

am  
FX

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"The Clear Green Turtle Soup at the Plaza is magnificent!"

Rich person, 1899

### Current Views

**Short AUDCHF @ 0.6731**

Stop was 0.6816, move it to 0.6701  
Take profit was 0.6577 move it to 0.6517

**Short ETHUSD @ 4210**

Stop loss 4902 / Take profit 3010  
(From MacroTactical Crypto #4)

## Here we go again

Alpha, beta, delta, nu. The end of COVID always feels like it should be around the corner; but it never comes. The slow tick higher in volatility last week was a warning sign that all was not right in the world. Now, we get to go through another round of epidemiological infopanic as we wait to see if this new variant will be a vaccine escaper. Or, will it be more like beta and delta where the fear factor greatly exceeded the financial market importance?

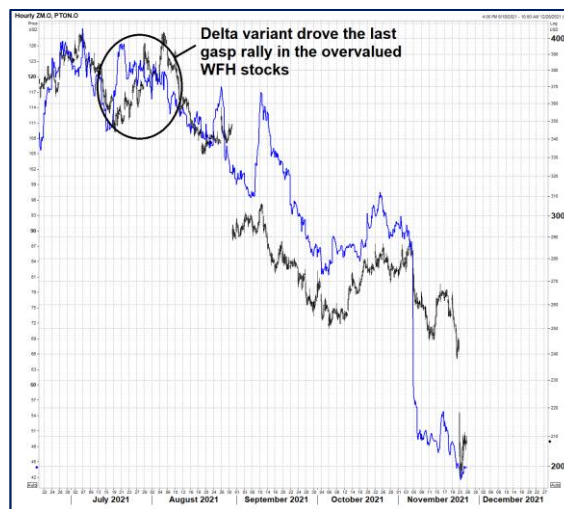
Here's [a quick BBC explainer](#) on the new variant and what we know about it (not much). They are calling it the "Nu" variant as per the [Greek Alphabet](#) (remember beta and delta variants, for example).

The chart at right shows you the delta variant scare (July 19). That variant drove us back to trend in SPX but not much more.



Delta also drove the last gasp rally in Peloton, Zoom and the other richly-valued WFH stonks.

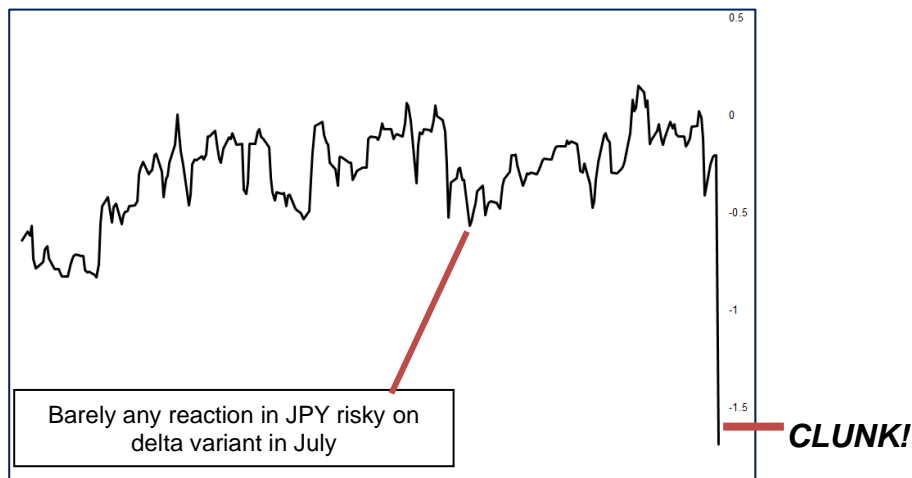
### Circle shows last gasp in ZM and PTON on delta variant



Even though I have been bearish, and this move has benefitted my shorts in AUDCHF and crypto... I would think the base case here is that we eventually learn it's another false alarm. Then again, the outcome is unknowable so any bullish trade needs proper risk management and should be structured as limited downside. Also, positioning in risky assets and long USD is much greater than it was in July. So regardless of the final outcome, this could be a multi-day event.

1-month 25-delta USDJPY risk reversals look like this:

### USDJPY 1-month 25 delta risk reversal (January 2021 to now)



This is the product of a position wipeout in USDJPY (and EURUSD) and is interesting given we saw nothing like this in July on the delta variant. This shows you how aggressively the market piled into USD longs after Powell was nominated. By the way, anyone that waited one hour, then sold stocks on the Powell nomination: Nice work!

I am sticking with the bear view for now as I think more cleansing is required in both fiat and crypto markets. A move back to the 55-day in SPX (4515) is a reasonable target and I think we could get there even if this nu variant turns out to have an impact similar to delta. Nervous weekend ahead for reflationary bulls.

See sidebar for changes to AUDCHF parameters. I moved the stop lower (now below entry point for guaranteed profit lock in) and I moved the take profit lower as I think we get another decent round of fear.

If you are bullish and think this passes quickly, USDJPY risk reversals are an excellent trade. You can sell 1-month downside to buy 1-month topside and get a nice benefit from the risky. My preference is to always do risk reversals via digitals because then your downside is limited, and you are not exposed to a meltdown.

You sell the 25-delta digital put and buy the 25-delta digital call for zero cost and your topside strike will be closer than your downside strike due to the skew. These trades are easy to manage and zero cost if you land in between the two strikes. In other words if USDJPY bases and chops around, you are not long expensive volatility at bad levels. But I would rather do this at better levels Monday than stick out my knife-catching hand this early.

Some scenarios:


1. Nu is like delta. Moderately inflationary as nu variant jams more sticks into the spokes of the global supply chain.
2. Nu is like beta. False alarm, no market impact.
3. Nu is a highly transmissible, vaccine escape variant. Deflationary. Rate hikes massively reprice, USDJPY much lower, commodities much lower. Essentially everything that has happened since Friday, times five.

I think it's too early to assign probabilities to these scenarios so it's a good time to just be hyper Bayesian. Have a fancy day.

good luck ↑↓ be nimble

# Thanksgiving menu at Plaza Hotel NYC, 1899

Prices are in cents. If something is over one dollar, it's written like: 2 50 is \$2.50.  
Partridge was expensive!



SORRY FOR YOU.

PROCLAMATION  
THANKSGIVING  
1899

Cape Cods 25	Oyster cocktail 30	Little Neck clams 25
<b>SOUPS</b>		
Cream of barley à la Reine 50 30	Consommé Sultane 40 25	Tomato and vermicelli 30 20
Clear green turtle au Champagne 60 35	Chicken, Cavalier 40 25	Petite marmite 50 30
Clear green turtle, to order 65	Beef tea, cup 30	Chicken broth, cup 30
<b>HORS D'OEUVRES</b>		
Timbale, Renaissance 40 25	Canapé of caviar à la Russe 40 25	
<b>FISH</b>		
<b>Terrapin, Maryland style 2 50 Philadelphia style 2 50 Plaza style 3 00</b>		
Fried oyster crabs 75	Oyster crabs, Newburg 1 00	in chafing dish 1 25
Fried green smelts 50 tartar sauce 60	Broiled green smelts 50	
Fried scallops 50 30	Scallops, poulette 60 35	
Broiled Spanish mackerel, sauce Colbert 65 35	Chicken halibut sauté, Biscailienne 50 30	
Kingfish sauté, fines herbes 65 35	Smelts, white wine sauce 50 30	
Filet of striped bass, Royale 65 35	Whitebait sauté, Boston brown bread toast 50 30	
<b>RELEVÉ</b>		
Boiled turkey, oyster sauce 65 35	Stuffed breast of veal, Bourgeoise 50 30	
<b>ENTREES</b>		
Filet of red-head duck, picarade 1 25 75	Sweetbreads, Parisienne 1 00 60	
Coquille of terrapin, Baltimore style 1 00 60	Fresh mushrooms sautés, fines herbes 80 45	
Tournedos of filet of beef à l'Aquitaine 90 50	Goose livers en caisse, Périgieux 60 35	
<b>Pears à l'Impératrice 40 25</b>		
<b>ROAST</b>		
Ribs of prime beef 60 35	Philadelphia chicken 2 00 1 00	Lamb, mint sauce 75 40
Long Island duckling, apple sauce 1 50 75	Turkey stuffed with chestnuts 75 40	Ham, Port wine sauce 65 35
Boston gosling stuffed with sweet potatoes 75 40	Suckling pig, Shaker apple sauce 75 40	
<b>GAME</b>		
Philadelphia squab 75	Partridge 1 75 90	Teal duck 75
Woodcock 1 25	Quail 65	English snipe 65
Red-head duck 2 50	Rail birds 75	Mallard duck 1 50
<b>COLD GAME</b>		
Partridge 1 75 90	Grouse 1 50 75	Quail 65
<b>DISHES TO ORDER</b>		
Hothouse chicken, roast 1 50	Hothouse chicken en cocote 1 75	Hothouse chicken, broiled 1 25
<b>SALADS</b>		
Hothouse tomatoes stuffed with celery 50 30	Escarole 40 25	Romaine 40 25
Chicory 40 25	Chiffonnade 50 30	Mexicaine 50 30
Chicory 40 25	Lettuce 40 25	Plain celery 40 25
<b>NEW VEGETABLES</b>		
Cauliflower, sauce mousseline 50	Artichauts, Hollandaise 50	String beans 30
Brussels sprouts 40	Creamed spinach 35	Boiled onions, cream sauce 25
Carrots in cream 35	Stuffed green peppers 50	
Boiled potatoes 20	Baked potatoes 20	Mashed potatoes 20
<b>SWEET DISHES</b>		
Baked apple dumpling, hard and brandy sauce 25	English plum pudding, hard and brandy sauce 40	Pumpkin pie 20
Cocoanut pie 20	Mince pie 25	Apple meringue tarts 25
Cup custard 25	Baba au rhum 25	Champagne jelly 25
Chocolate éclairs 25	Vanilla éclairs 25	
Frozen peach pudding 30	Coffee ice cream 25	Lemon ice 25
Hazelnut ice cream 25	Nesselrode pudding 40	Grape fruit, Macédoine 60
Coffee mousse 30	<b>FRESH FRUITS</b>	
Baked apples and cream 35	Seckel pears 40	Malaga grapes 40
Niagara grapes 40	Delaware grapes 40	Concord grapes 40
Bananas 25	Bananas and cream 35	
Sliced pineapple 40	Catawba grapes 40	Apples 30
<b>Gervais cheese, Bar-le-Duc jelly 65</b>		
<b>Waffles 25 from 12 to 3 p. m</b>		
Café Turque 20	Sweet buttermilk, glass 10	Demi-tasse 15
<b>HALF PORTIONS SERVED FOR ONE PERSON ONLY.</b>		
Thursday, November 30, 1899.		

Plaza Hotel  
Source: <https://twitter.com/beschlossdc/status/1463849065612025862?s=21>



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