



HARD PASS

President Biden's [visit to Saudi Arabia](#) to discuss high oil prices became Mohammed bin Salman taking a [full pass on the meeting](#). MBS won't let [Biden have it both ways](#).

This is where U.S. energy policy gets tricky. You can't condemn the slaughter of a journalist and ask the same group of unreasonable people to pump more oil to relieve a political problem you caused.

MBS saw right through that ploy by the Administration, and he stuck a finger in Joe Biden's eye by canceling the meeting. Less than 24 hours later, Saudi Arabia's Aramco [raised Arab Light grade crude oil prices](#) for Asia by \$2.10 per barrel. That sends a clear message. The President's energy policy has officially negotiated itself back into a basement in Delaware. There will be no output hikes, and the national average gasoline price is \$4.865 bid, no offer, heading into the summer driving season. It's a story of "*How the Political Pendulum Swings*."

There is no supply-side solution to this issue. The supply side is still under attack, and the Russia Ukraine war isn't ending soon. So we're walking into the first full week of June with oil pressing the \$120 highs, copper leaping 2.5% into moving average resistance, nickel bouncing 4% off trend support, wheat rallying 4% into resistance at \$11 (did you say \$11 wheat?), and natural gas trading \$9. The Bloomberg Commodity Index is slowly grinding toward the Russia/Ukraine invasion peak at \$140 with such a controlled momentum that I'm sure it's going to break through. This is a commodity relay race, and WTI has the baton.

I got 600 votes in a [Twitter poll](#) asking how long the Russia/Ukraine war would last, and the vast majority, 61%, voted that it would last Biden's entire term. That seems likely, and if it is true, it will mean upward pressure on oil prices for longer.

With rising yields and breakevens, the bond market is following commodity inflation lockstep. We may be getting closer to those demand destruction levels in commodities – for example, [sticker shock](#) will be a problem for air travel – but I do not believe the economy has run aground. We'll mind the exhaustion signals, but the Bat-Signal (rising US2Y yields) tells me it's ok to take the BCOM and bid it.



About Last Week – Last week was one of those odd weeks with a month-end hump in the middle. It didn't send clear signals, and a few of the signals it did send conflict with the broader trends we are seeing.

For example, the S&P fell 1.2% last week, and FAANG stocks were up 1.6%. That's a severe retracement in the usual Great Rotation where we expect technology to underperform.

The Bloomberg Commodity Index was flat with a mixed bag of commodity



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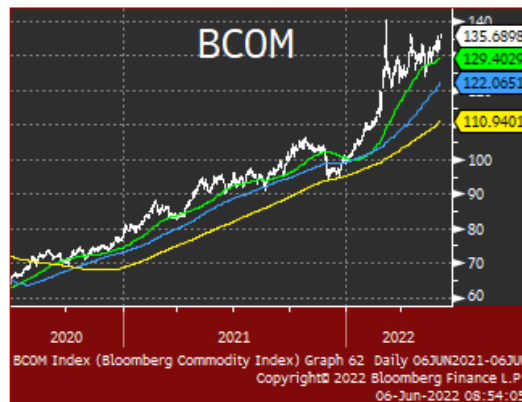
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performance under the hood. For our purposes, it was good to see the breakeven 5Y lift-off support to close above 3% with the continued strong performance in energy. I contend that a secular commodity rally will begin lifting breakevens toward the highs again, and the Bat-Signal will lead the way.

The rotation was a little sloppy, but we got new closing highs for the move from oil & gas (XOP), natural resources (IGE,) and crude oil (USO) which we are long af. The five sub-sectors of technology offered performance within 1% unchanged on the week. If there was a bright spot in the rotation, it was that cannabis did NOT carve a new weekly low!

There's very little economic data on the tape this week until we get to a headline **CPI Day** on Friday. I could see commodities rally right into a double-digit year-over-year upside surprise of 10%, but I'm in the camp that commodities are still in motion.





W.T.F. Conference - In case you missed it over the weekend there was an [unpublicized Bilderberg](#) meeting that included people like the Deputy Secretary of the Treasury Department, a staff writer for the Atlantic, the Editor of The Economist, members of U.K. Parliament, the CEO's of Shell, Pfizer, UBS, BP, Palantir, Volvo, Shopify, Ryanair, GalaxoSmithKline, AXA, Amundi, KKR, Swiss Re, the Director of the CIA, the Minister of State for European Affairs, the Director of the National Security Council, the Director of the Cybersecurity and Infrastructure Security Agency, the Deputy Prime Minister of Canada, Sweden's Minister for Health and Social Affairs,

Netherlands' Minister on Foreign Affairs, Great Britain's Shadow Secretary of State for Foreign Commonwealth and Development Affairs (dafuq?), the Prime Minister of Finland, the Ambassador of Ukraine to the US, the President of the European Council, the U.S. Secretary of Commerce, the European Commissioner for Justice, the VP of the European Commission, an A.I. scientist from Facebook, a senior researcher at Princeton University, Jake Sullivan, the U.S. National Security Council Director who birthed [the Clinton Russia Hoax](#), Henry Kissinger (ok, what is going on here,) and one of the least trustworthy people on the planet – former Google CEO, Eric "Don't Be Evil" Schmidt.

This is such a carefully chosen guest list of high-level global business leaders and heads of state that you would have to guess that they are planning something. I reached out to the email address under "PRESS CONTACT" last week, media@bilderbergmeetings.org, but strangely enough, I haven't heard back from them with the meeting itinerary or agenda that I asked for. I'm sure they're swamped trying to do something beneficial to the planet, especially with the [CEO of Pfizer](#) present because he has good intentions.

I have no idea what the meeting was about. Still, IF this group of people was [planning to do something](#) to affect a larger group of people globally, that would fulfill the Webster's dictionary definition of a [CONSPIRACY](#).

It would no longer be a theory because SOMETHING was being discussed from June 2nd to June 5th. When they write back with the meeting minutes or itinerary, I'll let you know, but I won't hold my breath. My eyes, however, are wide open.



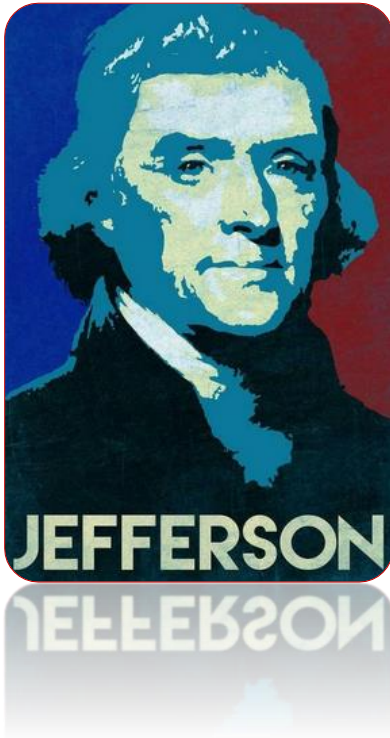


STUDY BREAK



"That was the precise moment when the crummy 'just tell them whatever you have to tell them' reality of modern American politics sucked every last youthful glint of patriotic spirit out of my soul, and I was left just to sit with my sense of unease, and shame and powerlessness, in the face of patently obvious, and horrifyingly public, wrongdoing on a scale so large that only the US government could be capable of doing it."

– Christian Alexander - [SUBSTACK GREATNESS](#)



"The only problem with voting is no matter who you vote for the government always gets in." - Andrew Napolitano, born June 6, 1950

"Only thing more remarkable than DOJ not leaking the list is that no one in the media cares. Doesn't that seem odd?"

– [Elon Musk](#) is pushing Establishment buttons.

With a sledgehammer. ***orders large popcorn***

"I like playing weird, kind of shady people."

- Paul Giamatti, born June 6, 1967

"Good thing we plowed all those trillions of dollars into fake meat, digital dog currencies and photo sharing apps instead of infrastructure, healthcare and metals supply." - @michaelbhorner

"It must be the most soul-destroying thing in the world to go to journalism school and end up working for a legacy media news platform betraying humanity." - [@timprice](#)

"The federal government views the Constitution as its enemy." – Andrew Napolitano

"There is no greater tyranny than that which is perpetrated under the shield of law and in the name of justice."

- Charles de Montesquieu

"Montesquieu would have had a field day with the current dictator of Canada." – TG Macro

"This country has a mental health problem disguised as a gun problem, and a tyranny problem disguised as a security problem." – Joe Rogan fire.

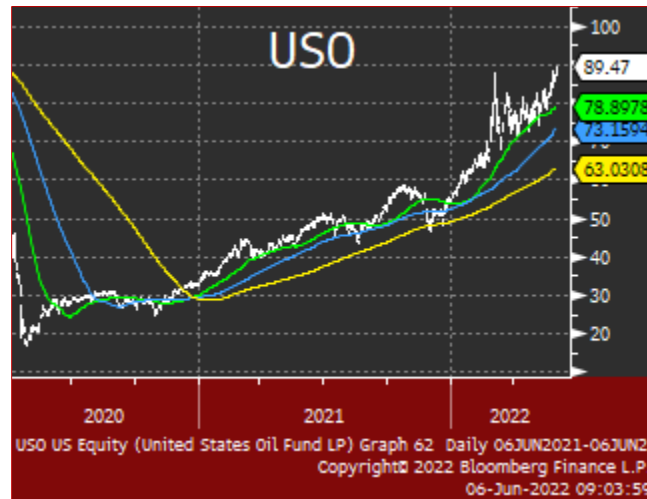
"Rebellion to tyranny is obedience to God." – Thomas Jefferson



View Matrix

New closing high for the move in XOP, IGE, USO last week.
The hacks are still bearish and I love it.

VIEW MATRIX						
LONG	TICKER	Added	REASON	ALL BETS ARE OFF	TARGET	Performance
Aluminum	AA	23-May-22	Buy the 35% pullback into technical support	< 55	\$110	2.08%
Treasuries	TLT	12-May-22	Just for the reversal/retracement trade	< \$110	\$140	-1.44%
Utilities	XLU	12-May-22	Defensive Long	< \$68	\$80	5.33%
Oil	XOP	2-Dec-21	Buy the Omicron Dip	< \$105	\$180	67.38%
Natural Resources	IGE	2-Dec-21	Buy dip to tech support (\$30)	< \$32	\$55	43.96%
UPSIZED	DBA	27-Apr-21	Agriculture breakout/inflation pending	< \$20	\$35	17.71%
Oil	USO	11-Nov-20	Restart prospects are bullish	< \$45	\$100	208.52%
Gold	PHYS	24-Mar-20	CURRENCY HEDGE/INSURANCE POLICY	COLLECTORS	FOR LIFE	10.57%
SHORT	TICKER	Added	REASON	ALL BETS ARE OFF	TARGET	Performance
The Nasdaq	QQQ	12-Apr-22	Nosedive Trading resumes	> \$338	\$250	10.18%
COVERED	XHB	22-Feb-22	Technical breakdown into rate change regime	> \$64	\$55	9.29%
Retail	XRT	11-Jan-22	Technical curlover into HIGH inflation	> \$74	\$50	24.51%
RADAR SCREEN						
BULLISH	NATURAL GAS, XME, OIH, PTON, XOM, REFINERS					
BEARISH	F, FAANG, SOCL					





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5	6 	7 	8 X	9 	10 	11		
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26	27 	28 	29 X	30 				

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