WEEKLY TRADER CALL SUMMARY

Warsh Signals Regime Change At The Fed; Iran Deal Remains Fragile

Jesse Marre on Warsh's hawkish FOMC debut, Iran MOU volatility, Strategy stress and Bitcoin technicals

Warsh's first FOMC meeting delivered a genuine surprise: a hawkish dot plot, a pledge to dismantle forward guidance and a suggestion that the era of the Fed put is being slowly wound back. The 2026 median dot shifted to imply a probability of a hike, two-year bonds sold off and the curve flattened. On geopolitics, the Iran MOU framework is holding but barely, with the Strait of Hormuz situation still fluid after Iranian negotiators walked out of talks over the weekend. Bitcoin traded between 62,000 and 67,000 on the week, while fears around Saylor's STRC perpetual stock added to volatility.

GEOPOLITICS: IRAN MOU HOLDING, BUT ONLY JUST

The Switzerland talks were initially delayed after Iran claimed that Israeli strikes on Lebanon violated the memorandum of understanding. Vance publicly reprimanded Israel, and at the G7 Trump made an unusual admission: he had been forced to end the war because global oil reserves were at rock bottom and the situation was weeks from an economic crisis. That admission, however candid, put the US in a visibly weak negotiating position and confirmed what markets had broadly suspected, that Washington was desperate for an off-ramp and was willing to cross earlier red lines to get one.

Oil initially fell below 80 dollars to 77.50 on the signing, and limited shipping traffic began crossing the strait again. Over the weekend, however, Israel stated it would not leave southern Lebanon, Iran threatened to reclose the strait, the US denied the strait had been closed and Trump threatened that Iranian negotiators would not be allowed to return home if the strait was shut. The negotiators walked out. By Sunday night, headlines improved again, with talks resuming and terms slowly converging. The situation is described as remaining fluid. Oil is at 78 dollars, stocks are near all-time highs, and financial markets are broadly treating resolution as the base case, even if the path there continues to be volatile.

> **US negotiating weakness confirmed:** Trump's G7 admission that the US was forced to seek an off-ramp due to near-depleted oil reserves and a looming economic crisis underlines that Washington's leverage is limited. The MOU terms reflect this. Markets are pricing resolution; the risk is that Iran exploits this dynamic.

MACRO: WARSH DELIVERS A GENUINE REGIME CHANGE SIGNAL

Unlike most Fed meetings under Powell, which were largely non-events, Warsh's first FOMC press conference contained substantive and market-moving content. The dot plot came in at the hawkish end of expectations: the 2026 median dot moved from 3.4 percent to 3.8 percent, implying that the median FOMC participant now expects higher rates this year. The market briefly moved to price a 64 percent chance of a hike. However, those dots were compiled when oil was approximately 25 dollars higher than today, so the read-through is materially softened by the subsequent fall in oil prices. A hike this year is still viewed as unlikely.

More consequential than the dots was Warsh's structural agenda. He announced working groups to review how the FOMC operates from first principles: the first focused on the composition and use of the Fed's balance sheet, the second on shifting away from lagging survey data toward real-time pricing inputs for inflation measurement (a known Warsh preference), and the third on communication, where he signalled a move toward ending formal forward guidance. He did not submit a dot himself. His explicit aim is to end the regime where markets are more focused on Fed actions than economic data. The consequence will likely be that Fed meetings will become more volatile and a genuine risk premium will return to financial assets. The curve flattened on the announcement: the ten-year yield held around 4.40 to 4.45 percent while two-year yields rose to 4.2 percent.

> **JESSE MARRE, SENIOR PORTFOLIO MANAGER**
> *"Warsh wants to end the situation where good news was bad news and the market overly focused on Fed liquidity. But it means more volatility around Fed meetings and a return of risk premium to financial markets. That is very much by design."*

> **Warsh's three reform areas:** (1) Balance sheet: composition and use of holdings as a policy tool. (2) Data: shift from lagging survey data to real-time pricing for inflation metrics. (3) Communication: ending formal forward guidance to restore data-dependency and market risk premium.

ECONOMIC DATA: MIXED, NO CLEAR SIGNAL

Last week's data flow was mixed and provided no strong directional signal. Industrial production came in weak at 0.1 percent month on month versus 0.3 expected. Housing starts were a meaningful miss at 1.17 million versus 1.43 million expected, continuing the trend of weakness in the rate-sensitive housing sector. The Philadelphia Fed manufacturing index was broadly in line at 10.3 versus 10 expected. The positive surprise came from retail sales, which beat at 0.9 percent versus 0.5 expected, providing some evidence that the US consumer remains reasonably resilient despite the elevated rate environment.

This week is lighter on data. Services and manufacturing PMIs are due on Tuesday, and the more significant release is GDP and PCE on Thursday, which will provide the clearest read yet on whether the US economy is softening in a way that would give the Fed any basis to consider easing later in the year.

Indicator	Actual	Expected	Verdict
Industrial production (MoM)	0.1%	0.3%	Miss
Housing starts	1.17m	1.43m	Significant miss
Philly Fed manufacturing	10.3	10.0	In line
Retail sales (MoM)	0.9%	0.5%	Strong beat

Source: Hilbert Trader's Call 22 June 2026

STRATEGY AND SAYLOR: STRESS BUT NOT A DEATH SPIRAL

An idiosyncratic source of Bitcoin pressure this week was the stress in Strategy's capital structure. Saylor's stretch perpetual stock, which has a soft peg at 100, traded down to 83. The market is beginning to question how this structure functions in a bear market: Saylor does not have the cash to pay the STRC dividend at current levels, the depeg may increase his dividend liability, and the only ways to raise that cash are either selling Bitcoin or diluting Strategy equity holders. With Strategy trading at mNAV and offering no premium for new issuance, share sales are pure dilution for existing holders.

In practice, Saylor has been managing this with small ongoing dilutions of MSTR equity, using the proceeds to both buy BTC and build the cash reserve. This keeps the core Bitcoin treasury thesis intact but transfers the pain to Strategy equity holders. The saving grace is scale: the annual dividend requirement is approximately 1.7 billion dollars, which is manageable relative to both the Strategy market cap and the Bitcoin treasury. There is also a self-correcting mechanism at work. As the STRC stock cheapens, the yield rises and the paper becomes more attractive, making a true death spiral unlikely. The situation bears watching but is not viewed as a systemic threat to Bitcoin at current sizes.

BITCOIN: HEAVY ON THE WEEK, DEFINED TECHNICAL LEVELS

Bitcoin traded between 62,000 and 67,000 over the past week, driven by two forces: the hawkish Warsh press conference and the Strategy STRC stress described above. Despite testing below 60,000 several times in recent weeks, there have been no daily closes below that level, which has established it as a well-defined and well-defended support. The medium-term technical picture remains bearish but the downside is increasingly well-defined. On the upside, a trend line comes in around 66,000 in the short term. Through that, the next target is 70,000, and a return to the bull market would require reclaiming the major pivot level around 85,000.

ETF outflows continue to slow materially. After four consecutive weeks of over 1 billion dollars of outflows, last week saw approximately -350 million and this week approximately -226 million. The trend of deceleration is encouraging, even if the flows are still net negative. Bitcoin has, on balance, traded well given the geopolitical and macro headwinds.

BTC VOLATILITY AND OPTIONS STRUCTURE

DVOL moved up from 37 to 42 during the week before settling just above 40. At-the-money implied volatility is running at 36, five delta puts are at 58 and five delta calls are at 38, leaving a 20 point premium of puts over calls. The right-hand side of the volatility smile remains essentially flat, reflecting the continued asymmetry in how the market is hedging: all the fear premium sits on the downside. Despite this, the put skew has modestly compressed from the extreme levels of two weeks ago. The USDe yield from Ethena has slipped slightly to 3.65 percent, with total value locked on the platform stable at 4.5 billion dollars.

BY THE NUMBERS

LAST WEEK: KEY DATA

Indicator	Result
Industrial prod.	0.1% vs 0.3%
Housing starts	1.17m vs 1.43m
Philly Fed mfg	10.3 vs 10.0
Retail sales	0.9% vs 0.5%
FOMC dot (2026)	3.8% (from 3.4%)

THIS WEEK

Tuesday
Services and manufacturing PMIs

Thursday
GDP + PCE (key inflation read)

GLOBAL MARKETS

Asset	Level
US 10y	4.40 to 4.45%
US 2y	4.2% (sold off)
Equities	Near all-time highs
Brent	~78-80

FED FUNDS PRICING

Hike probability
64% at peak; now lower after oil drop

2026 dot (median)
3.8% (implies hike)

Caveat
Dots made when oil was $25 higher

View
Hike still unlikely this year

BTC TECHNICALS

Level	Price
Current range	62k to 67k
Key support	60,000 (no daily close below)
ST resistance	~66k (trend line)
Next target	70,000
Bull mkt pivot	~85,000

BTC VOLATILITY

DVOL
~40 (range 37 to 42)

ATM implied vol
36

5-delta puts
58

5-delta calls
38

Put premium
20 points over calls

ETF flows
-$226m (slowing from -$1bn+)

USDE / ETHENA

Yield
3.65%

TVL
$4.5bn (stable)

CLARITY ACT

Trump deadline
July 4th

Prediction mkt
~52 to 53% (last week)

Risk
Miss = delay to ~2030

STRATEGY WATCH

STRC stock
Traded to 83 low

Annual dividend
~$1.7bn (manageable)

Pain falling on
Strategy equity holders

Death spiral risk
Low; self-correcting mechanism

TOP ASSETS PERFORMANCE - 7D

#	Asset	7d
1	BTC	-2.28%
2	ETH	1.60%
3	BNB	-3.55%
4	XRP	-3.78%
5	SOL	3.88%
6	TRX	3.08%
7	HYPE	2.71%
8	DOGE	-5.57%
9	ZEC	-8.34%
10	XLM	11.47%