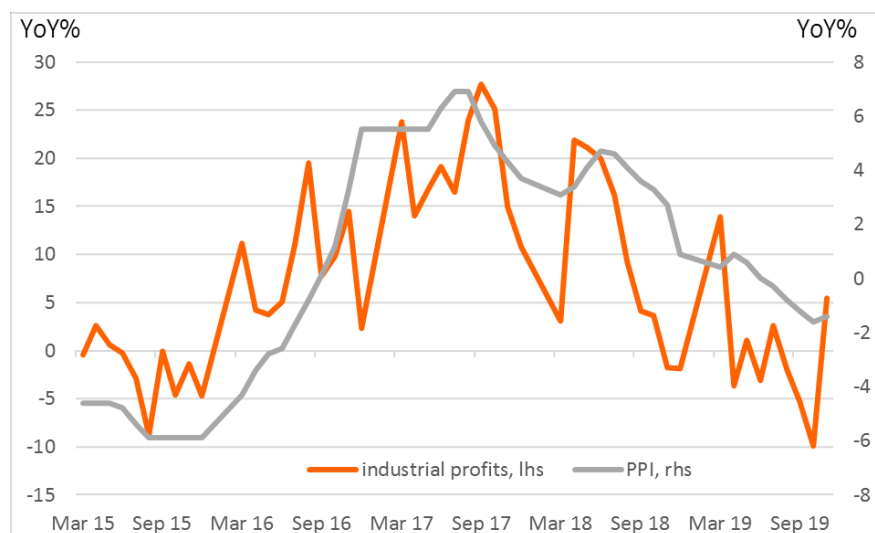
It goes without saying that the market reactions I had flagged yesterday in the event of a more forceful US reaction no longer apply. I shall be very cautious before making any interpretation of

future events, as the world I thought I lived in, now more closely resembles one of the better episodes of the fictional drama *Blacklist*.

And when viewed in the context of CEOs of massive conglomerates escaping justice in private jets and in disguised musical instrument boxes, you are left wondering, what next? Can the forthcoming James Bond movie, due for release in April offer more intrigue?

And at what point will Jack Reacher start to negotiate a phase-2 trade deal with China?

## China's industrial profits growth and Producer Price inflation



China's PPI and IP

## Quiet day in Asia

There isn't much on the calendar today in either Asia or the G-7. Chinese PPI for December might be worth a look when it is out, given its correlation with industrial profits. It is expected to moderate its decline from 1.4%YoY in November.

And yesterday's US December ADP result of 202,000 private job creation suggests a decent payroll reading on Friday which could provide further market support. But we won't get anything else today with any US labour market implications.

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