WEEKLY TRADER CALL SUMMARY – RUSSELL THOMPSON

85,000 In Sight As Clarity Act Gets A Date

Weekly Market Update

Bitcoin is approaching its 200 day moving average at 85,000 and a clean break above it would signal re-entry into full bull market territory. Iran rejected the latest US proposal overnight, raising the risk of renewed bombing this week, but Russell maintains his view that this is ultimately a taco trade. The Clarity Act has a semi-firm markup date of 14 May, while UK politics is entering a period of acute instability that supports Hilbert's view on sterling and gilts.

GEOPOLITICS: IRAN REJECTS PROPOSAL, RISK RISES

Iran responded yesterday evening to the latest US proposal, and Trump immediately described the response as totally unacceptable. The Iranians appear to have conceded ground on a few points, including a willingness to transfer at least some enriched uranium to a third party and a stated desire for a complete end to all hostilities. Nevertheless the details were not acceptable to the administration. Oil spiked 3 to 4 percent overnight, Bitcoin initially fell before recovering, and gold moved higher.

Russell's assessment has not changed. He still views this as a taco trade that will ultimately be resolved, but he considers a resumption of bombing this week to be a genuine possibility and notes that markets would not like that outcome. The new Iranian government appears considerably more hardline than its predecessor, making a deal that Trump can credibly present as a success difficult to construct.

> **Risk flag this week:** Resumption of Iranian bombing is a live scenario. Russell views the taco trade thesis as intact but acknowledges markets would react sharply to escalation.

CLARITY ACT: MARKUP DATE SET FOR 14 MAY

The Clarity Act now has a semi-firm date for Senate Banking Committee markup: Thursday 14 May. Russell describes this as unequivocally bullish for crypto. He notes that the move is to a meaningful degree already priced in, given the broad market expectation that the bill will clear this stage, but getting it formally into markup is still an important step.

As discussed in previous weeks, the amended text does not permit yield on stablecoins in a traditional interest sense but does allow crypto companies to pay rewards tied to bona fide activities or transactions. The timeline remains critical: the bill needs to make progress before the summer congressional recess to avoid being delayed by approaching mid-term election dynamics.

UK POLITICS: LABOUR IN CRISIS, SHORT STERLING INTACT

Labour was comprehensively defeated in the UK local council elections, losing approximately 1,500 councillors and control of Wales for the first time. Reform was the main beneficiary. Russell's assessment is blunt: if a general election were held today, Nigel Farage would be the next Prime Minister.

Backbencher Katherine West has signalled she will attempt to trigger a Labour leadership election unless meaningful change is made. Deputy Prime Minister Angela Rayner has signalled an alliance with Manchester Mayor Andy Burnham, who is not an MP but would be a leading candidate in a leadership contest if he could secure a by-election. Starmer has a major speech today and Russell considers an attempt to unseat him this week to be a live possibility.

> **Hilbert view:** Short UK assets. Gilts have been under sustained selling pressure for a month and Russell expects this to continue. Sterling is holding in for now but the political backdrop remains a headwind.

UKRAINE: PUTIN SIGNALS END PHASE

At the Victory Day parade and subsequent press appearances, Putin stated that the war in Ukraine is entering an end phase and could soon be over. Russell characterises this as mildly bullish but notes the obvious gap between words and actions. The comments were noted but not viewed as a major market catalyst.

MACRO: SWEET SPOT FOR THE FED, WASH CONFIRMED AS NEXT CHAIR

Last week's data landed in what Russell describes as a sweet spot for the Fed: a firm labour market with inflation expectations softening, giving the central bank no urgency to act in either direction.

Indicator	Actual	Expected	Signal
Non-farm Payrolls	115k	62k	Beat (firm labour market)
Average Hourly Earnings	3.6%	3.8%	Miss (soft wages)
ISM Services PMI	53.6	53.7	Slight miss
Michigan Consumer Sentiment	48.2	49.5	Miss
Michigan Inflation Expectations	4.5%	4.7%	Miss

Source: Hilbert Trader Call, 11 May 2026. NFP revisions: Feb and Mar combined -16,000.

It has also been confirmed that Wash will be the next Federal Reserve Chairman, removing a source of uncertainty that had been hanging over rate markets.

This Week's Data Calendar

- Monday (today): Chinese CPI (already released, came in at 1.2 percent versus 2 percent target, manageable for China which is the only major economy actively injecting liquidity at scale)
- Tuesday: European CPI and US CPI
- Wednesday: UK GDP and US retail sales
- Friday: US industrial production

Fed Funds And Rates

Fed funds futures are pricing 95.8 percent probability of no change at the June meeting and 4.2 percent for a cut. By December, 72.3 percent expects unchanged, 6.4 percent expects a cut, and 21.3 percent expects a hike. Russell views the December hike probability as completely unrealistic.

US 10 year yields are at 4.38 percent, unchanged on the week. The 2 year is at 3.92 percent, up three basis points. The 2s10s curve has flattened a further three basis points to 47 basis points. Russell continues to expect a bull flattener to develop over the medium term, driven ultimately by the front end rallying rather than by long yields rising.

> **RUSSELL THOMPSON, CIO**
> *"A bear flattener is when short-term interest rates rise more than long-term interest rates. I believe these US Treasury yield curves do flatten, but I think it will be a bull flattener that eventually moves it significantly. Not a bear flattener."*

Global Markets Snapshot

Asset	Level	Change (w/w)
Nasdaq	29,240	+1,700 (ATH)
S&P 500	7,389	+160
Gold	$4,678	+$65
WTI	~$100	Down ~$1 (spike to $104.5 overnight)
Brent	~$104.5	Overnight spike on Iran news
DXY	~98	Unchanged
Dutch nat. gas (TTF)	2.95	Slightly higher
VIX	17.2	Lower

Source: Hilbert Trader Call, 11 May 2026

Liquidity Indicator: SOFR/IORB Spread

The spread between the Secured Overnight Financing Rate and the Interest on Reserve Balances, a metric Russell tracks closely as a leading indicator of liquidity flowing into or out of financial markets, has moved to minus 0.04. This spread has come off quite significantly in recent weeks and the move lower has closely corresponded with the rally in Bitcoin over the past two to three weeks. Russell published a detailed paper on this relationship, titled "The Liquidity Lie", approximately three weeks ago.

BITCOIN: TECHNICALS BULLISH, 85K THE SWING LEVEL

Technical picture

Bitcoin remains firmly in short-term bull mode on the technical indicators. Russell's model turned bullish on 7 April and has not reversed. The 100 day moving average is now acting as medium-term support at approximately 76,500. The critical level to watch this week is the 200 day moving average cluster, which sits around 85,000. Two weeks ago this looked like a distant target; it is now within reach.

> **RUSSELL THOMPSON, CIO**
> *"Two weeks ago the 200 day moving average at 85,000 looked like the impossible dream. Now we could easily see Bitcoin break above that this week. If it breaks above the 200 day and holds, that is very bullish. That resistance level then becomes support. 85 is the swing area on the topside that we really want to see Bitcoin break this week."*

Gamma positioning

Downside gamma is concentrated around 76,000 to 74,000, aligning closely with the 100 day moving average zone. A break below this area would see market makers begin selling delta, amplifying the move lower. On the topside, significant gamma sits at 82,000. If Bitcoin breaks through 82,000, the next gamma concentration comes in between 84,000 and 86,000, which broadly overlaps with the 200 day moving average cluster and would likely accelerate any breakout attempt.

Volatility and flows

Realised volatility is at 31.5 percent and implied ATM volatility is at 35.5 percent, giving a premium of approximately 4 volatility points. This is historically quite low and Russell notes it is another reason to remain cautious on the volatility arbitrage book. Dvol is at 38.9, marginally lower than 39.05 the prior week.

Vol Metric	Level	Comment
Realised vol	31.5%	Low
Implied ATM	35.5%	4pt premium over realised
Dvol	38.9	Slightly lower w/w (was 39.05)
5-delta calls	36%	Call curve flat as a pancake
5-delta puts	44%	8pt puts-over-calls premium
ETF flows (net w/w)	+$600m	Strong inflows continuing
Open interest (BTC options)	251k contracts	Down slightly; no aggressive piling in

Source: Hilbert Trader Call, 11 May 2026

The call vol surface remains completely flat, signalling that the market is still not paying up for upside exposure at any strike, even with Bitcoin approaching a key breakout level. Five delta puts carry an 8 point premium over five delta calls. ETF inflows were strong at 600 million dollars net for the week, continuing the trend from recent months. Open interest in BTC options is at 251,000 contracts, slightly lower than the prior week, suggesting that market participants are not yet aggressively adding new positions into the move.

USDE AND ETHENA: STABILISED, YIELD AT 3.77%

USDe total value locked has stabilised at approximately 4 billion dollars, essentially unchanged since the aftermath of the KelpDAO incident. USDTB, Ethena's money market product, is holding steady at around 600 to 700 million dollars. The staked USDe yield is at 3.77 percent, reflecting the normalised environment following the Aave loop unwinds and DeFi United recovery process.

Russell notes no material change in USDe dynamics this week. Hilbert continues to monitor governance and counterparty risks within the broader Ethena ecosystem, but the stabilisation in TVL and yield confirms that the acute post-KelpDAO stress period is behind us.

BY THE NUMBERS

KEY US DATA LAST WEEK

Indicator	Result
NFP	115k vs 62k
Avg Hourly Earnings	3.6% vs 3.8%
ISM Services PMI	53.6 vs 53.7
Mich. Sentiment	48.2 vs 49.5
Mich. Infl. Exp.	4.5% vs 4.7%

THIS WEEK: CALENDAR

Tuesday
European CPI + US CPI

Wednesday
UK GDP + US Retail Sales

Thursday
Clarity Act Senate markup

Friday
US Industrial Production

GLOBAL MARKETS

Asset	Level
Nasdaq	29,240 ATH
S&P 500	7,389
Gold	$4,678
WTI	~$100
DXY	~98
VIX	17.2
US 10y	4.38%
US 2y	3.92%
2s10s	47bp

FED FUNDS PRICING

June: hold
95.8%

June: cut
4.2%

Dec unchanged
72.3%

Dec cut
6.4%

Dec hike
21.3% (Russell: unrealistic)

BTC TECHNICALS

Level	Price
200d MA (key target)	~$85k
Topside gamma	$84k–$86k
Topside gamma trigger	~$82k
100d MA support	~$76.5k
Downside gamma	$74k–$76k

BTC VOLATILITY

Realised vol
31.5%

Implied ATM
35.5% (4pt premium)

Dvol
38.9

5-delta calls
36% (curve flat)

5-delta puts
44% (8pt premium)

ETF flows (net w/w)
+$600m

Open interest
251k contracts

LIQUIDITY INDICATOR

SOFR / IORB spread
-0.04 (improving liquidity conditions)

USDE / ETHENA

TVL (USDe)
~$4.0bn (stable)

USDTB
~$600–$700m (unchanged)

USDe yield
3.77%

TOP ASSETS PERFORMANCE - 7D

#	Asset	7d
1	BTC	+1.41%
2	ETH	-1.32%
3	XRP	+2.48%
4	BNB	+3.54%
5	SOL	+11.95%
6	TRX	+3.40%
7	DOGE	-1.89%
8	HYPE	+0.18%
9	ADA	+10.01%
10	ZEC	+35.82%