

am
FX

Brent Donnelly

bdonnelly@spectramarkets.com
(212) 398-6230



Do you recognize this guy?

Hint 1: picture taken in 1986
Hint 2: it's not me or my brother Craig

Current Views

24NOV AUDNZD put
1.0300 strike
Spot ref 1.0340

Short ETHUSD @ 4210
Stop loss 4902
Take profit 3010
(From MacroTactical Crypto #4)

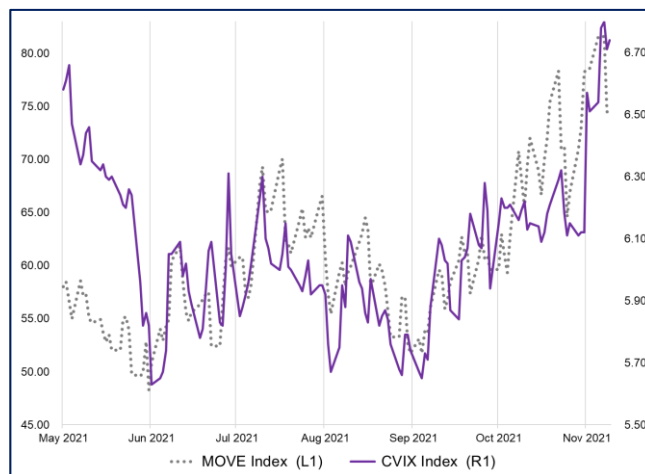
Survey views and crypto blues

Risky assets look vulnerable. I am short-term bearish crypto and now volatility is picking up off very low levels in other asset classes.

Hourly S&P vs. VIX inverted since October



CVIX and MOVE index



CVIX = FX volatility. MOVE = Bond market volatility.
Note these are not large moves in the big picture.

Cross/JPY and cross/CHF dump hard. The USD is strong. Scary, draconian COVID measures in parts of Europe. Fed getting more hawkish... **Buckle up for risky asset turbulence.**

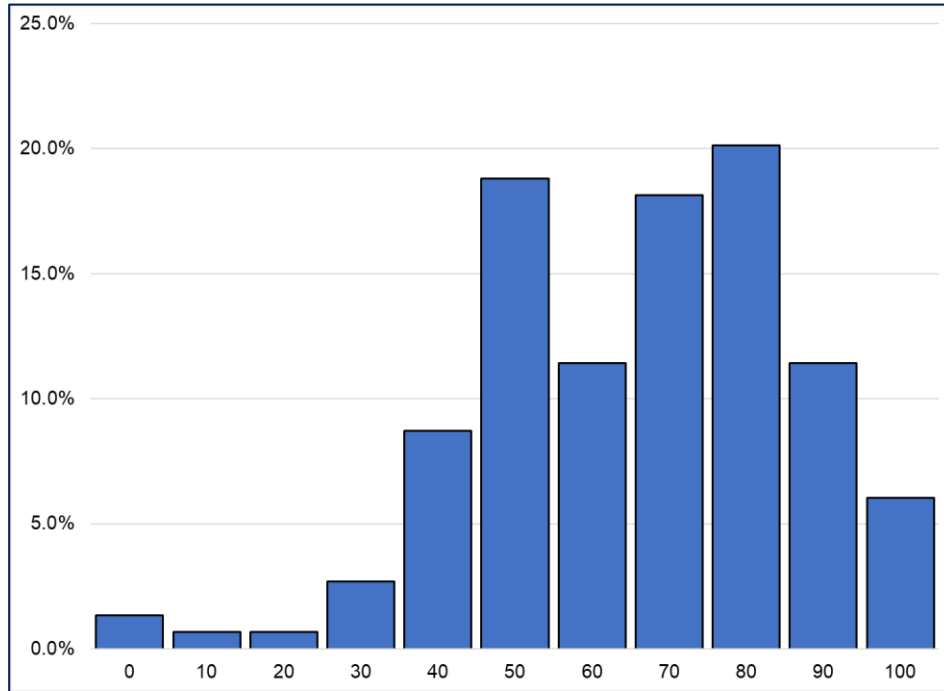
Here are the results of my Fed Nomination Survey.

1: Do you think there is > than 5% chance Biden nominates someone other than Powell or Brainard?

21% YES 79% NO

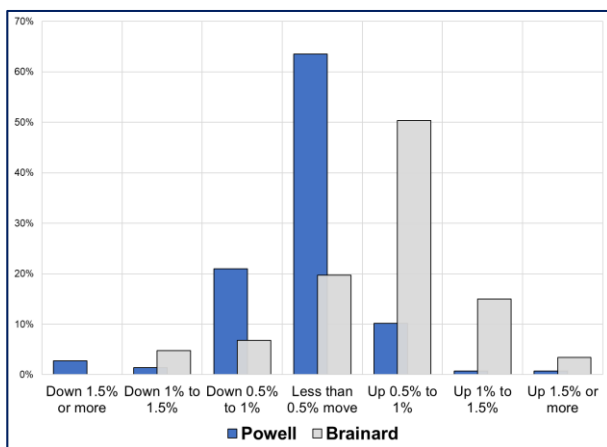
Surprising to me. I would have thought this was almost 100% NO.

2: What is the probability Biden nominates Powell?

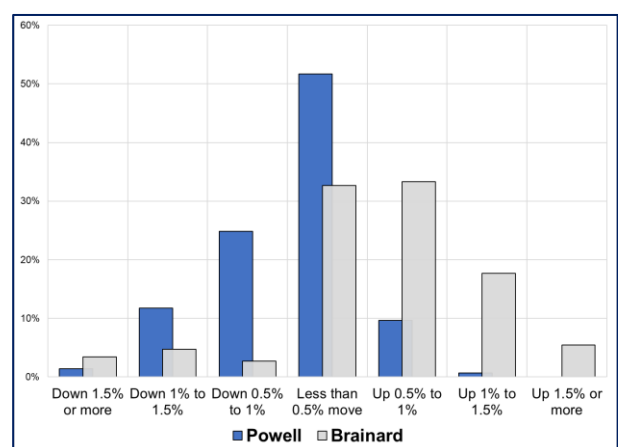


3: EURUSD moves, depending on who is nominated

FIRST HOUR



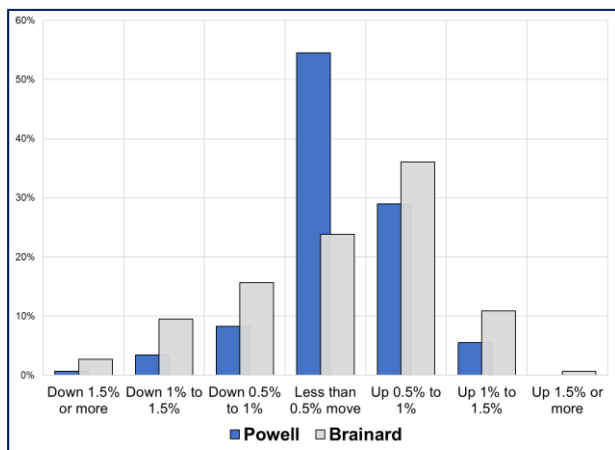
FIRST 24 HOURS



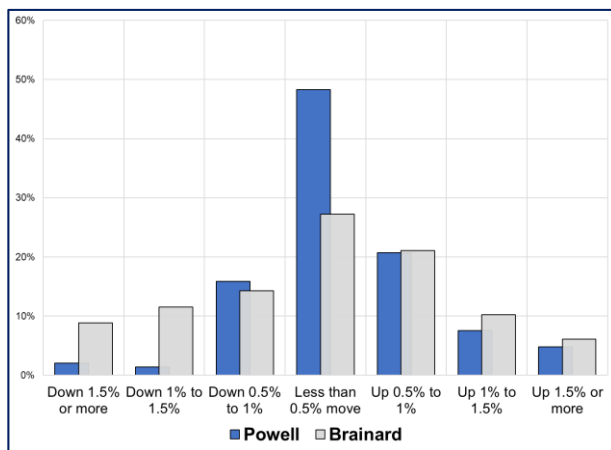
Market looks for initial EURUSD spike on Brainard, with some mean reversion. Smalls lower on Powell.

4: S&P 500 moves, depending on who is nominated

FIRST HOUR



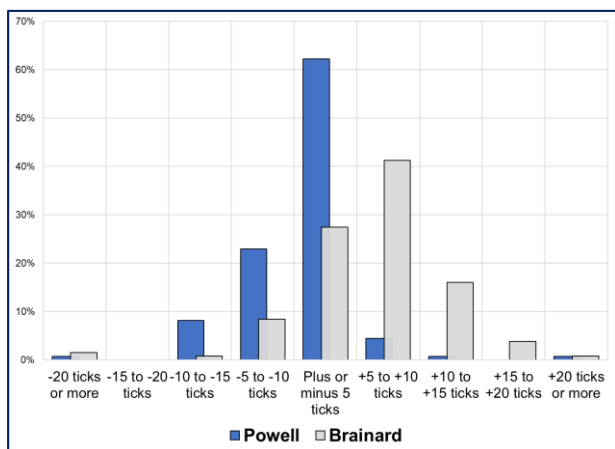
FIRST 24 HOURS



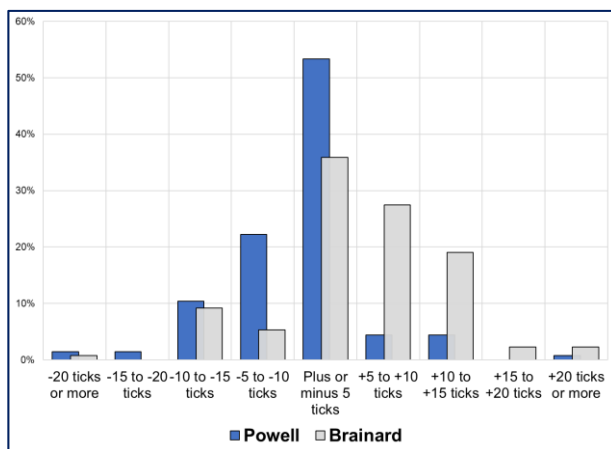
Huge dispersion on what Brainard means for equities; look at that flat distribution of gray bars in the chart on the right. Two interpretations: “Dovish = higher equities” or “Greater uncertainty and inflationary tail risk = lower equities” Interesting. Like EURUSD, overall vibe is SPX spikes and mean reverts on Brainard.

5: EDZ2 moves, depending on who is nominated

FIRST HOUR



FIRST 24 HOURS

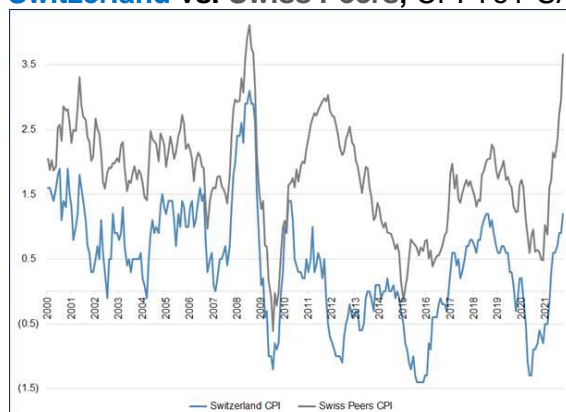


Decent and persistent move higher on Brainard. Small move lower on Powell. Makes sense.

I was wrong about EURCHF

I did not expect EURCHF to break down this easily. It looks like a policy change from the SNB as they let EURCHF slice through 1.0500 with very little pushback. You can see in this next chart that Swiss inflation is lagging peers... Maybe SNB are worried their 2% max inflation cap will be tested soon? See chart on next page.

Switzerland vs. Swiss Peers, CPI YoY SA



Peers are countries culturally, demographically, and economically similar to Switzerland: Austria, Germany, Luxembourg, France, Belgium, and Netherlands.

Crypto: Cool dreams meet cold reality

My son decided last night he wants to play Axie Infinity, the super hot new blockchain-based video game. He watched a few YouTube videos to learn how. All you have to do is:

- Setup an Axie account.
- Sign up for a Gemini or Coinbase account
- Transfer more than \$500 from your bank to Gemini because that's the bare minimum you need to buy three creatures needed to play (takes 1-2 days and requires two steps of 2FA verification plus you submit your driver's license through a 3rd party app... Toggling between laptop and phone because he was opening account on laptop but verification sends you to your phone. Took about 45 minutes total).
- Wait two days for money to appear (and incur \$15 wire transfer charge from bank).
- Buy ETH (pay 40bps fee).
- Send ETH to MetaMask wallet. (Need to set up MetaMask Wallet first, another 10-minute process)
- Send ETH from MetaMask to Ronin. (Need to install Ronin Chrome extension first)
- Convert ETH to WETH.
- Buy AXS using the WETH in Ronin wallet.
- Buy Axies and play game.

After 90 minutes of grinding through this, I text a crypto savvy friend of mine to make we're doing it all correctly. He says: "The game is trash, tell your son not to bother." So we decide to check out Genopets, another up and coming blockchain game. *ERROR: "Not available in the United States"*. Cool dreams, meet cold reality.

This reminds me of trying to use Napster when it first came out, or burning CDs from MP3s, or trying to play online poker in 2002. The user experience is horrendous. I know "it's early", but I dunno... Blockchain has been around for more than 10 years. ETH has been around since 2015. No chance these games will achieve widespread adoption in their current form. Too hard to use. Too many fees. NGMI. Much more innovation and streamlining needed.

Meanwhile, the failure of ConstitutionDAO to buy the constitution shows:

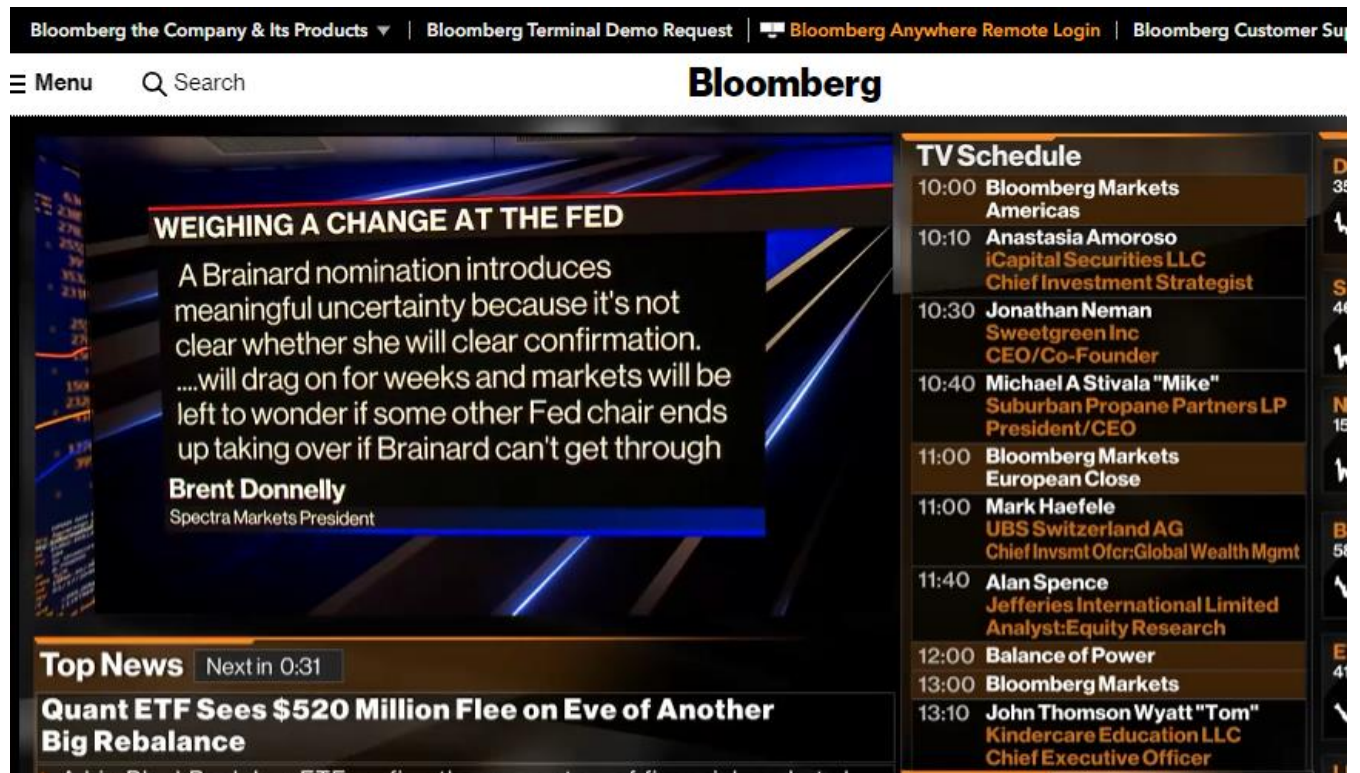
- DAOs are a cool way to get people together.
- ETH transaction costs are (still) a joke.
- Full transparency and decentralization is not optimal in a public auction because other bidders know exactly how much money you have. Decentralization is not a panacea, it's an approach with pluses and minuses. Centralization has pluses and minuses too. One centralized bidder won the auction and the decentralized approach lost, probably precisely because of the transparency of decentralization.

Have a frustration-free weekend.

good luck ↑↓ be nimble

Boris Johnson!

If anyone has seen any smart analysis of whether or not Brainard will be confirmed, and how easily... Please send to me. Thanks!



The screenshot shows the Bloomberg website interface. At the top, there are navigation links: "Bloomberg the Company & Its Products", "Bloomberg Terminal Demo Request", "Bloomberg Anywhere Remote Login", and "Bloomberg Customer Support". Below this is a "Menu" and "Search" bar. The main content area is divided into two sections:

- TV Schedule:** A list of programs with their start times and hosts.

Time	Program	Host
10:00	Bloomberg Markets Americas	
10:10	Anastasia Amoroso	iCapital Securities LLC, Chief Investment Strategist
10:30	Jonathan Neman	Sweetgreen Inc, CEO/Co-Founder
10:40	Michael A Stivala "Mike"	Suburban Propane Partners LP, President/CEO
11:00	Bloomberg Markets European Close	
11:00	Mark Haefele	UBS Switzerland AG, Chief Invsmt Ofcr: Global Wealth Mgmt
11:40	Alan Spence	Jefferies International Limited, Analyst: Equity Research
12:00	Balance of Power	
13:00	Bloomberg Markets	
13:10	John Thomson Wyatt "Tom"	Kindercare Education LLC, Chief Executive Officer
- News:** A section titled "WEIGHING A CHANGE AT THE FED" featuring an analysis by Brent Donnelly, Spectra Markets President. The text reads: "A Brainard nomination introduces meaningful uncertainty because it's not clear whether she will clear confirmation.will drag on for weeks and markets will be left to wonder if some other Fed chair ends up taking over if Brainard can't get through". Below this is a "Top News" section with the headline "Quant ETF Sees \$520 Million Flee on Eve of Another Big Rebalance".

I have heard of this guy!

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