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MARKET BRIEF — WEEK OF JUNE 17 2026

# Warsh's first signal: the cuts are gone — and two cycles are bottoming.

The Fed held, but the dot plot flipped from a cut to a hike under a hawkish new Chair. A liquidity headwind meets a quiet structural bid, into the post-halving / midterm-year trough.

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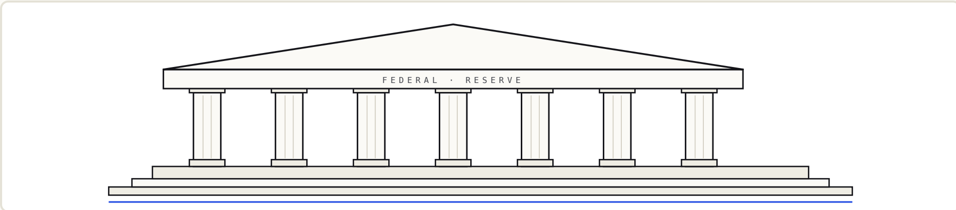
POST-FOMC · JUNE 17 2026

| BITCOIN | FED FUNDS | US 10Y | OCT HIKE ODDS | CPI Y/Y |
|---|---|---|---|---|
| $64,881 −2.6% | 3.50–3.75% HOLD | 4.46% +4bp | 60.7% | 4.17% |

# The desk read, **in one breath.**

- The Fed **held at 3.50–3.75%** for a fourth meeting, but the June dots **removed every 2026 cut and added a hike** — median year-end rate up to 3.8% from 3.4%.
- It was **Kevin Warsh's debut** as Chair. He declined to submit his own dot and is standing up task forces to overhaul the Fed's forecasting and guidance — a regime change, not a tweak.
- The trigger is **re-accelerating inflation** (May CPI 4.17% y/y, energy- and tariff-led) against a **resilient labour market** — the Fed has both the cover and the room to stay tight.
- Risk repriced hawkish: front-end yields led higher, the dollar firmed, equities slipped. Crypto, the high-beta liquidity proxy, sold with it.
- Two cycles meet here: Bitcoin's **post-halving "off year"** and the **midterm-election seasonal trough** — historically the soft patch before the strong window into 2027. Long-term holders are quietly absorbing.




THE ECCLES BUILDING · BOARD OF GOVERNORS OF THE FEDERAL RESERVE · ORIGINAL ILLUSTRATION

# A hold that **isn't a hold.**

The headline was a non-event — rates unchanged for a fourth meeting. The signal sat one layer down, in the projections, and it was the opposite of dovish.

THE DOTS

## Cuts erased, a hike penciled in.

The median year-end-2026 projection jumped to **3.8%** from **3.4%** in March. Of eighteen participants, nine now see at least one hike this year, eight no change, one a cut. CME pricing moved a hike into October at ~61% odds — previously nothing was expected before December.

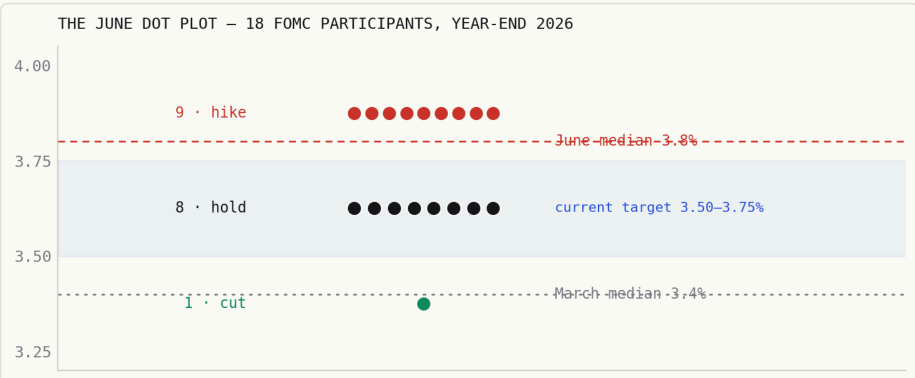



FIG 1 — THE JUNE DOT PLOT. SOURCE: FEDERAL RESERVE SEP, JUNE 2026.

> **THE NEW CHAIR**
>
> This was **Kevin Warsh's first meeting**, having succeeded Jerome Powell on 15 May. A known hawk and long-time critic of Fed forward guidance, Warsh declined to submit his own dot and announced task forces to overhaul the Fed's forecasting and communications. The institution's reaction function is being rewritten in real time — expect a higher policy-uncertainty premium across rates and risk until his framework is legible.

READ

## Higher-for-longer became higher-maybe.

The market leaned on eventual cuts for a year. That crutch is gone — the debate is no longer "when do they cut" but "do they hike," a different regime for every liquidity-sensitive asset.

# Why the **dots moved.**

The Fed didn't turn hawkish in a vacuum. Inflation re-accelerated and the labour market refused to crack — the worst mix for a central bank weighing cuts.

INFLATION

### Back above 4%, and hot at the margin.

May CPI printed **4.17%** y/y — and an **8.2%** three-month annualised pace, the part that alarms a central bank. Core sits near 2.9%, sticky in shelter (+3.4%), transport services (+4.1%), medical (+3.6%) and apparel (+4.8%). May PPI surged on energy and services, with firms passing through tariff costs.

ENERGY

### A geopolitical bid under prices.

Elevated energy costs tied to the Iran conflict feed directly into headline inflation and input prices — an exogenous shock the Fed cannot ease away, and a reason to err tight.

LABOUR

### Resilient, not rolling over.

Private payroll growth in Q1 ran more than **2.5×** the 2025 monthly pace, with wages still outrunning inflation. A strong jobs market removes the usual excuse to cut.

GROWTH

### No recession on the radar.

Economists put near-term recession risk as low. With activity holding and inflation re-firming, the asymmetry favours restraint — exactly what the dots delivered.

# Textbook **hawkish repricing.**

The front end led, the dollar firmed, risk gave way — and crypto traded as the high-beta tail of the same impulse, no decoupling.

CURVE

### The two-year leads the move.

The policy-sensitive 2-year rose ~9bp to 4.14%; the 10-year added ~4bp to 4.46%. A front-led move says "policy stays tighter for longer" rather than "growth is accelerating" — the more restrictive read.

RISK

### Equities and crypto slipped together.

The Nasdaq eased ~0.5% and the dollar firmed on the print. No haven behaviour from crypto — just liquidity beta doing what it does on a hawkish surprise.

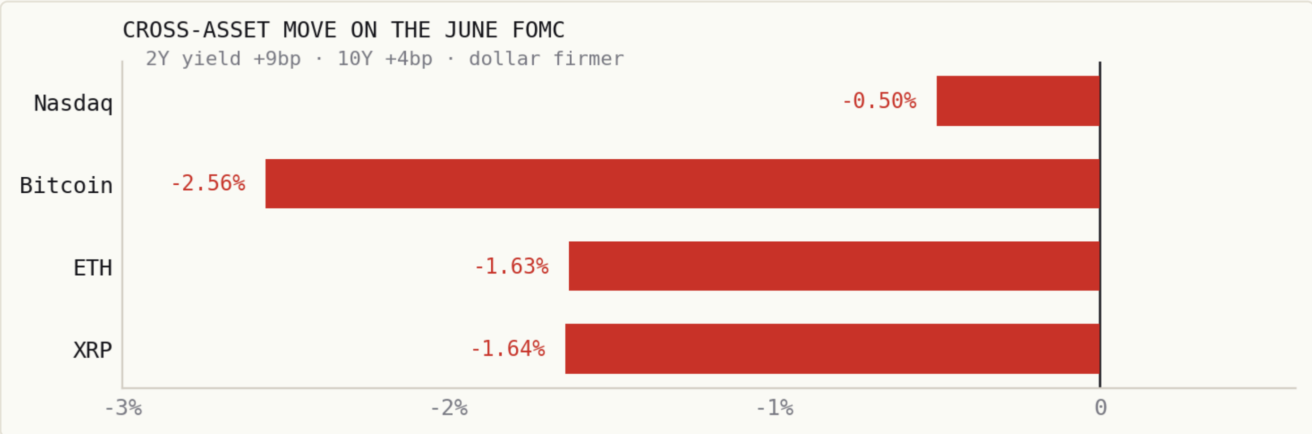



FIG 2 — INTRADAY MOVE ON THE DECISION. SOURCE: COINDESK, CRYPTOTIMES, BLOOMBERG TAPE.

TRANSMISSION

### The channel to watch.

For digital assets the live variables are simple: the dollar index and front-end real yields. Until those roll over, rallies are tactical and rate-sensitive; the macro tide is pushing the other way.

# Tactical headwind, **structural bid.**

Price is heavy and ETF flows are leaving — yet on-chain, the coins are quietly moving into stronger hands.

PRICE

### Broad, orderly de-risking.

BTC **~$64,900** (intraday low $64,523, −2.6%), ETH **$1,766** (−1.6%), XRP **$1.20** (−1.6%). A correlated risk-off fade, not a disorderly flush.

FLOWS

### The ETF bid stepped back.

Spot bitcoin ETFs bled **~$4.4B over a 13-day streak**; Q1 institutions trimmed spot-ETF exposure ~17%. The marginal price-setter of 2024–25 turned seller — the proximate cause of the grind.

SUPPLY

### Long-term holders are absorbing.

On-chain, holders soaked up **~125k BTC in June** — a historical bottoming tell — while banks added (+7,800 BTC) and advisors barely trimmed. Float is tightening into the weakness.

CATALYSTS

### The regulatory tide is still coming in.

GENIUS-Act stablecoin rules are due by 18 July; the CLARITY Act cleared Senate Banking 15–9 in May; MiCA's deadline lands 30 June; stablecoins are mainstreamed across seven economies. Structurally bullish, independent of the rate cycle.

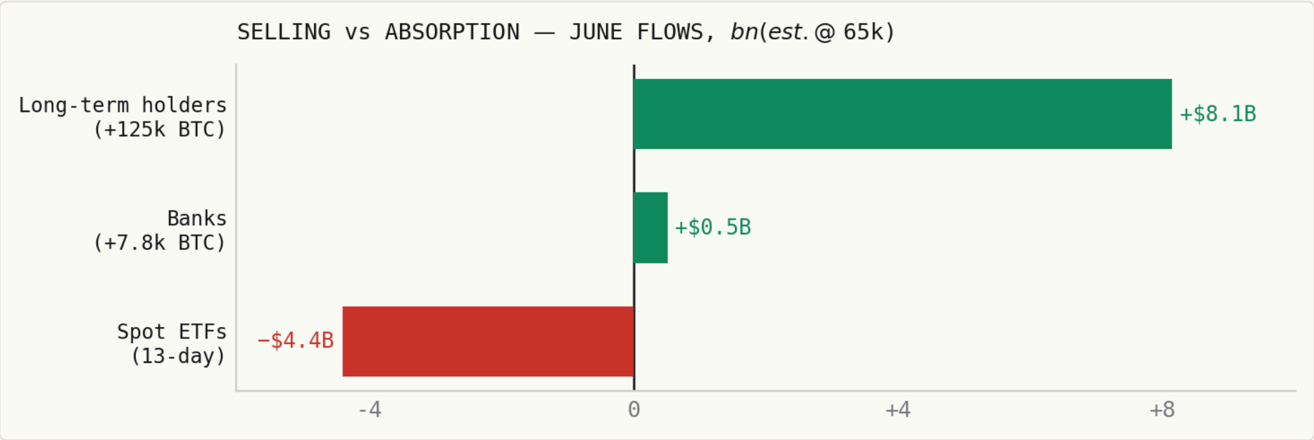



FIG 3 — SELLING vs ABSORPTION, JUNE. $ EST. AT ~$65k. SOURCE: BITCOIN FOUNDATION, KUCOIN, ON-CHAIN.

# Two cycles, **one trough.**

Step back from the print. Bitcoin's four-year halving rhythm and the U.S. presidential cycle are pointing at the same window — and it's the soft one.

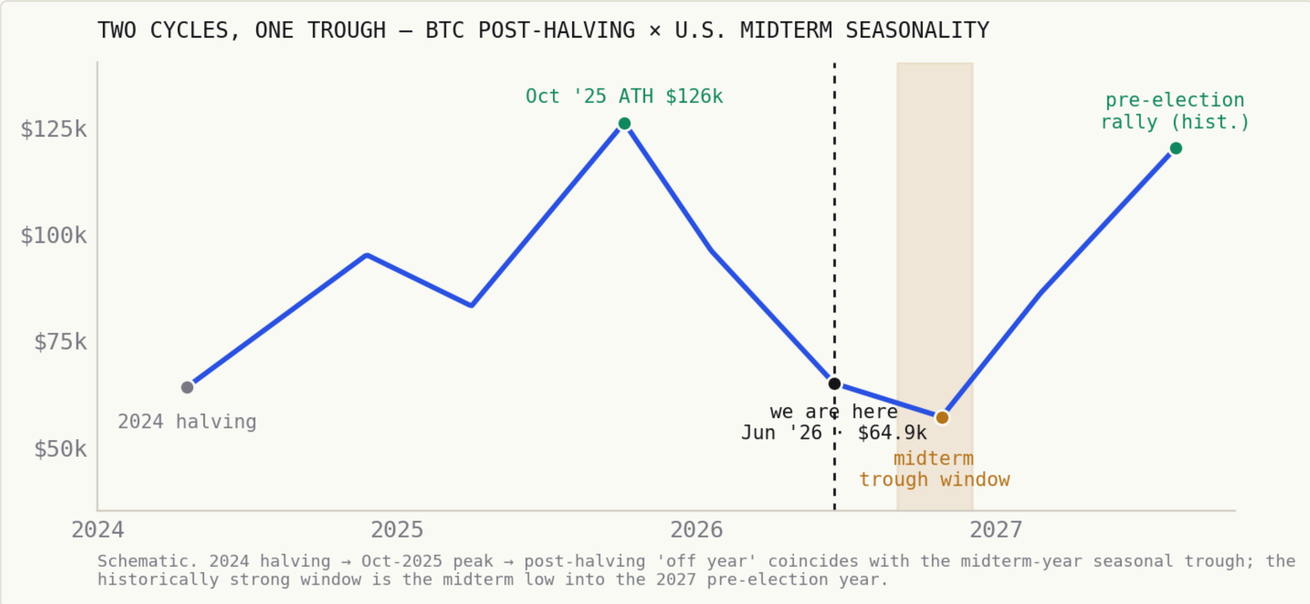



FIG 4 — SCHEMATIC. BTC POST-HALVING CYCLE × MIDTERM-YEAR SEASONALITY. SOURCE: HALVING/ATH DATES PER COINDESK & FIDELITY; SEASONALITY PER PRESIDENTIAL-CYCLE STUDIES.

HALVING

### A post-peak "off year."

The 2024 halving fed a top of **$126,198** on 6 Oct 2025. Fidelity's Timmer notes the action "lines up about perfectly with past four-year cycles" and that **2026 looks like a year off** — digestion deep into the year, exactly where price now sits.

MIDTERM

### The weakest leg of the presidential cycle.

Midterm-election years (November 2026) are historically the choppy, mid-year-weak part of the four-year political cycle — with a well-documented autumn trough that precedes the strongest 12 months: the run into the pre-election year, 2027.

CONFLUENCE

### Both clocks say the same thing.

Post-halving digestion and the midterm trough overlap in **mid-to-late 2026**. That is a soft patch by both maps — and the accumulation in section 04 (holders and banks adding into weakness) is precisely what positioning *for the turn* looks like.

THE CATCH

### The cycle may have mutated.

ETFs and treasuries have made BTC a macro asset; the post-halving year (2025) already broke pattern by topping. Street views split hard — bears at **$60–75k** on tight liquidity, bulls at **$150–170k** on flows. Respect both: the seasonal template is a base rate, not a guarantee.

# The catalysts that can **move price.**

A light data week now, a heavy one next — capped by the year's largest options expiry. The new Chair's first unscripted words land in between.

## THIS WEEK · JUN 17–21

JUN 18 · THU

### Fed blackout ends — officials speak.

Warsh and committee members are free to talk for the first time post-decision. The market wants the new reaction function in plain words; any hawkish colour extends the repricing.

JUN 19 · FRI

### Juneteenth — U.S. markets closed.

Cash equities and Treasuries shut. Crypto trades 24/7 into thin holiday liquidity — outsized moves on light volume are the risk, not the signal.

JUN 20 · SAT

### Token unlocks — LayerZero, Kaito.

LayerZero (~$23M) and Kaito (~$7M) release into circulation; localized altcoin supply pressure, not a market-wide driver.

## NEXT WEEK · JUN 22–28

JUN 22 · MON

### PCE deflator — the Fed's preferred gauge.

Personal income + core PCE, the single most important print post-FOMC. A hot number validates the hike and pressures risk; a soft one is the first crack in the hawkish case. Jobless claims alongside.

JUN 23 · TUE

### GDP (3rd) · consumer surveys.

Final Q1 GDP and Michigan/Conference-Board sentiment — growth-and-confidence texture for the "no recession" thesis.

JUN 24 · WED

### Fed bank stress-test results, 4pm ET.

Financial-conditions read; large-bank capital headlines can move broad risk sentiment at the margin.

JUN 26 · FRI

### $10.6B BTC options expiry — the year's largest.

Roughly **80% (~$8.6B)** sits out-of-the-money; "max pain" prints near $60k, ~8% ***below*** spot. Treat it as a soft reference, not a target — the historical record (section 07) shows large expiries miss max pain by 5–10%. Post-expiry, dealer hedges unwind and volatility tends to expand.

> WATCH-LINE
>
> The week's path is set by **PCE (Mon)**, not the expiry: a hot PCE skews it defensive; a soft PCE with the $64.5k holder shelf holding is the relief-bounce setup. Max pain at $60k is a weak tug, not a magnet. The next CPI doesn't land until mid-July.

# A magnet — **a weak one.**

"Max pain" is the strike where the most options expire worthless, and price is said to drift toward it. The record says: sometimes, late, and only when nothing else is happening.

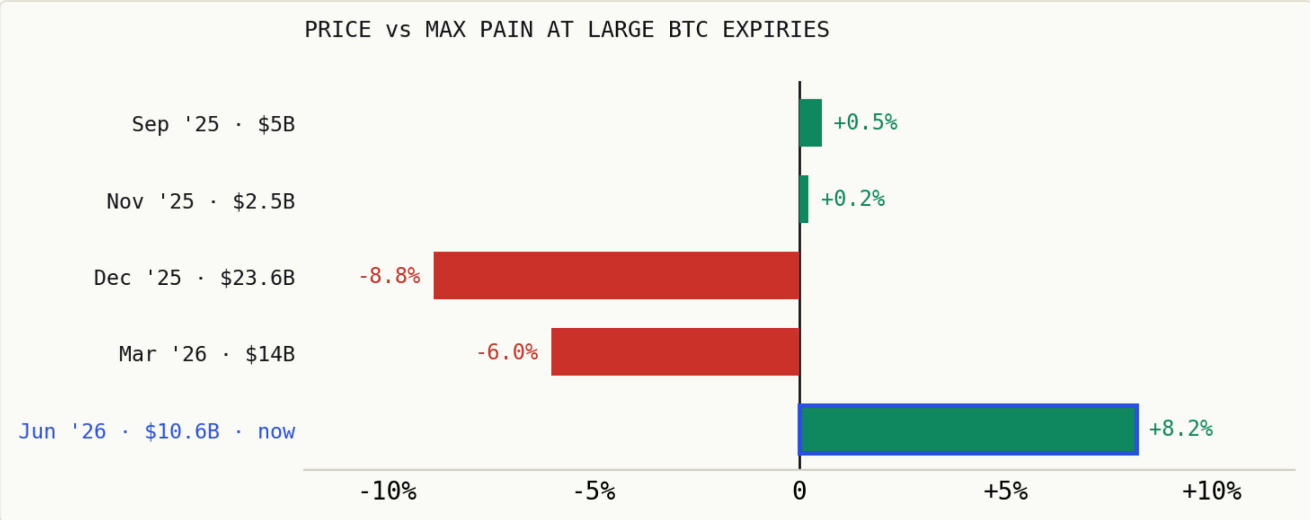



FIG 5 — SPOT NEAR EXPIRY vs DERIBIT MAX PAIN: (spot − max pain) / max pain. JUN '26 IS CURRENT, NOT SETTLED. SOURCE: COINDESK / DERIBIT.

THE RECORD

### Big expiries miss by 5–10%.

The year's largest — Dec '25 ($23.6B) — settled ~**9%** below a $96k max pain; Mar '26 ($14B) ran ~**6%** below $75k. Only the quieter monthly expiries (Sep, Nov '25) converged inside ~1%, and only in the final 24–48 hours.

THE SKEW

### A high max pain rarely pulls price up.

When calls dominate open interest, max pain prints well above spot. Price doesn't rally to it — it stays below, and those calls expire worthless. That *is* "max pain" (sellers win), but it is the opposite of price converging to the number.

THIS FRIDAY

### $60k max pain sits ~8% below spot.

The rarer configuration — price ***above*** max pain, with ~80% of the $10.6B out-of-the-money. There is a mild downward tug toward $60–62k into the print, but an 8% gap is squarely within the normal large-expiry miss and can persist or widen.

THE TAKEAWAY

Use max pain as a **sentiment and positioning reference, not a price target**. Across large expiries the deviation has run from ~0% to ~9%, and macro — this week, **Monday's PCE** — overrides the options mechanic every time it matters.

# Defensive on macro, **constructive on structure.**

Expect range, not capitulation — and let the data pick the side. The cyclical map says this is the soft patch before the strong window, but the macro catalyst is live.

STANCE

**Lower conviction in beta, respect the bid.**

Path of least resistance is sideways-to-lower while the dollar and front-end yields stay firm. But the accumulation base and the cycle map argue against chasing shorts; downside is a grind to be absorbed, not an air-pocket — until a fresh hawkish catalyst proves otherwise.

WATCHING

**The four swing factors.**

① **PCE (Mon)** and the next CPI — a hot print validates the hike. ② The **October FOMC** (~61% hike odds) as the live decision. ③ Warsh's emerging communication regime — the uncertainty premium. ④ The **$64.5k holder cost-basis** shelf and whether ETF outflows turn.

**BEAR**

Hot PCE/CPI + an October hike confirmed. Dollar and real yields press higher; BTC loses the $64.5k shelf and tests the cycle's lower band ($57–60k) into the midterm trough.

**BASE**

Range and grind. ETF selling is absorbed by long-term demand; price consolidates $62–70k while the macro and structural clocks stay at odds into the autumn.

**BULL**

PCE cools, the hike is priced out, ETF flows turn. The tightened float and the post-midterm seasonal tailwind drive the snap-back toward the cycle highs.

# ETH — coiling above the line.

Consolidating above long-term support; the pattern that resolved up, hard, three times before.

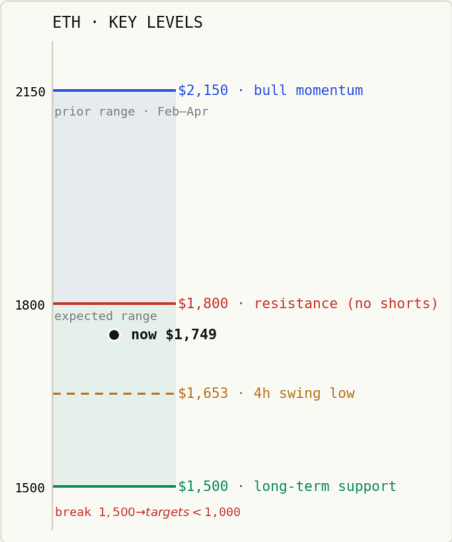



FIG 6 — ETH KEY LEVELS. CONTRIBUTOR TECHNICAL ANALYSIS.

THE THESIS

### Below $1,800 has paid — three times.

Price is holding the **$1,500** long-term support. Historically, every consolidation ***below $1,800*** resolved upward — at least three times, with breakouts of **+150–170%**. This is the long-term tell.

THE RANGE

### Expect $1,500–$1,800 near-term.

The $1,800 red line is resistance for now. But by the record you do ***not*** look for shorts here — the asymmetry is up.

THE TRIGGER

### Real momentum needs $2,150.

ETH ranged $1,800–$2,150 Feb–Apr. The main bullish leg only resumes once price reclaims and breaks **$2,150** again.

THE BUY

### A 3-day (better, 5-day) bullish FVG below $1,800.

Positioning ***below*** resistance keeps the edge to hold for far higher targets on a breakout. Until that FVG prints, range / consolidation is the base case.

THE SHORT

### Only below $1,500.

Swing short for sub-$1,000 on a daily close under **$1,500**; riskier entries below the 4h swing low at **$1,653**.

# BTC — liquidity taken, no-man's-land.

The weekly low was swept; price now sits below the old range, in a pocket with no clean edge — but the higher-timeframe structure is quietly turning up.

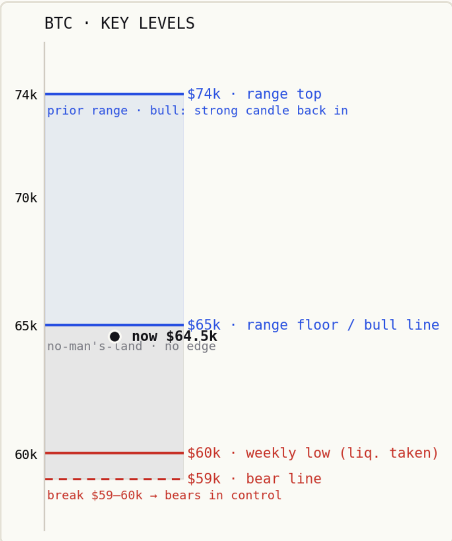



FIG 7 — BTC KEY LEVELS. CONTRIBUTOR TECHNICAL ANALYSIS.

STRUCTURE

### Swept $60k, now below the range.

Price took the liquidity below the **$60k** weekly low and trades under the prior **$65–74k** range. On the 3-day, however, higher highs and higher lows — a nascent bullish signal.

NO EDGE

### $59–65k is not a clean trade.

Inside this pocket there isn't enough data to say buyers or sellers have the upper hand. Wait for the break, don't predict it.

BULLS TAKE OVER

### A strong candle back into $65–74k.

Re-entering the prior range with conviction flips control to buyers and re-opens the old range overhead.

BEARS TAKE OVER

### A break below $59–60k.

Losing the swept low confirms sellers in control and opens the downside.

# Levels meet **catalysts.**

Price action draws the lines; the fundamentals say when and why they break; the cycle says how long it lasts. Here they line up.

BTC · WHERE THEY MEET

### PCE is the trigger that breaks the pocket.

The PA bull line (**$65k**) and bear line (**$59–60k**) bracket Monday's PCE: a soft print is the fuel for the "strong candle back into $65–74k"; a hot print pressures the $59–60k break. The **$64.5k** holder cost-basis sits inside the no-man's-land — the literal battle line — and the Jun 26 $60k max pain (a weak magnet) overlaps the bear trigger. The 3-day higher-high / higher-low is the structural bid showing through the macro headwind.

ETH · WHERE THEY MEET

### The breakout pattern is the cycle thesis, drawn.

ETH's "hold $1,500 → +150–170% breakout" is the post-halving / midterm-trough setup in technical form: accumulate the structural floor into weakness for the move into 2027. Macro keeps it pinned $1,500–$1,800 near-term; the **>$2,150** breakout likely needs the rate tide to turn — the same catalyst (cuts repriced, the post-midterm window) that would free BTC.

THE PLAYBOOK

### Respect the range, accumulate the floor, confirm on the catalyst.

Near-term, both assets range. Accumulate the structural supports ($1,500 ETH · the $60–65k reclaim on BTC) into weakness — never short ETH at $1,800, never chase BTC in the $59–65k pocket. Confirmation = a level break ***plus*** a macro turn (PCE → mid-July CPI → the October FOMC). The durable trend turn aligns with the Sept–Nov midterm low into 2027.

ONE LINE

Defensive on the macro, constructive on the structure: **your levels give the triggers, the calendar gives the timing, the cycle gives the horizon — and on this map, all three agree.**



SOURCES — FOMC & dots: CNBC, REX Shares, BondSavvy. Crypto & on-chain: CoinDesk, Blockchain Reporter, CryptoTimes, Yahoo Finance. Macro: BLS (May CPI), BEA (PCE), Cleveland Fed. Flows: Bitcoin Foundation, Intellectia, KuCoin. Calendar: Trading Economics, BEA, Federal Reserve, CoinDesk options data. Cycle: CoinDesk/Fidelity (Timmer), Bitcoin Suisse, presidential-cycle seasonality. Options/max-pain: CoinDesk, Deribit. Regulation: Latham & Watkins, The Block, BVNK. Price-action levels: contributor.