

WEEKLY TRADER CALL SUMMARY – RUSSELL THOMPSON

Oil, Stagflation And Bitcoin On The 100 Day

Weekly Market Update

High oil is now bleeding directly into goods prices, UK politics is worsening by the day, and Bitcoin has lost momentum as it tests key support around the 100 day moving average. The broader picture is one of rising stagflation risk, stressed rates markets and a crypto tape that has shifted from strong inflows to meaningful ETF outflows.

GEOPOLITICS: IRAN, CHINA AND HIGHER OIL

The macro backdrop remains difficult, with high oil now feeding directly into underlying goods prices. Trump returned from China, where he was warmly received by President Xi, but the trip produced no definitive deal. China is expected to visit the US in the autumn, and the relationship appears more cordial, though still highly transactional.

After returning, Trump renewed pressure on Iran and told them the clock is ticking. That has pushed oil higher and is now beginning to hit sentiment more broadly. Russell believes the market is only now starting to see the demand destruction risk that comes with oil north of 100 dollars for a prolonged period.

Key macro risk: Oil above 100 dollars for several weeks is now feeding into prices, margins and activity.

UNITED KINGDOM: POLITICAL STRESS INTENSIFIES

The UK remains under severe pressure. Gilt yields have gone ballistic, sterling has weakened and the political backdrop has deteriorated further after Labour's poor local election result. A by-election now looks likely, and Andy Burnham is being discussed as the preferred challenger in any future leadership contest, though he would first need to win that seat.

The prospect of another Brexit vote has also resurfaced. The overall picture is one of a system under strain, with the UK close to an economic crisis in Russell's view. UK assets look increasingly unattractive for outside investors, particularly pension funds and long-only buyers of gilts.

Hilbert view: Short UK assets. The pressure is expected to continue.

MACRO: INFLATION HOT, GROWTH SLOWING

Last week's US inflation data came in hot and reinforced the stagflation narrative. CPI printed at 3.8 percent versus 3.7 expected, while core excluding energy came in at 2.8 percent versus 2.7 expected. The biggest surprise was PPI, which jumped to 5.2 percent against 4.3 expected, a sign that higher oil is now working through the supply chain as inventories are drawn down and firms pay market rates for input costs.

Retail sales met expectations at 0.5 percent, while UK GDP beat at 1.1 percent versus 0.8 expected, though that positive print was overwhelmed by political noise. The Fed is now facing a difficult combination of sticky inflation and weakening growth, which leaves very little room for policy manoeuvre if asset markets start to turn lower.

This Week's Calendar

The key releases this week include the FOMC minutes on Wednesday, which are expected to be a non-event, followed by global manufacturing PMI, global services PMI and the University of Michigan sentiment and inflation expectation readings later in the week. Inflation expectations remain one of the Fed's most closely watched indicators.

Indicator	Actual	Expected	Signal
CPI	3.8%	3.7%	Hot
Core CPI ex energy	2.8%	2.7%	Hot
PPI	5.2%	4.3%	Big beat
Retail sales	0.5%	0.5%	In line
UK GDP	1.1%	0.8%	Beat

Source: Hilbert Trader Call, 18 May 2026

Fed Funds And Rates

Fed funds futures are almost fully priced for a June hold, with only a token cut probability. By December, the market has moved sharply toward the view that hikes are possible, although Russell thinks that is too aggressive given the likely demand destruction from higher oil.

The Treasury market has become much more stressed. US 10 year yields are at 4.61 percent, up 26 basis points on the week, while the 2 year sits at 4.09 percent, up 20 basis points. That leaves 2s10s at 51 basis points, a clear bear steepener. Russell still expects the curve to flatten over time, likely through a bull flattener rather than another round of front-end selling.

Market	Level	Weekly move
US 10y	4.61%	+26bp
US 2y	4.09%	+20bp
2s10s	51bp	Bear steepener
Nasdaq	28,900	+400
S&P 500	7,360	+37
Gold	4,540	-150
DXY	99.2	+1%
WTI	107	+10 to 11%
Brent	111	+10 to 11%
VIX	18.42	Higher
Moves	79	Higher

Source: Hilbert Trader Call, 18 May 2026

Liquidity Signal

The SOFR and IORB spread has moved to minus 0.09, which Russell reads as liquidity flowing back into the financial system and out of the real economy. That move has coincided with the recent rally in Bitcoin and supports the broader view that liquidity conditions remain an important driver of crypto risk appetite.

BITCOIN: SUPPORT UNDER PRESSURE

Bitcoin has turned short-term bearish after the 7/21 ma indicator crossed, leaving the market sitting directly on key support. The 100 day moving average is around 76,800 using the straight series, making this zone the key near-term line in the sand. A break lower would likely invite further downside gamma.

The 200 day moving averages remain resistance between 81,000 and 82,000. The recent rally was capped there and Bitcoin now needs to reclaim that area on a daily basis before the market can credibly shift back to a bullish regime. Until then, downside testing looks more likely than a fresh breakout.

RUSSELL THOMPSON, CIO

"If we move down from here, it will break the 100 day, which will not be good. If we get above 82 and hold, that would be quite bullish, but it certainly does not feel like that at the moment."

Level	Price	Notes
100 day EMA	~76,800	Immediate support
SMA 100 day	~72,000	Secondary support
200 day MA	81,000 to 82,000	Resistance
Topside gamma	Above 80k and 82k	Needs breakout and hold
Downside gamma	Mid 70s	Likely tested first

Source: Hilbert Trader Call, 18 May 2026

Volatility And Flows

ETF investors pulled roughly 1 billion dollars out of Bitcoin ETFs last week, with 635 million leaving on Wednesday alone.

Realised volatility is around 32 percent and implied volatility is around 39 percent, leaving a 7 point premium. Five delta puts trade at 54 percent implied vol while five delta calls are at 35 percent, meaning the market is still paying heavily for downside protection.

The call side remains relatively cheap, but there is no sign of aggressive demand for upside exposure. Open interest has risen slightly to 258.5, but not enough to suggest that investors are rushing to buy the dip in size.

Vol Metric	Level	Comment
Realised vol	32%	Downside environment
Implied vol	39%	7pt premium
5-delta puts	54%	Expensive downside hedge
5-delta calls	35%	Cheap upside
ETF flows	-\$1bn	Large weekly outflow
Open interest	258.5	Slightly higher, but not a rush

Source: Hilbert Trader Call, 18 May 2026

USDE AND ETHENA: TVL BACK AT 4.3BN

Funds are still coming back into Ethena. USDe total value locked is now around 4.3 billion dollars, while USDtb sits at approximately 1.1 billion dollars. Yield is back to around 4 percent, slightly higher than the previous week.

The post KelpDAO recovery continues to look orderly. The system has not broken, liquidity is returning and the yield profile is stabilising. Hilbert's monitoring stance is unchanged, but the acute stress around USDe continues to fade.

BY THE NUMBERS

KEY MACRO DATA

Indicator	Result
CPI	3.8% vs 3.7%
PPI	5.2% vs 4.3%
NFP	115k vs 62k
Avg Hourly Earnings	3.6% vs 3.8%

THIS WEEK

Wednesday

Fed minutes + PMIs

Late week

Michigan sentiment + inflation expectations

GLOBAL MARKETS

Asset	Level
US 10y	4.61%
US 2y	4.09%
2s10s	51bp
WTI	107
Brent	111
DXY	99.2
VIX	18.42
Moves	79

BTC TECHNICALS

Level	Price
200 day MA	81k to 82k
100 day MA	~76.8k
SMA 100 day	~72k
Support risk	Downside gamma

BTC VOLATILITY

Realised vol

32%

Implied vol

39%

5-delta puts

54%

5-delta calls

35%

ETF flows

-\$1bn

Open interest

258.5

USDE / ETHENA

TVL

~\$4.3bn

USDtb

~\$1.1bn

Yield

~4%

TOP ASSETS PERFORMANCE - 7D

#	Asset	7d
1	BTC	-4.83%
2	ETH	-9.18%
3	BNB	-1.91%
4	XRP	-4.35%
5	SOL	-10.77%
6	TRX	+1.50%
7	DOGE	-4.92%
8	HYPE	+8.69%
9	ADA	-9.92%
10	ZEC	-7.40%