The Next 250: Geography, Governance, and the American Advantage

It was a week after the towers came crashing down on 9/11. I walked from my apartment, which was in the no-go zone unless you were a resident — no stores, everything blacked out, everything quiet. The city still felt bombed out. Arriving in Union Square, a squadron of fighter jets buzzed overhead. The whole square erupted in cheers and applause. We will be safe — we are America — I was euphoric to be an American citizen.

Every citizen on earth is essentially paying their government for safety, security, and some baseline of wellbeing. No place is perfect but the US has material natural advantages and structural advantages that give us more leeway to "screw up".

The Inheritance: Geography Lottery

We have written before about Peter Zeihan's thesis in *The Accidental Superpower*, that America didn't simply become dominant through hard work and ingenuity, though it did plenty of both. It started with perhaps the single greatest geographic endowment in recorded history.

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→ As Peter Zeihan has argued, America's coastal geography gives it an unusually large number of natural deepwater port opportunities — a structural advantage few countries can match. This isn't a minor logistical perk; ports are how nations build wealth. Before roads, before railroads, before the internet, the ability to move goods cheaply to and from global markets was the fundamental driver of economic prosperity. America was born with that infrastructure already in place, courtesy of the Atlantic and Pacific coastlines and the Gulf of Mexico.

AMERICA VS. CHINA

THE GEOGRAPHY LOTTERY

Then there is the interior. The Mississippi-Missouri river system, combined with the Ohio and other tributaries, creates the world's largest network of navigable inland waterways, over 12,000 miles of natural highway.[1] Moving a ton of goods by river costs a fraction of what it costs by road or rail. Sitting above all of those rivers is the American breadbasket, some of the most fertile agricultural land on earth, naturally watered and protected from the extremes that plague farming elsewhere. And beneath it all sits an energy endowment — oil, natural gas, and coal reserves — that most nations can only dream of.

And then, of course, the oceans. Two of them, vast, functioning as natural moats against invasion in a way no fortress or military budget could replicate. The last time a foreign power successfully occupied the US capital was 1814.[2]

America did not earn its geography. It won the lottery. The remarkable thing is what it then chose to build on top of it.

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[1] U.S. Army Corps of Engineers, Waterborne Commerce Statistics — https://www.iwr.usace.army.mil/Missions/Navigation/Waterborne-Commerce-Statistics/
[2] Library of Congress, War of 1812 — https://www.loc.gov/collections/war-of-1812/articles-and-essays/timeline-of-the-war-of-1812/)

→ The Genius: Governance → Capital Markets

Geography gave America the platform. What the founders built on top of it is truly a remarkable achievement.

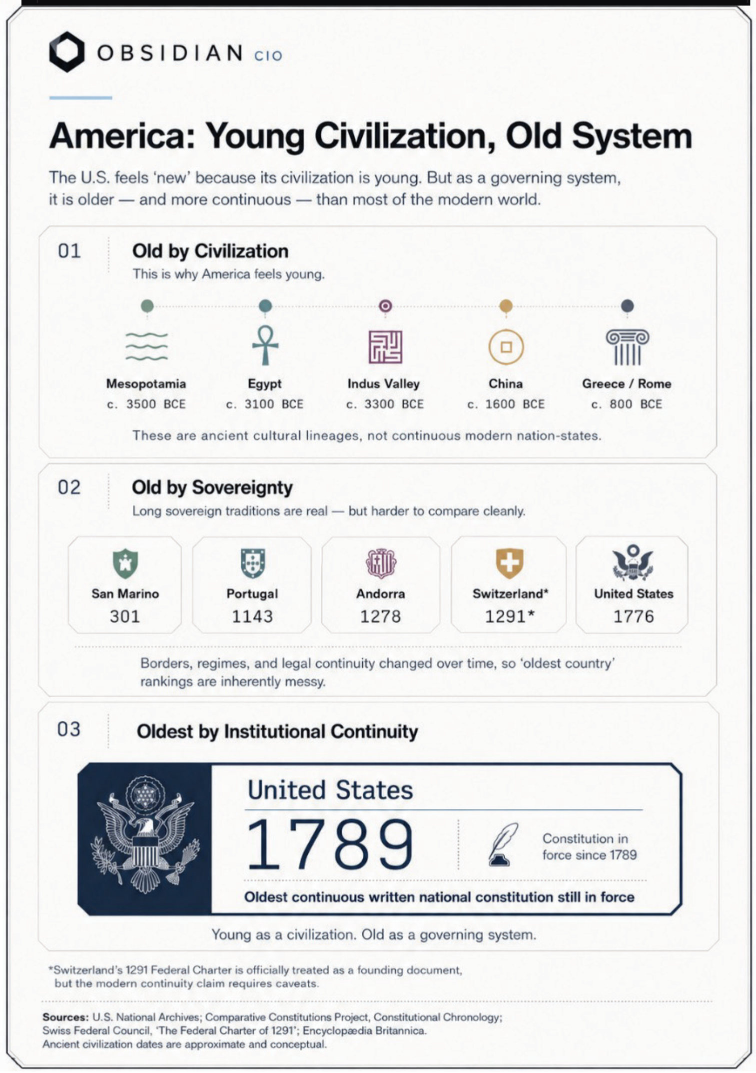
In 1787, a group of farmers, lawyers, and merchants gathered in Philadelphia and produced something the world had genuinely never seen: a written constitutional framework built on the radical idea that power should be divided, checked, and ultimately answerable to its citizens. France, by contrast, cycled through republics, empires, monarchies, and authoritarian regimes before arriving at the Fifth Republic.[3] The United States has had one, continuously in force for 238 years, and counting.

What made it durable wasn't just the elegance of the document but the mechanics underneath it:

- Separation of powers,
- An independent judiciary,
- Enforceable property rights, and
- Peaceful transfer of power

AMERICA

AMERICA: YOUNG CIVILIZATION, OLD SYSTEM



These weren't decorative ideals; they were functional infrastructure. And critically, they created something that most of the world lacked and desperately needed: predictability. If you build something here, it won't be arbitrarily seized. If you enter a contract here, it will be enforced. If you invest capital here, the rules tomorrow will look roughly like the rules today. That kind of institutional reliability is the prerequisite for everything that came next. You cannot have deep capital markets without rule of law.

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[3] Gilder Lehrman Institute of American History — https://www.gilderlehrman.org/history-resources/teaching-resource/historical-context-survival-us-constitution

→ And the spirit that produced that document didn't stop at the parchment. The same restless, can-do energy that designed a system of self-governance, built by merchants, farmers, and lawyers who believed problems were meant to be solved, spilled directly into commerce, industry, and innovation. America had the geography to expand into and the governance to do it freely. That combination was unlike anything the world had seen. It is no coincidence that the Dutch had already planted the seeds of commercial culture in lower Manhattan decades before the Constitution was signed — merchant traders who understood capital, contracts, and risk.[4] That entrepreneurial DNA was baked in from the very beginning. And once word spread that this new nation offered both freedom and the rule of law, it became a magnet. The best, the boldest, and the most ambitious from every corner of the world began looking west.

When investors can trust that contracts are enforced, that property is protected, and that disputes are adjudicated fairly, they are more likely to deploy capital. And when capital flows freely into a resource-rich, entrepreneurially minded country, you get wealth creation at a scale the world had never previously witnessed.

The result speaks for itself. The NYSE and Nasdaq together represent more than $60 trillion in listed market capitalization, dwarfing any other national exchange ecosystem.[5] The US accounts for roughly half of total global equity market value despite representing less than 5% of the world's population.[6] American capital markets don't just fund American companies — they fund the world, setting the cost of capital, pricing risk, and allocating resources across virtually every industry on the planet. The US venture capital ecosystem, essentially an American invention, has bankrolled the majority of the most transformative technology companies in recent history.

The US dollar as the world's reserve currency is the capstone of this entire edifice, the ultimate expression of global trust in American institutions. When the world gets nervous, it generally buys dollars. That is a privilege earned over decades, and one worth protecting.

Geography handed America an extraordinary starting point. The founders handed it something arguably more valuable: a system of governance stable and trustworthy enough to turn that starting point into the greatest wealth-creation machine in human history.

The Propellant: Innovation

Innovation is what keeps the engine running. And here America has shown a remarkable, almost stubborn tendency to show up at every major frontier.

The Shale Revolution is the perfect example. The geology was always there — vast deposits of oil and natural gas locked in tight rock formations that conventional drilling couldn't reach. What wasn't there was the technology to get at it. American engineers, backed by American private capital and operating within an American regulatory framework that permitted experimentation, spent decades solving that problem. The result was nothing short of staggering: the United States went from energy dependence to the world's largest oil and gas producer in roughly a generation,[7] rewriting global energy geopolitics in the process and stripping OPEC of pricing power it had held for decades. No government program mandated this. No five-year plan ordered it. The market wanted cheap energy, capital funded the search, and American ingenuity delivered.

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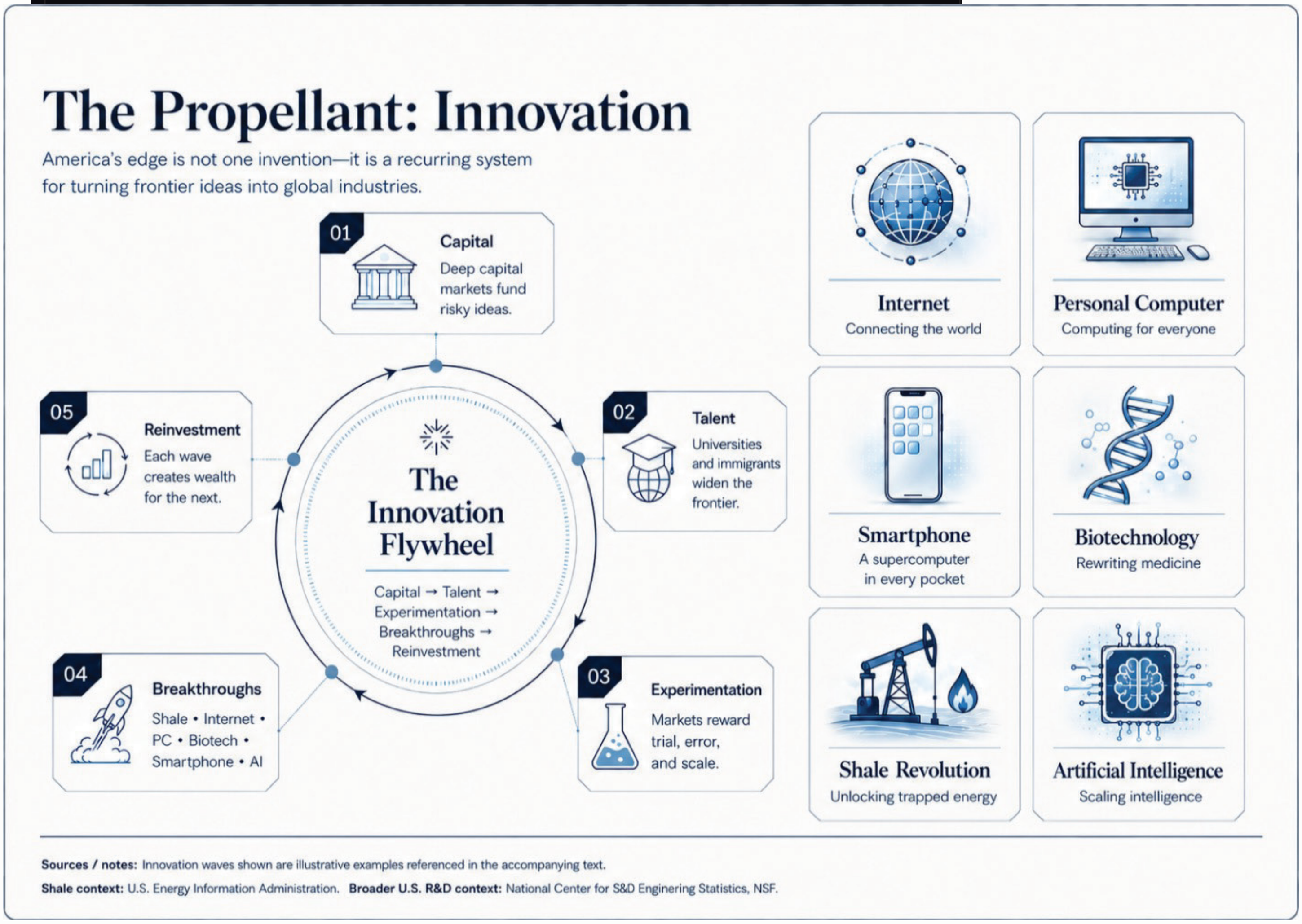
[4] Russell Shorto, The Island at the Center of the World (Doubleday, 2004) — https://www.russellshorto.com/the-island-at-the-center-of-the-world
[5] World Federation of Exchanges / Forex.com — https://www.forex.com/en-us/trading-guides/what-are-the-largest-stock-exchanges/
[6] World Bank, Market Capitalization of Listed Domestic Companies — https://data.worldbank.org/indicator/CM.MKT.LCAP.CD
[7] U.S. Energy Information Administration, U.S. Crude Oil Production — https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS2&f=A; U.S. Energy Information Administration, "The United States set record energy production in 2025, again," June 2026; EIA crude oil and natural gas production data

AMERICA

THE PROPELLANT: INNOVATION



The pattern repeats. The internet. The personal computer. The smartphone. Biotechnology. And now artificial intelligence, where American companies — built on American capital markets, staffed by American universities and the world's best immigrant talent, plugged into American energy infrastructure — are setting the pace for what may be the most consequential technological shift in human history. As we have written extensively, the US is uniquely positioned to lead the AI era not merely because of our software talent or our chips, but because of the full stack: the governance, the capital, the culture, and yes, the energy sitting beneath our feet.[8]

This is not coincidence. It is compounding. Each wave of innovation generates wealth. That wealth deepens the capital markets. Deeper capital markets fund the next wave. The culture celebrates the winners and largely forgives the losers, which keeps the risk-taking alive. Nobel laureates train the next generation of Nobel laureates. Immigrant founders inspire the next generation of immigrant founders. The flywheel, once set in motion 250 years ago, has never stopped.

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[8] Obsidian CIO, AI and the Jevons Paradox, March 2026; The 2026 AI Index Report | Stanford HAI

→ An Ode at 250

There are real challenges ahead — we have written about them and will continue to. The fiscal trajectory. The fraying of institutional trust. The political noise that at times makes it hard to see the underlying strength clearly. These are not trivial and they deserve honest attention.

But on this birthday, it is worth stepping back and seeing the full picture.

America began with perhaps the greatest geographic endowment in recorded history. On top of that, a small group of remarkably clear-eyed founders built the world's most durable governing framework, one so well-constructed that it has outlasted empires, survived a civil war, absorbed waves of disruption, and still stands 238 years later. That framework enabled capital markets of unrivaled depth. Those capital markets funded the most powerful innovation ecosystem the world has ever seen. That ecosystem attracted the best minds from every corner of the globe, who came, built, and made everything stronger for the generation that followed.

The result: a country with less than 5% of the world's population that still represents roughly half of global equity market value, remains the world's leading energy producer, attracts extraordinary human capital, and is at the center of the AI race.[9]

At 250, the charter is intact. The endowment is extraordinary. Whether America chooses to continue building on it is a question only Americans can answer. But on July 4th, 2026, the honest assessment is this: no country on earth is better positioned to lead the next 250 years.

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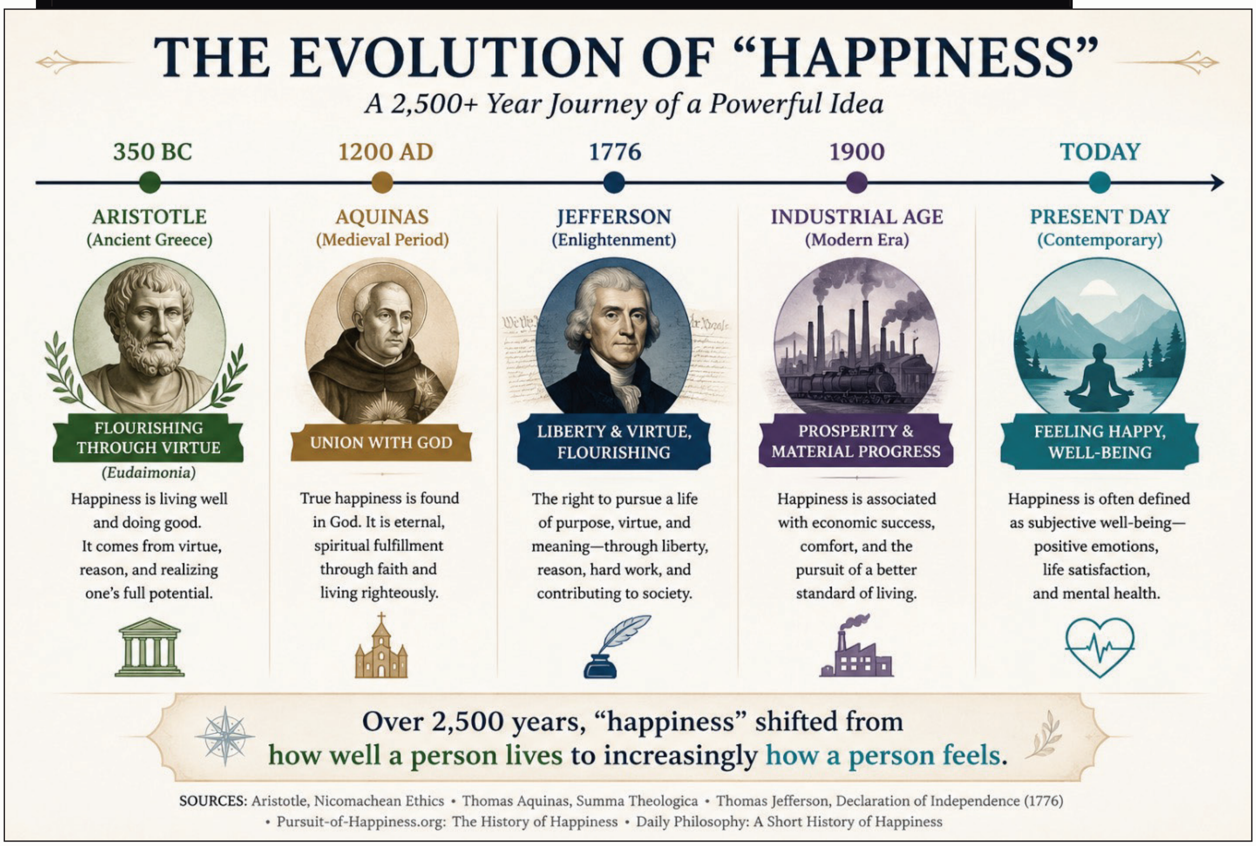
[9] World Bank, Market Capitalization of Listed Domestic Companies — https://data.worldbank.org/indicator/CM.MKT.LCAP.CD

Deep Thought: Life, Liberty, and The Pursuit of ***Happiness?***

We have all heard it a thousand times. "Life, Liberty and the pursuit of Happiness." It rolls off the tongue so easily that most of us never stop to ask what Jefferson actually meant by that last word, "Happiness".

A 2,500+ YEAR JOURNEY OF A POWERFUL IDEA

THE EVOLUTION OF "HAPPINESS"



It turns out, not what we think.

Today, happiness means feeling good. A great meal, a vacation, a solid day at the office. Something that happens to you. Jefferson, who was deeply steeped in Greek philosophy, meant something far more demanding. He was drawing on Aristotle's concept of eudaimonia, a Greek word his era translated as "happiness", but which actually means something closer to human flourishing — a life built through virtue, wisdom, discipline and contribution to others. Not a feeling but a condition of the soul.

Adam Potkay, a scholar at Jefferson's own alma mater William & Mary who has written extensively on the history of happiness, puts it plainly: Jefferson's pursuit of happiness was not a pursuit of pleasure. It was a pursuit of a life worth living.[10] Jefferson himself confirmed this in an 1819 letter, writing that virtue was the foundation of genuine happiness, not pleasure.

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[10] Adam Potkay, "What Jefferson Really Meant by the Pursuit of Happiness," William & Mary News, June 22, 2026 — https://news.wm.edu/2026/06/22/what-jefferson-really-meant-by-the-pursuit-of-happiness/

→ Interestingly, Jefferson replaced John Locke's word "property" with "happiness" in the Declaration deliberately. That was not a casual edit. He was encoding an ancient philosophical ideal into the founding document of a new nation.[11]

The Declaration says exactly what Jefferson intended. The word he chose in 1776 actually did mean purpose, meaning and flourishing at the time. The drift happened to the word, not to the idea. Interestingly, modern psychology spent decades arriving at the same conclusion — and the word they landed on is "flourishing."[12] Jefferson would have recognized it immediately.

"Life, Liberty and the Pursuit of Flourishing" — now that is indeed a noble cause!

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[9] "Footnotes to Jefferson's Idea of Happiness," The American Scholar — https://theamericanscholar.org/footnotes-to-jeffersons-idea-of-happiness/; Thomas Jefferson to William Short, October 31, 1819, from the Thomas Jefferson and William Short Correspondence, Transcribed and Edited by Gerard W. Gawalt, Manuscript Division, Library of Congress

[10] Martin Seligman, Flourish: A Visionary New Understanding of Happiness and Well-being (Free Press, 2011) — https://www.amazon.com/Flourish-Visionary-Understanding-Happiness-Well-being/dp/1439190763

Talking Points – June 2026

Monthly Market Recap

Equity markets finished mixed in June, with the Dow Jones Industrial Average moving higher while the S&P 500 and Nasdaq declined. Treasury yields rose during the month, particularly on the front end of the curve, as markets increasingly priced in the possibility that the Fed may need to hike rates later in 2026 rather than cut them. Growth equities underperformed after a strong run heading into the month, pressured by renewed concerns over AI valuations, elevated AI-related capital spending, and rising rate expectations. Markets did, however, take some comfort from signs of de-escalation between the U.S. and Iran by month-end, as both sides appeared to make progress toward ending the conflict and reopening the Strait of Hormuz.

AI-related equities were a negative contributor to performance in June, following a familiar pattern that has played out several times in recent years. Investor enthusiasm around AI had driven strong outperformance heading into the month, supported by excitement around new product announcements, IPO activity, and long-term demand expectations. However, sentiment weakened as investors once again questioned whether valuations had moved too far too quickly and whether AI-related capital spending could be justified by near-term monetization. Some of the selling pressure reflected the broader rotation out of growth stocks as rate expectations moved higher, but much of the weakness appeared to be driven by profit taking, fading momentum, and mean reversion after a period of strong outperformance.

The primary macro concern during the month was the increasing likelihood that the Fed may need to raise rates later in 2026. At the start of the year, markets had been expecting at least one rate cut, but by June the outlook had shifted meaningfully, with investors now viewing a rate hike as a real possibility. Inflation data continued to move higher, with both CPI and PCE more fully reflecting the impact of elevated energy prices. While the latest inflation readings were generally in line with expectations, they were still higher than the prior month, and roughly 60% of the increase in headline CPI was attributed to energy. The hope remains that a resolution in the Middle East will allow energy markets to normalize, but markets are increasingly recognizing that this process may take time.

Fed Chair Kevin Warsh also struck a hawkish tone following the June rate decision, stating that inflation remains well above the Fed's 2% target and describing high prices as a burden for American households. The Fed's updated dot plot reinforced that message, with roughly half of Fed officials penciling in at least one rate hike in 2026. At the same time, the labor market continued to show surprising strength, with May's jobs report showing nearly double the number of jobs expected. If inflation continues to push higher while the labor market remains persistently strong, the Fed may ultimately be forced to raise rates at some point this year.

On a more positive note, geopolitical tensions improved by the end of the month. While tensions between the U.S., Iran, and Israel had escalated earlier in June, including direct strikes and renewed threats of broader conflict, sentiment improved after the U.S. and Iran agreed to a memorandum of understanding aimed at ending the conflict and reopening the Strait of Hormuz. Markets viewed the agreement as an important step toward reducing the risk of further energy market disruption. Energy

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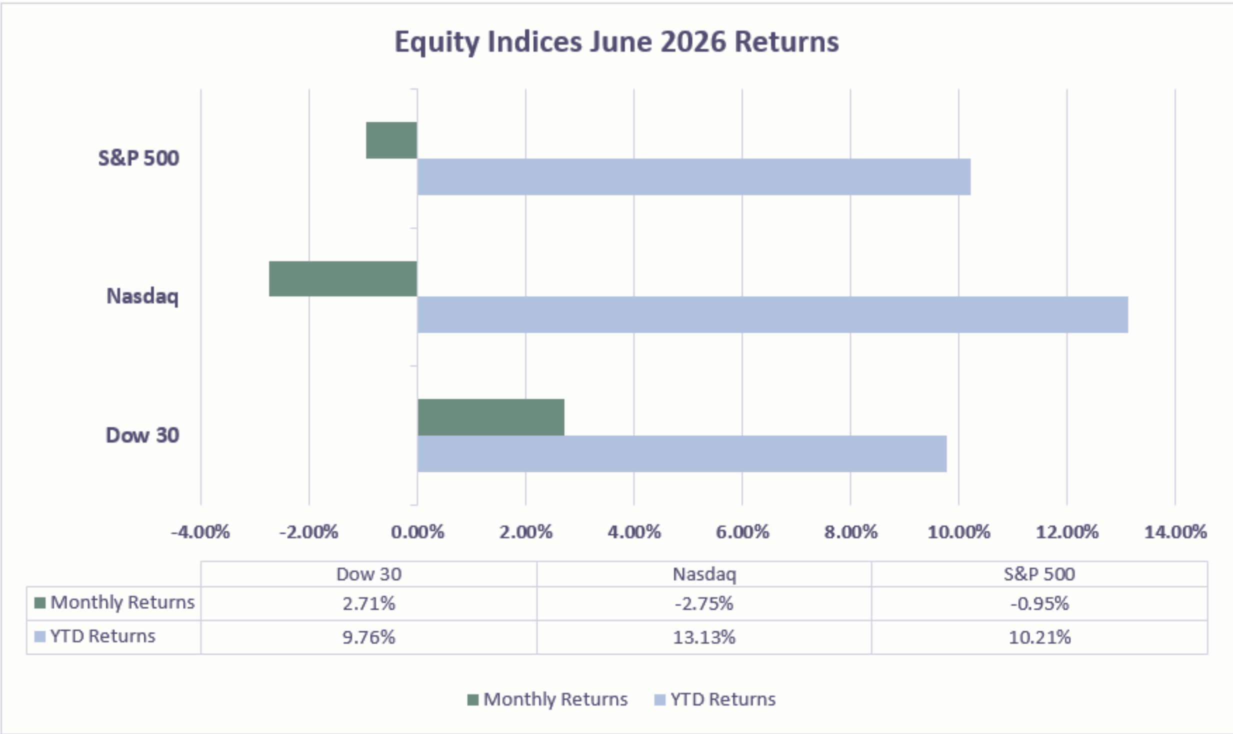
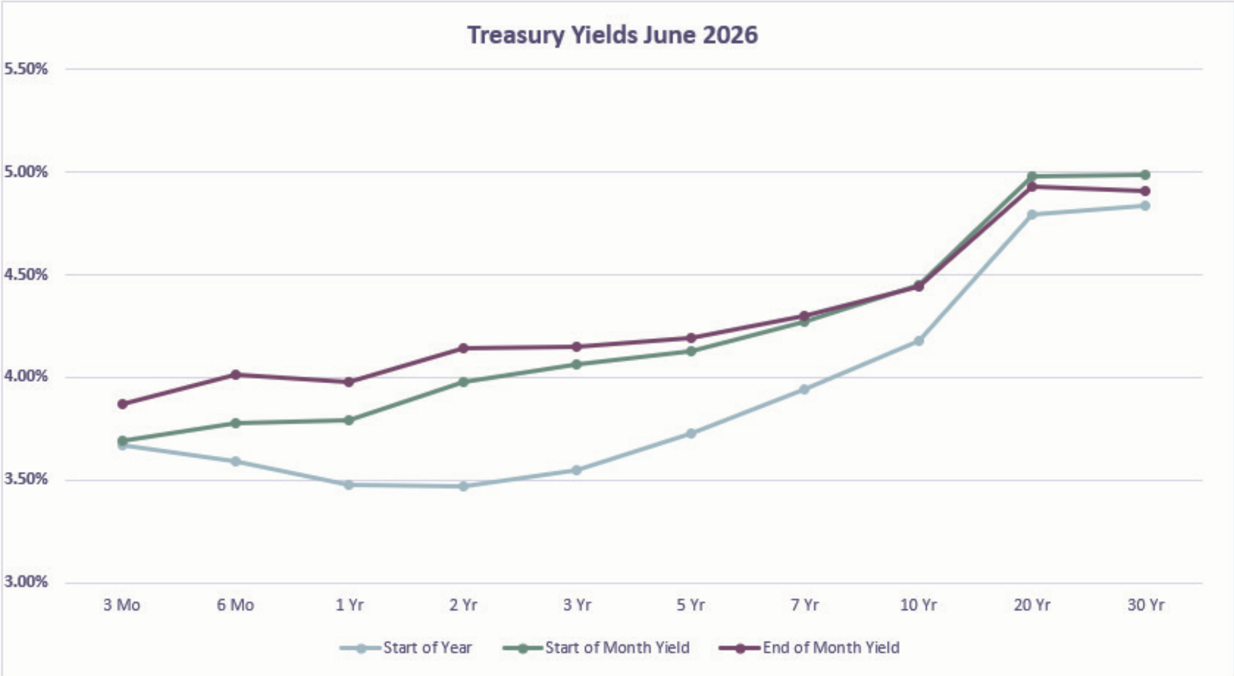
prices declined materially once the deal was announced, raising hopes that the recent inflationary pressure from higher energy costs could begin to ease. While uncertainty remains around the durability and implementation of the agreement, the de-escalation provided a much-needed offset to concerns around inflation, Fed policy, and pressure in AI-related equities.

Graphs/Visuals



	Dow 30	Nasdaq	S&P 500
Monthly Returns	2.71%	-2.75%	-0.95%
YTD Returns	9.76%	13.13%	10.21%



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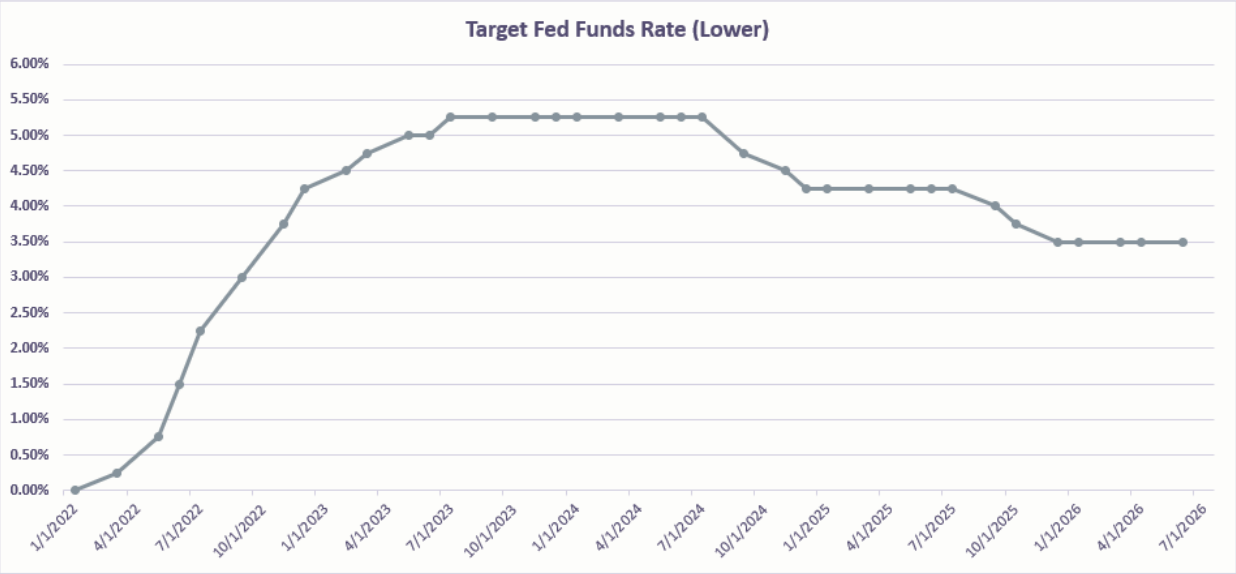
Fed Interest Rate Decisions Since Start of Hiking Cycle			
FOMC Meeting Date	Hike/Cut	Target Fed Funds Rate (Lower)	Target Fed Funds Rate (Upper)
Start of 2022	-	*0.00%*	*0.25%*
3/16/2022	**0.25%**	0.25%	0.50%
5/4/2022	**0.50%**	0.75%	1.00%
6/15/2022	**0.75%**	1.50%	1.75%
7/27/2022	**0.75%**	2.25%	2.50%
9/21/2022	**0.75%**	3.00%	3.25%
11/2/2022	**0.75%**	3.75%	4.00%
12/14/2022	**0.50%**	4.25%	4.50%
2/1/2023	**0.25%**	4.50%	4.75%
3/22/2023	**0.25%**	4.75%	5.00%
5/3/2023	**0.25%**	5.00%	5.25%
6/14/2023	**0.00%**	5.00%	5.25%
7/26/2023	**0.25%**	5.25%	5.50%
9/20/2023	**0.00%**	5.25%	5.50%
11/1/2023	**0.00%**	5.25%	5.50%
12/13/2023	**0.00%**	5.25%	5.50%
1/31/2024	**0.00%**	5.25%	5.50%
3/20/2024	**0.00%**	5.25%	5.50%
5/1/2024	**0.00%**	5.25%	5.50%
6/12/2024	**0.00%**	5.25%	5.50%
7/31/2024	**0.00%**	5.25%	5.50%
9/18/2024	**-0.50%**	4.75%	5.00%
11/7/2024	**-0.25%**	4.50%	4.75%
12/18/2024	**-0.25%**	4.25%	4.50%
1/29/2025	**0.00%**	4.25%	4.50%
3/19/2025	**0.00%**	4.25%	4.50%
5/7/2025	**0.00%**	4.25%	4.50%
6/18/2025	**0.00%**	4.25%	4.50%
7/30/2025	**0.00%**	4.25%	4.50%
9/18/2025	**-0.25%**	4.00%	4.25%
10/29/2025	**-0.25%**	3.75%	4.00%
12/10/2025	**-0.25%**	3.50%	3.75%
1/28/2026	**0.00%**	3.50%	3.75%
3/18/2026	**0.00%**	3.50%	3.75%
4/29/2026	**0.00%**	3.50%	3.75%
6/17/2026	**0.00%**	3.50%	3.75%



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Probability of Upcoming Fed Interest Rate Decisions							
	Hike	Hold	Cut	Hike 50bps	Hike 25bps	Cut 25bps	Cut 50bps
6/26/2026 Next: July 29th	29.90%	70.10%	0.00%	0.00%	29.90%	0.00%	0.00%
6/30/2026 Next: July 29th	33.10%	66.90%	0.00%	0.00%	33.10%	0.00%	0.00%

2026 Interest Rate Forecast	
More than 2 Hikes	12.0%
2 Hikes	32.2%
1 Hike	39.1%
At Least 1 Hike	83.3%
Hold	16.3%
At Least 1 Cut	0.0%
1 Cut	0.0%
2 Cuts	0.0%
More than 2 Cuts	0.0%

2026 Interest Rate Forecast	
At Least 1 Hike	83.3%
Hold	16.3%
At Least 1 Cut	0.0%

May CPI and Core CPI (yoy)	May	vs. Expected	vs. April
CPI	4.2%	4.2%	3.8%
Core CPI	2.9%	2.9%	2.8%

May PCE and Core PCE (yoy)	May	vs. Expected	vs. April
PCE	4.1%	4.1%	3.8%
Core PCE	3.4%	3.4%	3.3%

Highlights/Notes

Highlight: Despite progress in negotiations between the US and Iran later in the month, market's concern over AI (valuations, capex spend, etc.) and potential rate hikes resulted in negative performance for growth-oriented equities (Nasdaq/S&P 500 down slightly for the month).

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Obsidian Sentiment Summary 2026:

2026	January	February	March	April	May	June
Fed	**Mildly Bearish**	**Neutral**	**Neutral**	**Neutral**	**Neutral**	**Mildly Bearish**
Interest Rate Decisions	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*
Commentary	*Mildly Bearish*	*Neutral*	*Mildly Bearish*	*Mildly Bearish*	*Neutral*	*Bearish*
Fed Independence	*Mildly Bearish*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*
Economic Data	**Mildly Bullish**	**Mildly Bullish**	**Mildly Bearish**	**Mildly Bearish**	**Mildly Bearish**	**Mildly Bearish**
Inflation	*Bullish*	*Mildly Bullish*	*Neutral*	*Mildly Bearish*	*Bearish*	*Mildly Bearish*
Employment/Labor Market	*Neutral*	*Mildly Bullish*	*Bearish*	*Neutral*	*Bullish*	*Bearish*
GDP	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Mildly Bearish*	*Bearish*
Consumer Spending	*Neutral*	*Mildly Bearish*	*Neutral*	*Neutral*	*Mildly Bearish*	*Neutral*
Consumer Sentiment	*Neutral*	*Neutral*	*Mildly Bearish*	*Bearish*	*Bearish*	*Mildly Bearish*
Housing/Real Estate	*Neutral*	*Mildly Bullish*	*Mildly Bullish*	*Neutral*	*Neutral*	*Neutral*
Global Events/News	**Mildly Bearish**	**Mildly Bearish**	**Bearish**	**Bullish**	**Mildly Bullish**	**Neutral**
China	*Neutral*	*Neutral*	*Mildly Bearish*	*Neutral*	*Mildly Bullish*	*Neutral*
Middle East	*Bearish*	*Bearish*	*Bearish*	*Bullish*	*Bullish*	*Mildly Bullish*
Russia	*Neutral*	*Neutral*	*Mildly Bearish*	*Neutral*	*Neutral*	*Neutral*
South America	*Mildly Bullish*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*
Europe	*Mildly Bearish*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*
Japan	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Mildly Bearish*
US Politics/Government	**Mildly Bearish**	**Mildly Bullish**	**Neutral**	**Neutral**	**Neutral**	**Mildly Bearish**
Tariffs	*Mildly Bearish*	*Bullish*	*Mildly Bearish*	*Neutral*	*Mildly Bearish*	*Mildly Bearish*
Economic Policy	*Mildly Bearish*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*
Market Trends	**Mildly Bearish**	**Bearish**	**Mildly Bearish**	**Neutral**	**Mildly Bullish**	**Mildly Bearish**
Earnings	*Mildly Bearish*	*Neutral*	*Neutral*	*Mildly Bullish*	*Bullish*	*Mildly Bearish*
AI/Chips	*Mildly Bearish*	*Bearish*	*Neutral*	*Mildly Bullish*	*Bullish*	*Mildly Bearish*
Private Credit	*Bearish*	*Bearish*	*Bearish*	*Mildly Bearish*	*Neutral*	*Bearish*
Energy Prices	*Mildly Bearish*	*Bearish*	*Bearish*	*Mildly Bearish*	*Mildly Bearish*	*Mildly Bullish*
Metals/Critical Minerals	*Mildly Bullish*	*Neutral*	*Neutral*	*Neutral*	*Neutral*	*Neutral*
Crypto	*Mildly Bearish*	*Neutral*	*Mildly Bearish*	*Neutral*	*Neutral*	*Bearish*

Key Topics/Items for June:

- ***BEARISH***
  - May's jobs report showing that the US economy added almost double the number of jobs that were forecasted, setting the Fed up to hike rates later in 2026 (rather than cut them)
  - Israel intensifying its offensive in Lebanon which ultimately prompted Iran to threaten to cut off all negotiations with the US
  - The US and Iran exchanging attacks in the beginning of the month with Iran also launching its largest attack on a Gulf State (Kuwait) since the start of the cease-fire
  - Cliffwater's flagship private credit fund seeing quarterly redemption requests soar to 17% of net asset value – the company only allowed the typical 5% to be redeemed after allowing for 7% in the prior quarter
  - Credit ratings agency Moody's changing its outlook to negative for two private credit funds (one managed by Blackstone, the other Golub) citing rising defaults in underlying loans as their reasoning (and some concerns over software concentration given recent advancements in AI)

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- Strategy, the "bitcoin accumulation firm", selling off materially after it was reported that the company was forced to sell some of its stockpile of bitcoin
- The release of new research highlighting potential issues for several of the new crypto-related ETFs that have launched in recent years – analysts are warning that more than a third of these products will likely be closed/shutdown within two years
- Iran and Israel launching direct strikes on each other for the first time in weeks early in the month
- President Trump stating that the US would resume attacks after Iran shot down an US helicopter that was patrolling the Strait (also claiming that Iran was taking too long to negotiate)
- New Fed Chairman Kevin Warsh providing hawkish commentary, stating that inflation was still well above their 2% target (describing current high prices as "a burden for Americans")
- The Fed's updated dot plot showing that roughly half of Fed officials are penciling in at least one rate hike in 2026
- Fed officials lowering their GDP growth forecasts for 2026 and raising their inflation forecasts

- ***MILDLY BEARISH***
  - Broadcom reporting quarterly earnings that were better than expected but opting not to raise their forward guidance, choosing instead to stand by their previous estimates (markets wanted them to raise future expectations)
  - President Trump threatening to implement 25% tariffs on some Brazilian goods claiming, "unfair trade practices"
  - The Trump administration announcing plans for new 10% (and some 12.5%) tariffs on several trading partners that would go into effect after the current 10% global tariffs (implemented after the Supreme Court's ruling) expire in late July
  - May CPI and Core CPI coming in higher than the month prior with headline CPI hitting 4.2% (highest level in three years) – 60% of the increase from the month prior was determined to be the result of elevated energy costs
  - A federal appeals court ruling that the Trump administration could continue collecting its 10% global tariff on goods imported into the US (this tariff is set to expire later this summer)
  - The ECB raising benchmark interest rates due to inflationary pressures resulting from elevated energy prices (first major central bank to do so since the start of the US/Iran conflict)
  - Concerns surrounding AI valuations and capex spend reemerging later in the month
  - May PCE and Core PCE coming in higher than the month prior with headline PCE hitting 4.1%
  - The Japanese yen hitting 40-year lows relative to the dollar – fueling speculation that the government could soon look to intervene to strengthen its currency (likely by buying yen using foreign currency reserves rather than by raising benchmark interest rates)

CONTINUED →

- ***NEUTRAL***
  - Existing home sales coming in higher than expected for the month of May
  - The Fed opting to hold benchmark interest rates at current levels at their June meeting (expected/priced in)

  MILDLY BULLISH
  - Iran announcing that it would be halting strikes on Israel
  - Nvidia unveiling a new "superchip"
  - Micron reporting strong earnings while also forecasting that the memory chip shortage is likely to persist
- ***BULLISH***
  - Anthropic officially filing for an IPO
  - The long-anticipated SpaceX IPO being met with strong demand with shares trading over 25% above its IPO price at points in the day (largest IPO ever, sixth most valuable US-listed company now)
  - After threatening to resume attacks on Iran (when a US helicopter was shot down), President Trump quickly "cancelling" the planned strike because "multiple countries" had agreed to a deal (details/materiality unclear)
  - OpenAI officially filing for an IPO
  - Tensions de-escalating in the Middle East after the US and Iran officially agreed on a "memorandum of understanding" to end the conflict and reopen the Strait of Hormuz (energy prices dropped materially once it was official)
  - President Trump announcing that Apple agreed to work with Intel to design and build chips in the US
  - Google getting added to the Dow Jones Industrial Average and SpaceX getting added to the Nasdaq 100