

WEEKLY TRADER CALL SUMMARY - RUSSELL THOMPSON

Risk Rally To Be Faded

Weekly Market Update

Iran headlines continue, but markets are beginning to price in resolution. Equities are at all time highs, oil is down double digits on the week, and crypto ETFs just saw another billion dollars of inflows. We still view the Iran situation as a "taco trade" that ends in a deal and a risk rally, but expect that rally to fade below key Bitcoin resistance as liquidity tightens in the financial system.

GEOPOLITICS: SAME STORY, DIFFERENT WEEK

The Iran situation remains highly fluid. The US has seized or attacked an Iranian cargo vessel and renewed peace talks are due to start in Pakistan today, with JD Vance en route. Russell continues to characterise this as a taco trade: plenty of noise and brinkmanship, but ultimately a move toward ceasefire and reopening of the Strait of Hormuz. The difference this week is that markets are starting to price that outcome in, particularly in oil and equities.

RUSSELL THOMPSON, CIO

"I am still firmly of the belief this is a taco trade. We are going to get a risk rally. We are going to get that rally from extremely high levels. We hit all time highs on equity indexes last week. This is a risk on rally that should be faded."

In a recently published article on the Hilbert website, Russell sets out his broader framework for thinking about liquidity and Bitcoin, explaining why he views the current environment as one where investors should be looking to fade strength rather than chase breakouts. The piece walks through how tightening financial system liquidity can cap medium term upside for Bitcoin, even in the face of an eventual Iran resolution and renewed risk appetite, and is recommended reading for clients who want a deeper dive into the thinking behind this week's "risk rally to be faded" stance:

Link to Russell's article: <https://www.hilbert.group/en/bitcoin-where-next-the-liquidity-lie/>

MACRO DATA: COLD AGAIN IN THE US

US: Inflation And Growth Both Soft

Indicator	Actual	Expected	Read
Existing Home Sales	Miss	Above actual	Cold
PPI (m/m)	0.5%	1.2%	Cold
PPI (y/y)	4.0%	4.6%	Cold
Industrial Production	-0.5%	+0.1%	Cold

Source: Hilbert Trader Call, 20 April 2026

The inflation and activity data from last week were uniformly soft. PPI missed both month on month and year on year, and industrial production printed negative. Russell's conclusion is unchanged: there is no justification for rate hikes in the US. Inflation as he tracks it is now just above 1 percent on a core basis, and the growth data are weakening into an oil shock.

Europe And UK

Region / Indicator	Result	Hilbert View
Eurozone CPI	3.4%	A little warm, but still no case for ECB hikes
UK Industrial Production	0.5% vs 0.2% expected	Mild growth positive; does not change no hike view

Source: Hilbert Trader Call, 20 April 2026

RATES: HIKE HYPE FULLY UNWOUND

Fed Funds Futures

Fed fund futures have moved decisively back toward a sensible configuration after the brief period of aggressive hike pricing in early April.

Meeting / Scenario	Probability	Comment
April / Current meeting	97.9% hold	2.1% hike; Russell sees zero chance
December / No change	68.0%	Normalising toward base case
December / Hike	1.4%	Effectively dismissed
December / Cut	30.0%	Back to a meaningful ease probability

Source: Hilbert Trader Call, 20 April 2026

US Yield Curve

Instrument	Level	Comment
10 Year Treasury	4.25%	Little change
2 Year Treasury	3.70%	Little change
2s10s Spread	54bp	Curve slightly steeper

Source: Hilbert Trader Call, 20 April 2026

Russell reiterates his medium term view that the US yield curve will flatten into the second half of 2026 and would not be surprised to see it invert again. For now, the modest steepening reflects long end rates edging higher relative to the front end as markets price in some Iran resolution and strong equity performance.

MARKETS: EQUITIES AT HIGHS, OIL OFF THE BOIL

Asset	Level	Change (w/w)
Nasdaq	26,700	+2,000 (all time high)
S&P 500	7,120	+500
Gold	\$4,830	Up on week
WTI Crude	~\$90	-14% on week (bounce this morning)
Dutch Nat Gas	Down 20% on month	Down on week
US Dollar Index (DXY)	98	-1% on week

Source: Hilbert Trader Call, 20 April 2026

Equities have pushed to new highs in spite of the geopolitical overhang. WTI is notably lower on the week, down 14 percent, reflecting a combination of improved sentiment on Iran and demand concerns. The dollar is weaker, and European gas prices are sharply lower on the month. Russell's interpretation is that markets are increasingly pricing in an Iran resolution, even as the headlines remain noisy.

CRYPTO: BILLION DOLLAR WEEK FOR ETFs

Flows And Volatility

Crypto ETFs recorded about **1 billion dollars of net inflows** last week. Monday saw outflows, but the next four days were strongly positive. This follows the 500 million dollars of inflows in the prior week and confirms a renewed institutional bid into the space.

Metric	Level	Comment
Realized Vol	41.5%	Little changed
Implied Vol (ATM)	43.5%	~2pt premium to realized
5d Put Implied Vol	58%	17-18pt premium vs calls
5d Call Implied Vol	41%	Below ATM; wings discounted

Source: Hilbert Trader Call, 20 April 2026

Options anomaly: Despite all time highs in equities and growing odds of peace in the Middle East, the options market still prices a 17 to 18 percentage point premium for downside protection. Call wings are trading below at the money volatility. Russell emphasises that calls are "extremely cheap" at these levels. For investors seeking exposure to an Iran resolution rally in Bitcoin, call options offer attractive asymmetry.

Bitcoin Technicals And Gamma

Bitcoin rallied strongly over the week. Hilbert's 7-21 indicator has turned firmly bullish. Price has broken and held the 100 day moving average at **\$74,300**. If BTC can hold above this level for several days, Russell sees the potential for it to become a solid new base of support, particularly if Iran headlines move toward resolution.

Level	Price	Notes
100d Moving Average	\$74,300	Broken and held; key short term pivot
First major resistance	\$83,000	200d MAs clustered here
Second resistance	\$86,500	Next upside target
Gamma concentration	\$75,000	Significant gamma on both calls and puts
Additional gamma	\$80k, \$85k	Market makers active around these strikes
Expected trading band	\$73.5k to \$76k	Delta hedging likely to pin price without new news

Source: Hilbert Trader Call, 20 April 2026

With substantial gamma around \$75k on both the put and call side, Russell expects market makers to be actively delta hedging in a relatively tight band between roughly \$73.5k and \$76k. Without a new macro or geopolitical catalyst, this gamma structure is likely to keep Bitcoin pinned in that range.

Positioning

Open interest in Bitcoin options sits at 252,000 contracts, right in the middle of the recent range. Russell's read is that leverage in the system is not excessive. This, combined with cheap calls and expensive puts, supports the view that the market is still more worried about downside tails than positioned for an upside squeeze.

STABLECOINS: USDe UPDATE AFTER KELPDAO EXPLOIT

KelpDAO Exploit And DeFi Spillover

KelpDAO suffered a major exploit of nearly 300 million dollars over the weekend. This had a knock-on effect across key DeFi tokens such as Aave, Uniswap, and Chainlink, all of which traded down initially before starting to recover. Aave alone saw around **9 billion dollars of deposit flight** as counterparties derisked.

Ethena responded by closing its cross-chain bridge temporarily as a precaution. Hilbert has reviewed the situation and does not see any imminent risk to USDe from the KelpDAO exploit, though we continue to monitor the situation closely. Stablecoin positioning at Hilbert remains unchanged.

USDe Metrics

Metric	Level	Change
USDe TVL	\$5.7bn	~\$0.1bn w/w
USDe Money Market (USDtb)	\$938m	Stable
USDe Yield	3.8%	Up from ~3.5%

Source: Hilbert Trader Call, 20 April 2026

Hilbert stance: Despite the KelpDAO exploit and the temporary bridge closure at Ethena, Hilbert does not see a need to adjust USDe exposure at this point. The protocol level reserve changes discussed last week remain the more important driver of structural risk in USDe. The team continues to monitor both Ethena's reserve strategy and DeFi counterparty risk closely.

BY THE NUMBERS

FED FUNDS FUTURES

Scenario	Prob
April hold	97.9%
April hike	2.1%
Dec no change	68.0%
Dec hike	1.4%
Dec cut	30.0%

RATES (20 APR)

10Y Treasury

4.25%

2Y Treasury

3.70%

2s10s Spread

54bp

KEY MACRO DATA

US PPI (m/m)

0.5% vs 1.2%

US PPI (y/y)

4.0% vs 4.6%

US Ind. Production

-0.5% vs 0.1%

EU CPI

3.4%

UK Ind. Production

0.5% vs 0.2%

MARKETS

Asset	Level
Nasdaq	26,700
S&P 500	7,120
Gold	\$4,830
WTI	~\$90
Dutch Nat Gas	Down 20% m/m
DXY	98

CRYPTO SNAPSHOT

ETF Flows (w/w)

~\$1.0bn

Realized Vol

41.5%

Implied Vol (ATM)

43.5%

5d Puts

58%

5d Calls

41%

Put Premium

17-18pt over calls

BTC OI

252k contracts

BTC LEVELS

Level	Price
Res 2	\$86.5k
Res 1	\$83k
100d MA	\$74.3k
Gamma focus	\$75k
Pin range	\$73.5k - \$76k

USDe (ETHENA)

TVL

\$5.7bn

USDtb

\$938m

Yield

3.8%

Status

Bridge closed after KelpDAO exploit; no change to Hilbert exposure

DEFI STRESS

KelpDAO exploit

~\$300m

Aave deposit flight

~\$9bn

Affected tokens

AAVE, UNI, LINK (recovering)

TOP 10 BY MKT CAP - 7D

#	Asset	7d
1	BTC	+6.07%
2	ETH	+5.53%
3	XRP	-0.90%
4	BNB	+4.67%
5	SOL	+4.05%
6	TRX	+2.45%
7	DOGE	+3.81%
8	HYPE	-1.53%
9	ADA	+3.41%
10	LINK	+5.57%