Trump signed the deal at Palace of Versailles, where Germany's surrender to end WW I was sealed in 1918 - striking similarities- both contained 14-point structure ,to stop the war and leaving the rest of the world to nervously watch whether "peace" will actually stick- no doubt this deal will also be viewed through the same lense of historical consequence.

The markets had priced clean transition from ceasefire to negotiation and rated prospects of lasting peace as cautiously positive, but far from certain. However early stumbles are repricing the assumption.

S&P 500 which had suffered its worst "Fed day" under a new leader since 1994 is revisiting their long held assumptions as Warsh's stance on forward guidance is more consequential than the peace deal.

Forward guidance goes beyond being domestic market. It is geopolitical intelligence. Warsh is taking that intelligence off the table.By removing guidance, Warsh has almost torn playbook- leaving your portfolio flying blind-the guardrails that the Fed has long placed around the financial markets have been removed.

Warsh Fed's thought process can be summed up as : Hold rates, Remove guidance, Keep liquidity ready, Let uncertainty tighten conditions forcing the markets to price risk again.

Philly mfg index bounced to +10.3.Six month outlook for prices received rose to highest since 2021. Bolsters higher for longer rates -Jobless claims came in at 226K- modest pace of firings
Today, U.S. markets are closed for Juneteenth.

Plenty of ink has been spilt on why ECB is hiking rates- whether it's right or wrong.Four months into the energy crisis, if they had not acted , markets would have started to see them as all bark and no bite -fear is nflation expectations in financial markets would start to pick up.Gamma hedging is a major driver for EURUSD now.

Dragon Boat holiday today -there has always been a very distinct and predictable economic shift in China right after this.

UK govt now enters a new period of uncertainty as Burnham wins Makerfield.GfK consumer confidence held at -23 in June- new signs of weakening are visible.Bailey says 'inflationary pressure in pipeline' as rates kept on hold.BoE votes 7-2 .GBPUSD downside extension in full swing, 1.3160 now looks like easy target.

BoJ minutes are retrospectively hawkish given that BoJ has since moved to 1.00%, validating the three dissenters who argued for exactly that level in April.Subsidies are doing the work of keeping core below 2%.USD/JPY highest since 161.96 (July 3, 2024).No intervention likely - 161 handle the new 160.

The financial statecraft of Warsh Fed is a radical paradigm shift - darker read is that the hardening global USD liquidity could squeeze EM , driving USD higher The capital seeking EMs may have to factor this reality before aggressively pricing "avalanche" 94.45 close.