Fed has seemingly adopted the Olympics slogan of "faster, higher, stronger" for its stance on rate hikes.

Powell once again reiterated that FOMC needs to see "compelling" evidence that inflation is rolling over before it feels comfortable taking its foot off the brake.

Ultimately, the difference between 50 and 75 bps is somewhat small, but this hike boosts Fed's credibility and demonstrates that door is open for similar adjustments at future meetings. This suggests to us a much more sensitive reaction function from the FOMC, and similar upside inflation surprises in the future very well may be met with equally aggressive action.

However ,It would appear in real time that this is Powell's "open sesame": assurances that only smaller increases are in the forecast.Of course, this is the same thing Powell said in the presser following May FOMC - that "75 bps was not being considered." For the rest of that trading day in early May, indices spiked higher, considering it as good news.

But in the trading days that followed, a palpable feeling of regret overtook market participants, with many tracing their remorse back to Powell's comment.

Not to forget that Fed's balance sheet began to decline this month and will continue to do so for the foreseeable future. (Quick recall, Fed will allow up to $30 billion Treasuries to roll off th balance sheet each month from June through August. Fed will also allow up to $17.5 billion MBS to roll off the balance sheet per month for now).

Another finer point is that US reserve balances have declined sharply on a year-over-year basis even before Fed launched QT. Deteriorating liquidity does not bode well for risk assets such as stocks.

*B*etting the long shot in the Belmont horse race makes more sense than betting on risk assets and equities .

Short the dollar at your peril..