

Long weekend ahead but the geopolitical tape keeps running. While there are signs of optimism, uncertainty reigns and the broad risk undertone is in an unusually reactive state.

Warsh Era begins : Swearing-in ceremonies have typically taken place at the Fed, without the President in attendance - this is the first time a Fed chair will be sworn in at the White House since Greenspan in 1987. the inauguration at the does send a signal, at a delicate moment. (Fed's independence is fiercely guarded . When a President stands next to a Fed Chair while they take the oath or hosts it on White House, it often sparks intense scrutiny)

Flash PMI readings show the global slowdown deepening . Claims totaled 209k about as expected- story remains the same with the modest pace of firing's as measured here. In contrast to May NY manufacturing index, the Philly index fell to -0.4 from +26.7. It's the first negative print of 2026,

What's getting less attention is the ISM Prices Paid was at 84.6. That's not war premium, that's domestic pipeline pressure that exists independent of whatever happens in the Middle East. The real trap is if the war ends and oil pulls back and if headline CPI drops everywhere and if market declares victory and then pipeline inflation can hit few months later. That's the scenario that ends badly.

One interesting piece of data : In March 2026, Turkey recorded its largest single-month US Treasury selloff ever, cutting its holdings from \$ 16.9 bio to \$ 1.78 bio. (Turkey was building its US Treasury position to \$ 20.47 bio in 2024)

One-month G7 FX implied volatility is near the lows of the year, suggesting the FX market is not priced for any dramatic news trends. The story since mid-May, however, has been the hawkish re-pricing of the Fed cycle and a stronger dollar

European PMIs indicate that the stagnationary effect is just starting to land in Europe. The re-pricing of both the Fed and the ECB policy cycles has seen the two-year EUR:USD real yield differential move 30bp against EUR/USD over the last two weeks. Lagarde today. Obj 1.1500 below 1.1650

NDRC has moved to clarify that foreign investment in Chinese technology companies has never been prohibited.

UK borrowed £24.3bn in April as inflation adds to benefits bill. Figure comes amid rising cost of pensions as bond market jitters take monthly debt interest to £10.3bn. Reeves will cut VAT to 5% on summer attractions. 1.3304 gettable below 1.3454 .

Japan's headline inflation 1.4% y/y. The numbers look calm, but the energy shock is loading

the spring. Govt energy subsidies drove down energy and utility prices. BOJ finds itself navigating an awkward stretch of the rate cycle. The intervention threat is dissipating . Buy this break for 161 test with 158.50 stop.

Dividend transfers have surged 55-fold over the past two decades. Global capital appears reluctant to appreciate the notion that fiscal deficit could be funded through consistently weaker Rupee. Swap auction ammunition loaded now in the guns and new intensity seen. Fascination with 80s and 30s set to continue