RV Pro

What We Told Hedge Funds This Week

with Andreas Steno

Steno Research

August 14, 2026

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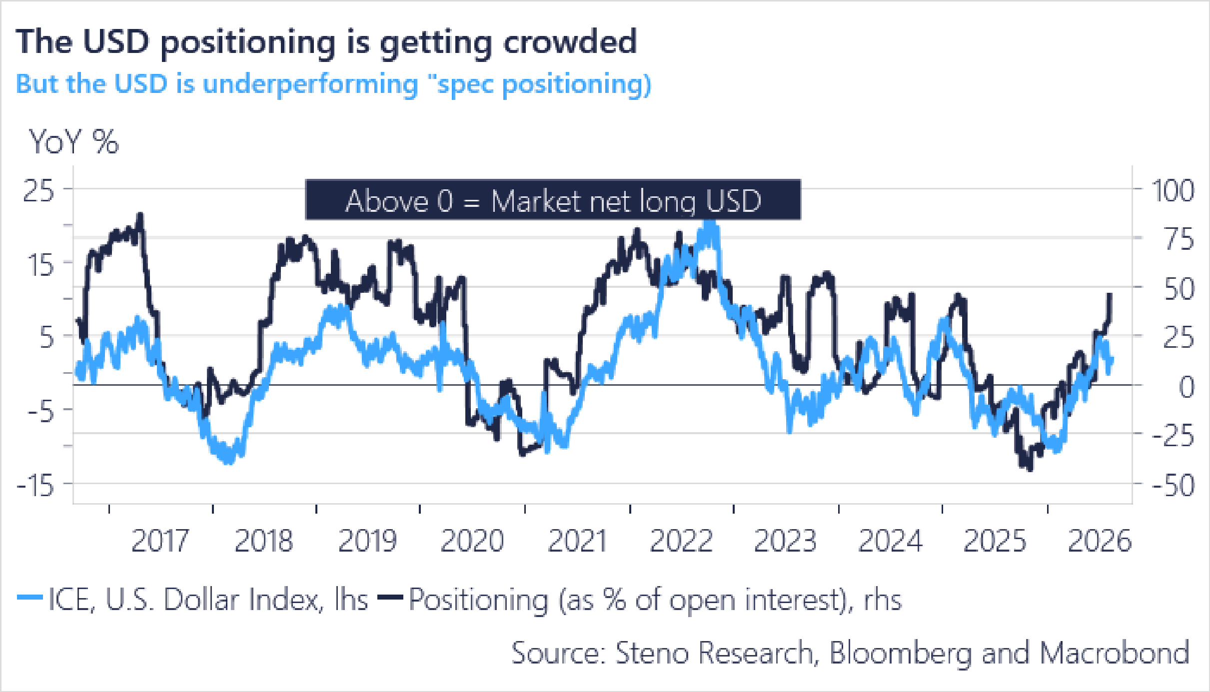
A weak USD is the final piece of the puzzle

The stars are aligning with our nowcasting: soft(er) inflation, cyclicals rebounding, the Fed slowly repriced towards on hold, but the dollar refuses to budge against >2 standard deviations of spec longs. The missing link runs through the Hormuz Strait, and NOT via crude… via the products. Plus: why we would rather buy OpenAI than Anthropic (yes, really), and a great week for the book.

It seems like most stars are starting to align with what our nowcasting and pattern recognition models suggest. A softer inflation impulse, albeit more clearly seen in the PPI this month (relative to the CPI, which came in more in line), a rebound in cyclically exposed equities (such as AI hardware, but also elsewhere), a slow but sure repricing of the Fed to closer to an "on hold" stance... but the missing piece in the puzzle is the USD.

We are still seeing a steady build-up of USD longs by specs, and it is getting >2 standard deviations stretched by now... so why isn't the USD budging (more) when the Fed is getting repriced? I still think the nail in the coffin on the USD story relates to the Hormuz Strait. Maybe not directly from oil, but from the PRODUCTS... and that is still where the real problem sits. So let's assess that situation.

Chart 1: USD positioning is >2 standard deviations stretched... yet the dollar underperforms its own longs



China is back at the pumps… slowly

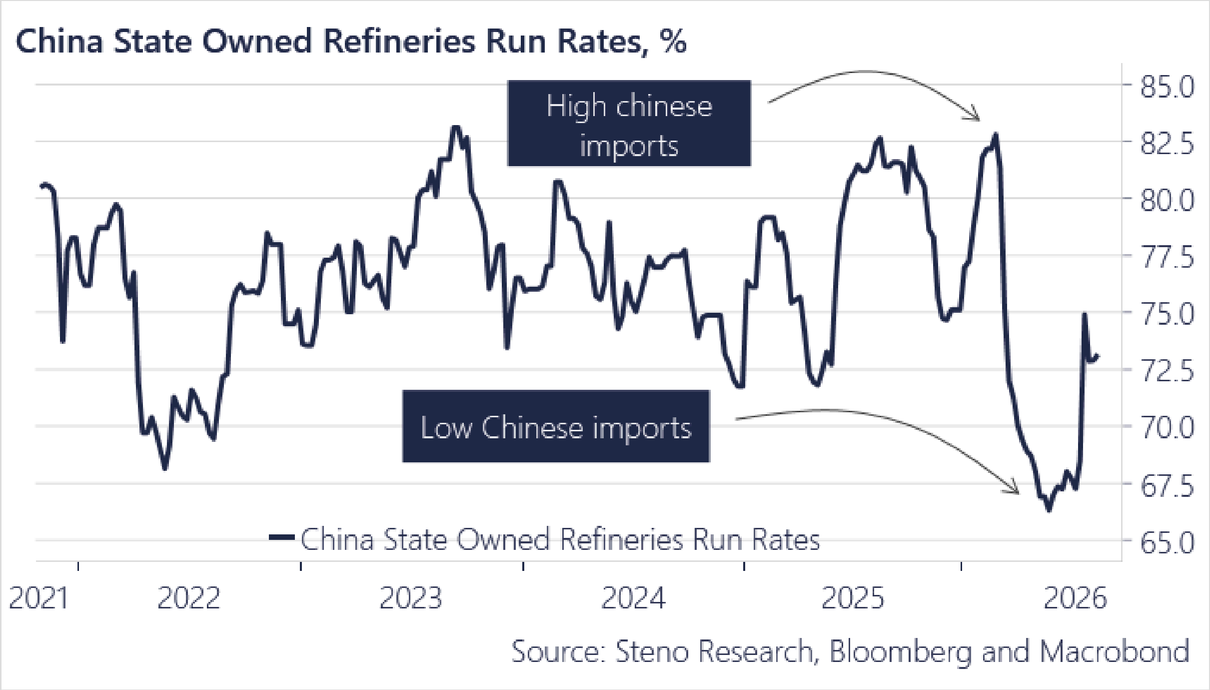
The stories are starting to leak here and there about an increase in Chinese imports of oil (they obviously cannot feed off oil reserves forever), and even if they have a buffer well into 2027, it makes sense to increase imports now that the market is more in balance (despite the continued hiccups in the Strait).

There are, as I have said over and over, no real signs of massive stress in the physical market, so there is still enough oil leaking from the region to keep everyone from panic buying for now.

But as I have reiterated, I think the oil market will chop around here, as China will become a soft FLOOR under the market as they increase imports... and as highlighted over the past weeks, we can now see it in the most timely indicator from China, namely the refiners' run rates. When China imported more than 5mn barrels less a day, the refiners were running low naturally, but we have seen a decent tick up in the run rates, which HAS to be a sign that China has started importing more.

There is accordingly a limit to how low we can go in the flat oil price, as China still has more ramping up to do, if they feel like there is sufficient space in the physical market to do so... and they have at least grown somewhat more comfortable with that in recent weeks, even if we aren't back to square one yet. They are probably importing 3-4mn barrels less a day than usual, so they are clearly still a helping hand in balancing the physical market, but they are slowly ramping up. This is a sharp contrast to the setup around the first Memorandum of Understanding, where China still kept its hands off increasing imports...

Chart 2: China's refiners are running harder again.. the most timely proof that imports are coming back.



The real story sits in PRODUCTS, not crude

But I think there is an underappreciated story in products here. One thing is that the physical oil market is decently in balance, but the product markets aren't, still. You can reroute flows of oil, but it is of course impossible to move refiners. And the Middle East has been an important refining region, especially for Europe, but also for Asia.

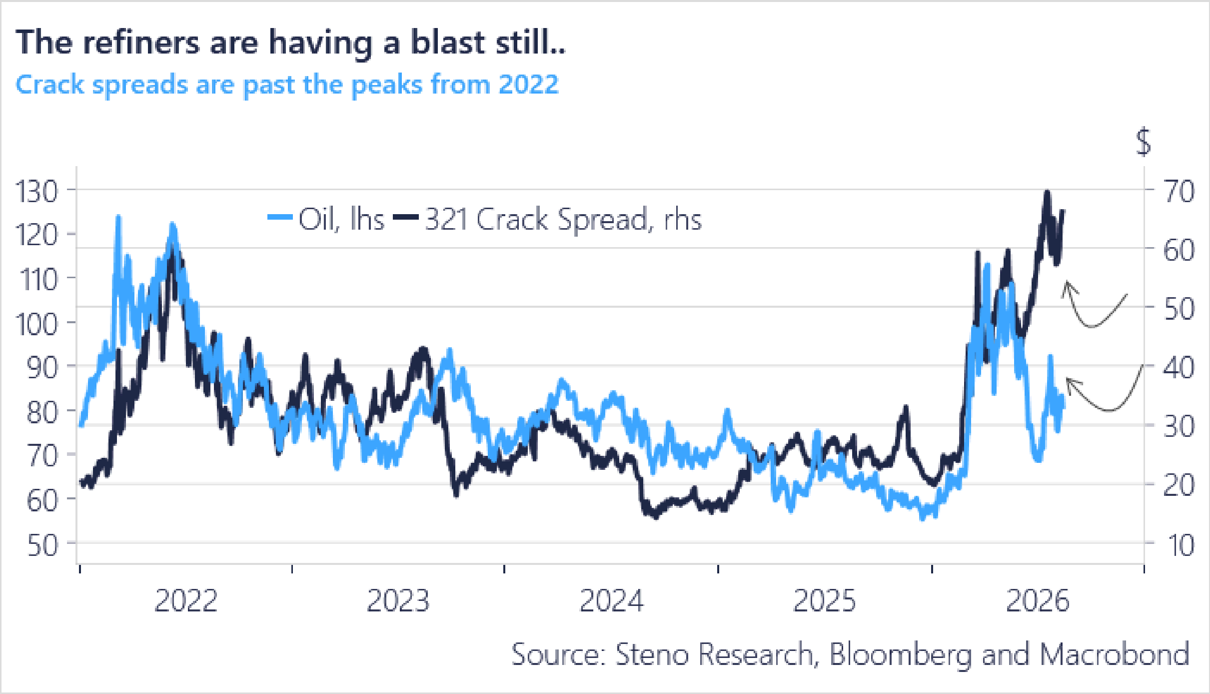
A lot of the jet fuel used in both Europe and Asia is, for example, refined in the Middle East, and these refiners remain mostly locked in, as the products flowing out of Hormuz are still very low... or actually close to non-existent.

So if we get closer to a second MoU, which opens the Strait with some level of understanding between Iran and Oman, I think the case to watch is the CRACK SPREAD, and accordingly the price of oil products at the consumption level.

And this is also where it gets interesting for the USD story... The main reason why the USD still struggles to sell off is that Japan and the Eurozone are still importers of this inflation in oil products at the consumer level, to a much larger extent than the US, which is bad for Europe and Japan in terms of the balance of trade, which often has a high impact on currency momentum.

So I think we need to see crack spreads coming DOWN to really challenge the current bullish build-up of USD positions in FX markets... and god knows when we can get such a second Strait deal, but I am at least getting increasingly certain that Trump is not standing in the way of it. He wants this to play as little a role as possible into the mid-terms, as he knows that gasoline above 4 USD a gallon is political POISON...

Chart 3: The refiners are having a blast still... and THAT is the missing link in the USD story



This is probably also the main reason why the PPI looked a tad softer than the CPI in July, as the full pass-through of the energy disinflation has not fully reached the consumer level due to elevated margins at the refiners' part of the supply chain...

When this part of the supply chain softens up, which takes a more thorough strait deal, it will lead to a material new wave of disinflation at the CPI level, and accordingly also challenge the current bullish USD consensus to a larger extent, and alleviate a lot of concerns at the CPI level in Japan and in the Eurozone.

I think this remains the missing link in the short USD story that we have been pitching for a month or so, even if we are slightly in the money on that trade, especially via the proxies we have used in the metals and mining space.

Chart 4: The July PPI decomposed… the energy disinflation is stuck at the producer level (for now)

US PPI, Final Demand, Decomposed

U.S. Bureau of Labor Statistics (BLS)

	Weights	MoM	QoQ	YoY
Total	100	-0.03	0.31	4.66
Consumer Goods	29.0	-0.73	0.08	6.35
Energy	5.1	-3.14	-2.05	17.93
Services	68.3	0.20	0.34	3.92
Intermediate Goods	2.6	2.19	2.44	5.19
Investment Goods	89.5	0.24	0.55	4.16
Non-Durable Consumer Goods	79.6	0.06	0.34	4.13

■ MoM ■ YoY

Source: Steno Research, Bloomberg and Macrobond

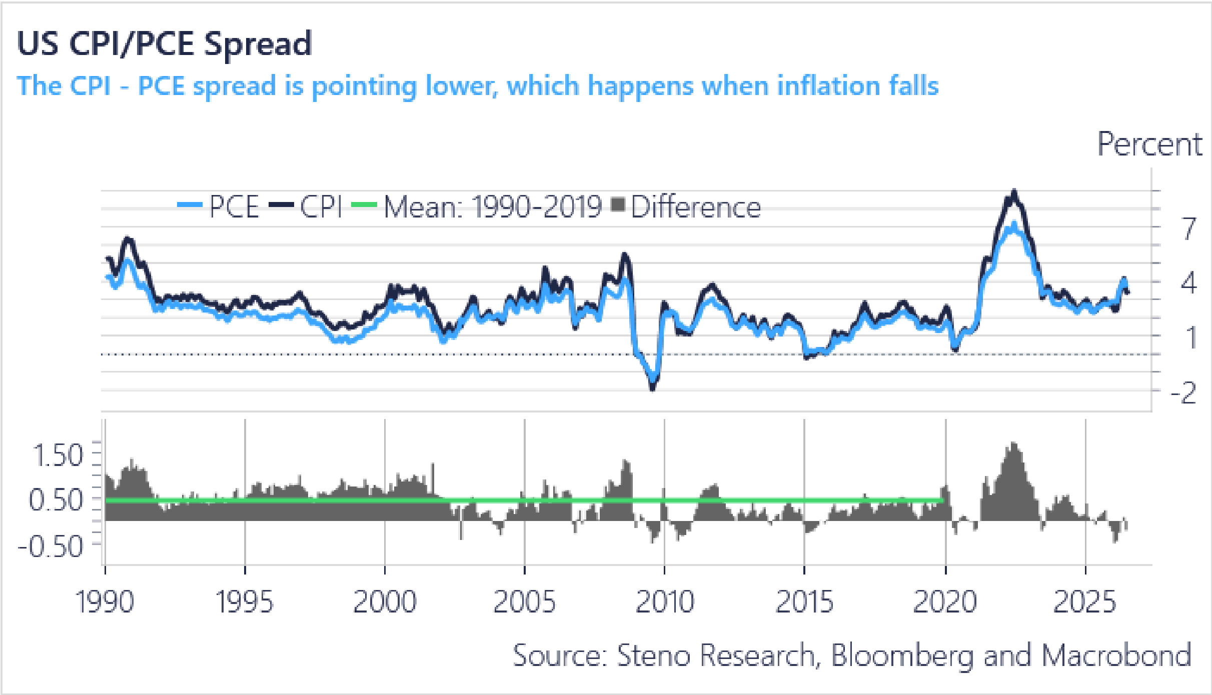
On the CPI/PCE debate: a fairly simple question, actually

There is a lot of debate around whether the PCE will remain elevated versus the CPI, and I actually think it is a fairly simple question. The spread between the CPI and the PCE is high when inflation drops, and the direction is almost always guided by the CPI first.

So when the CPI starts disinflating, the PCE will follow. The CPI is always the most volatile of the two, and therefore the spread always points out the direction in advance. Spread UP when inflation increases, and spread DOWN when inflation is coming lower.

God knows which inflation variable Kevin Warsh will come up with as the new target once the task forces are done, but it seems likely that something will happen on that front rather soon. Some hope for conclusions already within a couple of months, but my best guess is still that we will get the first reports late in the year, and that the Fed will accommodate the new potential targets from the early innings of 2027. My take has therefore been for a while that Warsh is trying to get to 2027 without doing ANYTHING, which may be a struggle for him, as there is a growing ilk of hawks ready to dissent... but there are still enough fence-sitters to keep a majority for unchanged rates intact, even if that majority will likely get even smaller in September. My best guess is 8-4 in favor of no hike.

Chart 5: The CPI-PCE spread is pointing lower, and the CPI ALWAYS leads the direction



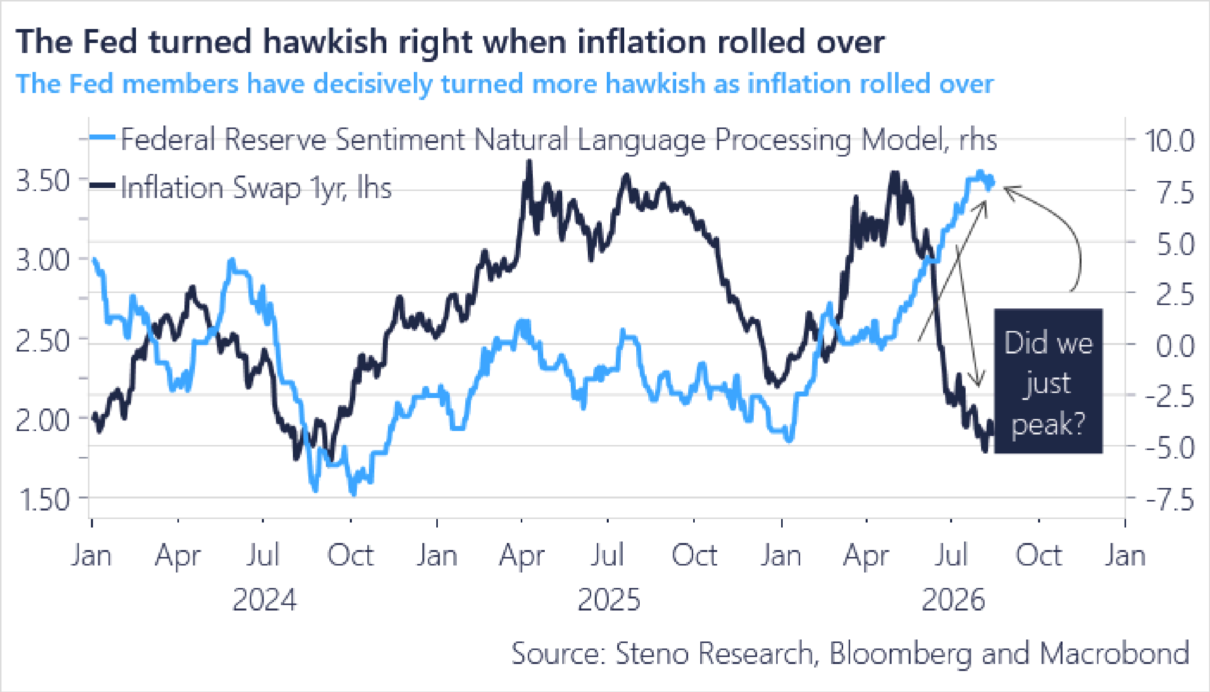
And that is my main point on the Fed now. We have probably reached PEAK hawkishness in the rhetoric, and after 1-2 months of increasingly hawkish messaging, we can now slowly but surely move in the other direction, which is what inflation markets have been screaming at them for 6-7 weeks running.

Inflation markets almost always lead the Fed rhetoric, but I don't think I have ever seen such a disconnect as the one we have had over the summer. Kevin Warsh will have to do something to correct that in September, and one way of doing it is, of course, to soften the forecasts.

Even if the CPI came in right around the consensus, the headline inflation was still softer than projected by many of the big banks and only 3bps off our Nowcast, and we are on track to print SO much lower than the Fed forecast from back in June.

Remember that most central banks probably held a base case of oil printing well above 100, which has never materialized, and staff projections on inflation will therefore look a lot softer once the Fed and the ECB meet in September. That typically impacts the thinking of at least the fence-sitters in the committee.

Chart 6: Peak hawkishness… the Fed's rhetoric turned right at the top of the inflation swap



Portfolio "in focus": Will OpenAI beat Anthropic on costs?

One thing that hasn't gotten enough attention is how much Anthropic pays SpaceX for compute. Dario Amodei of Anthropic has had a much more laid-back approach to the future need of compute, and that came back to haunt him once Claude went popular earlier this year.

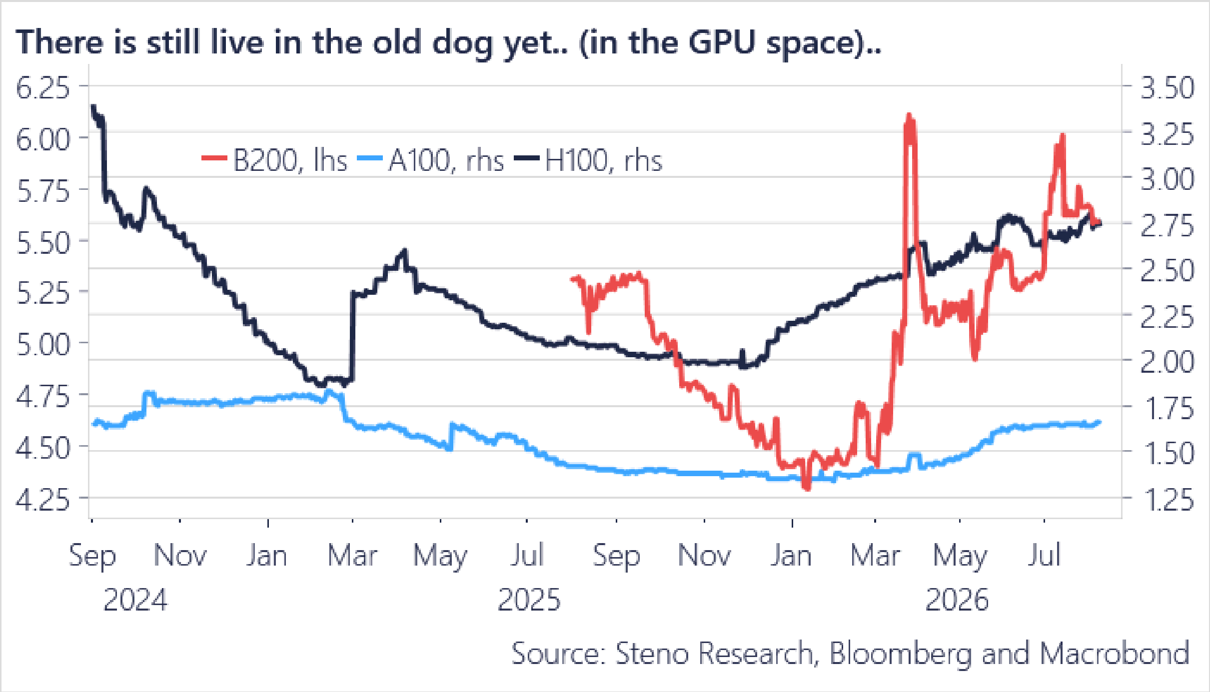
We are still in a regime where the demand for compute far exceeds the supply, and OLD generations of chips are still rented out at high prices, which, at least for now, wipes the floor with Michael Burry's depreciation theory…

For example, CoreWeave just signed another medium-term lease deal on its A100s, which are at least 5-6 years old by now, and we are therefore talking about a shelf-life of upwards of 10 YEARS, which is even more than what the hyperscalers pencil into their accounts.

I would therefore argue that the overall accounting principles of the hyperscalers remain conservative, maybe with the exception of Microsoft. Alphabet, for example, probably works with an average depreciation assumption of a little less than 6 years, which for now is (far) less than what is empirically the case.

So this makes me more comfortable taking risk within this space, as we are yet to see financial wizardry and creativity taking over. We may get there, but that is probably a few years down the line. Therefore, I still think we are in 1997–1998 territory rather than very close to the peak, and Burry is back to losing money after a July where he took a few victory laps.

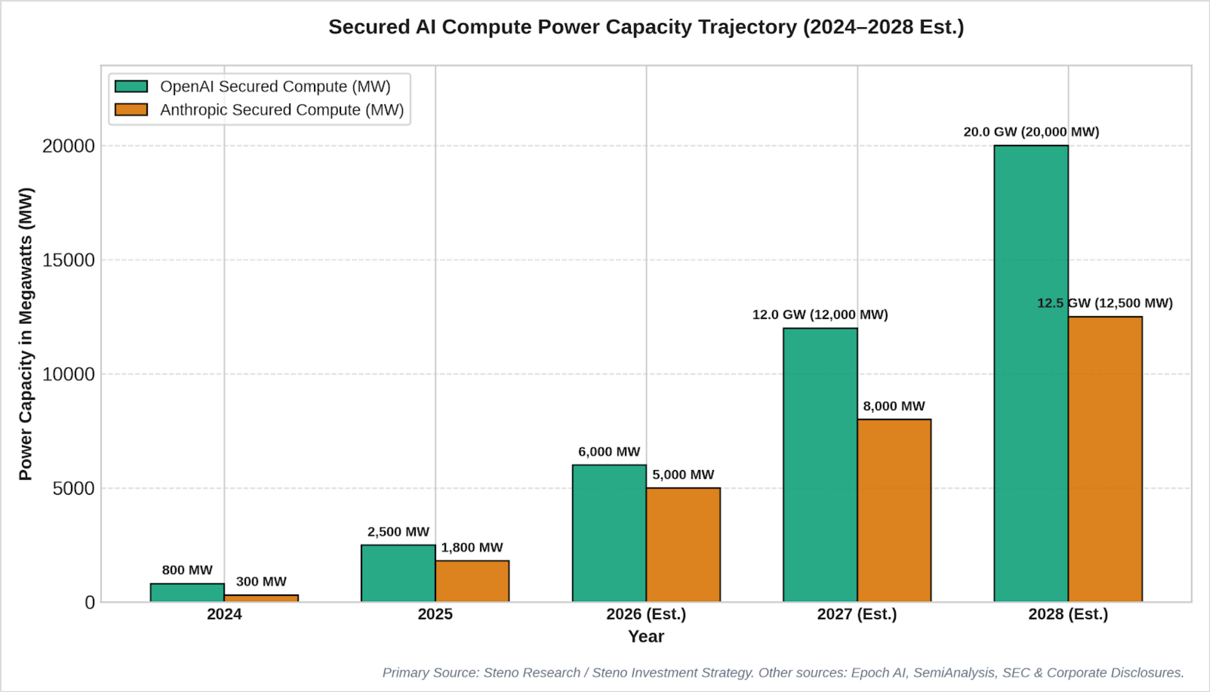
Chart 7: There is still life in the old dogs… A100/H100 rental prices refuse to behave like Burry's spreadsheet



Back to the Anthropic and OpenAI case, as we are most likely approaching the IPO of both. I think it is an interesting question whether Anthropic has simply planned for too LITTLE compute, which may come back to haunt them.

If you look at OpenAI's pipeline, it remains at least 33% bigger than Anthropic's, and in a world of scarce compute, that may turn into a major advantage for them already this year and next.

Chart 8: OpenAI's secured compute pipeline runs a third (or more) ahead of Anthropic's… and the gap widens into 2028

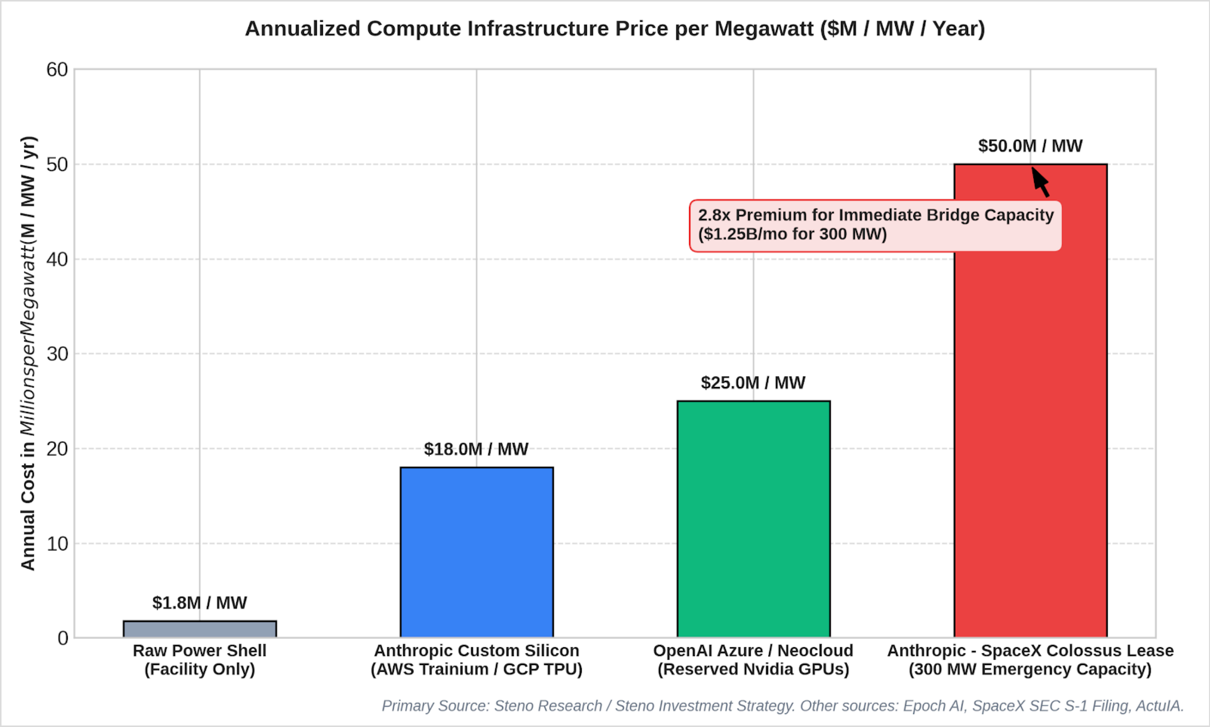


Look at the latest compute deal that Anthropic made with SpaceX. They are paying at least TWICE as much for their marginally added compute than e.g. OpenAI, and it is not ruled out that Anthropic will have to panic-buy even more capacity into next year, if this continues.

Even if Anthropic has so far managed to hold a higher price point for their tokens, this could seriously harm margins versus OpenAI (which are btw, still negative for both), which still has an enormous pipeline of compute coming online next year and into 2028.

So I think the race between OpenAI and Anthropic on the exchange comes down to the question of whether compute will remain a scarce resource or not. If it does, and the price level keeps increasing (which is currently still the case), OpenAI is actually much better positioned to deal with that than Anthropic... and this is VERY underreported in an environment where, frankly, everyone has come to the conclusion that Anthropic has better momentum into the IPO than OpenAI.

Chart 9: Anthropic's marginal megawatt costs 2× OpenAI's… the price of having been laid back

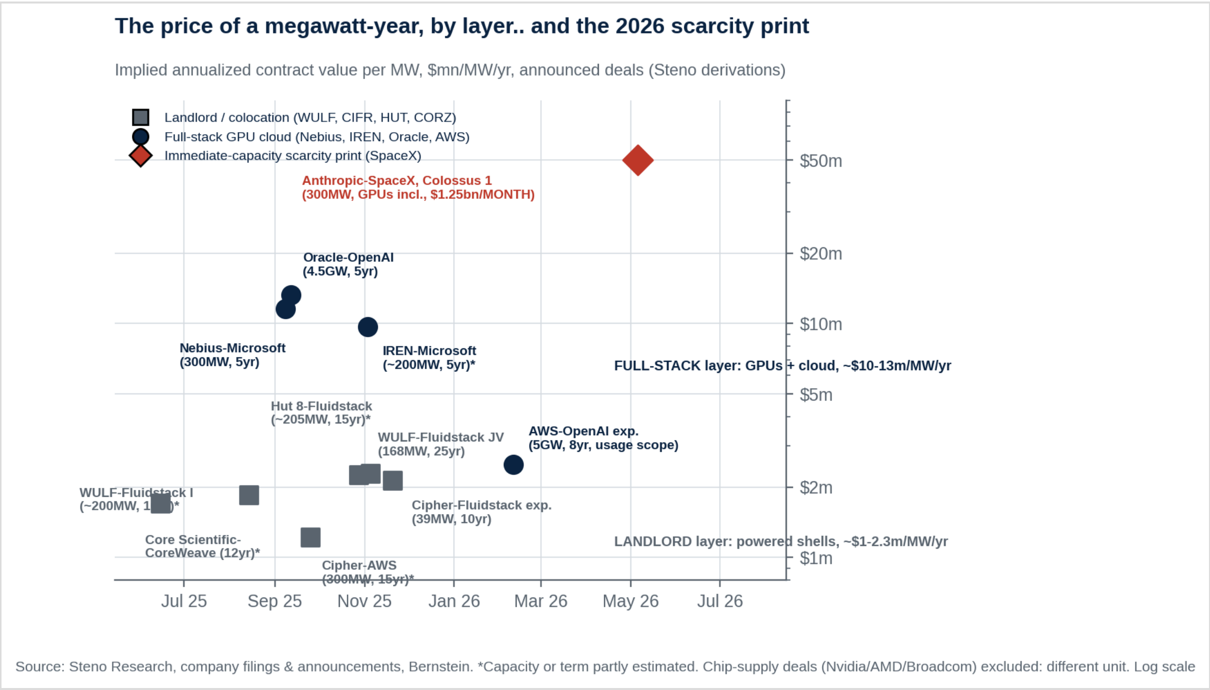


And just to visualize how expensive the Anthropic deal with SpaceX is, I will show this chart from last week again (chart 10). It is by FAR the most expensive lease out there, and Anthropic has likely been too laid back in securing future compute, which dates all the way back to Dario Amodei's interview on the topic, where he basically ridiculed Sam Altman's approach to this.

Who is laughing now? Definitely not Dario. Of course, the other side of this story is that OpenAI is stuck with a lot of promised payments if the demand for compute goes down, but I still struggle to see that scenario unfolding, as the Chinese competition has increased the demand for compute rather than the opposite, which is also perfectly natural given e.g. Jevons Paradox.

So for now, I actually think that I would rather buy OpenAI than Anthropic, and that is a very contrarian call to say the least. We will see when they come on the exchange and how things develop from there. And this conclusion and the above analysis on compute pricing generally also makes me less nervous on behalf of e.g. Microsoft and Oracle, who are on the other side of these future payments/commitments from OpenAI. OpenAI (or rather Microsoft and Oracle) can probably lease out this capacity at waaaay HIGHER prices if they need to (or could ask OpenAI if they are allowed to sell some of that capacity elsewhere). That is at least the trend that we are currently seeing, and it is actually quite massive. That SpaceX deal with Anthropic is crazy expensive relative to all other deals seen, and we are also starting to see the positive "spill-overs" from these price increases in other related neocloud names such as Nebius this week (just ask Michael Burry again, lol)...

Chart 10: The price of a megawatt-year, by layer... the SpaceX-Anthropic print sits in a league of its own



Portfolio Update: A great week!

We have had a great week of returns, and we are glad to see that many of our main convictions and market leans are back performing.

Again, the final piece in the puzzle for our portfolio would be a weaker USD, and if we approach a MoU 2.0, we should get exactly that. Especially if we start to see crack spreads coming down, which admittedly requires a better deal than the first one.

We are seeing material comebacks in, for example, SanDisk, but it is also worth noting how some of our software names have made material returns while everyone's been focusing elsewhere. Take UiPath as an example. It is probably up close to 50% over the past months, suddenly back in fashion, and also looking good technically.

We are still lacking proper traction for Drones and Robotics to make this a home run, but we are very satisfied with not falling for the FAKE bear signal created by the forced-liquidation price action in July, which probably led to a load of retailers fleeing their positions at close to the worst possible timing.

In terms of the broader semiconductor trade, we are seeing some early signs of softness in the Korean trade data (or rather a roll-over of the rate of change), while the price trends of the chips remain incredibly strong. I think the next likely discussion will center around the landing zone for the Korean growth in exports, as we of course cannot grow 1–200% a year forever. Remember that if we grow, for example, 20% on this base in 2027, it is still BIZARRE.

The market is really stuck in paralysis mode on that topic, as the base case is basically that we plateau at this elevated level (expectations just go sideways)... especially if you look at 2028 forecasts. That is probably the only thing that I can guarantee you WON'T happen.

Either we grow, or we decline. Nothing moves sideways in economic cycle theories. It's up or down, and I still think that the UP is underpriced here.

In terms of the highest convictions right here, I'd still say the consumer scarcity sleeve of the portfolio. Dell and HP(Q) have done nice things even through the momentum rout in July, which tells me that positioning is still fairly light in these names. And with consumer electronics playing such a small role in the CPI (the whole hardware complex is roughly 1% of the index, as we covered on Thursday), they have plenty of room to raise prices without getting punishing rate hikes back in their face from the Fed - remember to always buy the names that create the inflation. Also, cybersecurity names still look underowned, and I think SentinelOne (but of course also CrowdStrike) look promising as well, since they aren't overly hyped as AI bottlenecks... even if they are slowly but surely turning into such.

Our biggest position in Definium Therapeutics was a little disappointing to me, as it failed to make a new high on the Phase 3 results on anxiety on the DT120 product earlier this week (the positive Voyage readout in GAD, following the fantastic Emerge results in depression from June).

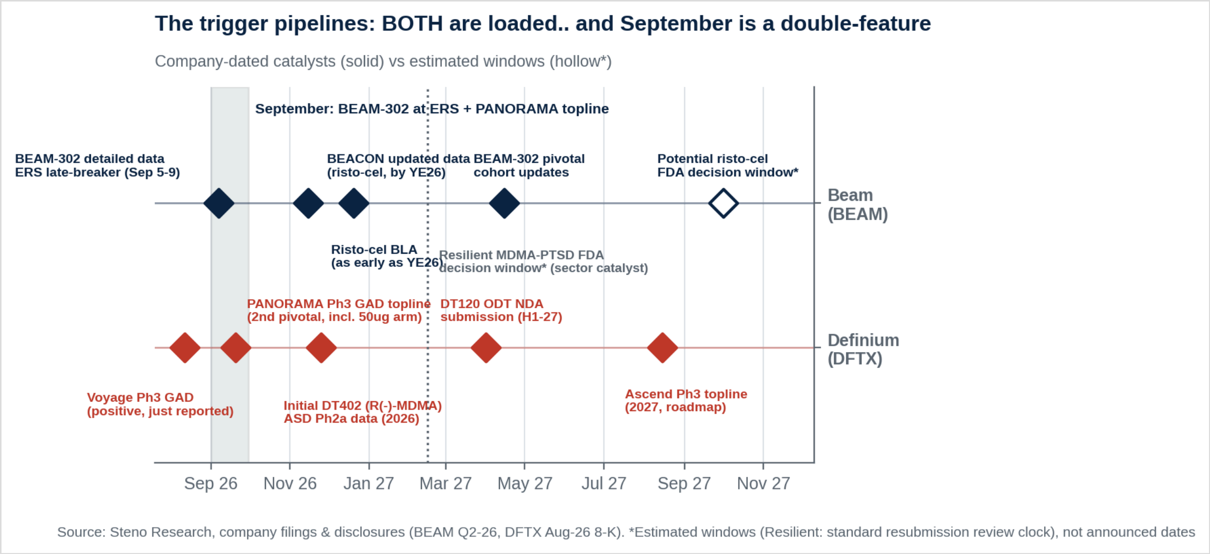
Most of the news value was out already after Emerge, and the market clearly wants the HARDER test before paying up: Voyage was only the FIRST of two pivotal GAD studies, and the one that actually settles the registration case, PANORAMA, reads out already in SEPTEMBER.. crucially including the 50 microgram arm designed to address functional unblinding, i.e. the exact issue that sank the Lykos MDMA application at the FDA. So the trigger calendar here is anything but empty: Panorama topline in September, initial DT402 (R(-)-MDMA) data in autism spectrum disorder later this year, the DT120 NDA in H1 2027 per the company roadmap, and the Ascend readout beyond that.

Beam Therapeutics runs an equally loaded calendar into year-end: detailed BEAM-302 data in alpha-1 antitrypsin deficiency as a late-breaking oral at the ERS Congress in Barcelona September 5–9, updated BEACON data on risto-cel (the artist formerly known as BEAM-101) in sickle cell by year-end, and a BLA submission as early as year-end too, with the first patient already dosed in the global pivotal BEAM-302 cohort on an accelerated-approval path.

So BOTH names are loaded, and September is a double-feature month for the alt-health basket of our portfolio... the honest distinction is VARIANCE: Definium's next trigger is a binary pivotal readout (high risk, high reward, and maybe the reason the stock is hesitating), while Beam's are data updates and regulatory filings (lower variance, steadier drip).

Add the sector kicker that Resilient (the former Lykos/MAPS vehicle) just resubmitted its MDMA-PTSD application without a new Phase 3, putting an FDA decision window around early 2027 that would de-risk scheduling and reimbursement questions for the ENTIRE psychedelics complex, Definium included.

Chart 11: The trigger pipelines… BOTH are loaded, and September is a double-feature for the sleeve



Overall, we are up very solidly on the year (+13.2% YTD after this week, updated after close Thursday), and I remain comfortable with a high degree of risk-taking here.

Highest convictions by asset class

In FX: short USD, full stop. Positioning is >2 standard deviations long the dollar into a Fed repricing, our nowcast-to-FX lead time points lower, and the crack-spread normalization on a MoU 2.0 is the catalyst that breaks the dam. EUR and JPY the preferred legs, with the metals & mining proxies (Barrick, Energy Fuels) kept as the equity expression.

In Rates: received in the US front end. Peak rhetorical hawkishness is behind us; the inflation markets have been screaming it for 6–7 weeks, staff forecasts get softened in September, and the 8–4 no-hike committee math holds. The market still pays you to take the other side of a hike that is not coming, but it is not as interesting a bet as it was a week ago. It will likely remain the case in this "new Fed" that a decent probability of a move has to be priced in at almost every meeting (no forward guidance), as the members are going to act more independently and vote less as a bloc. This also means there is likely a hike premium to harvest all the way into the September meeting... i.e., the implied hike pricing in the Sep contracts probably won't fall much further from here before the meeting itself, and the harvest comes from the premium decaying AT the meeting rather than before it.

In Commodities: fade flat-price oil moves in BOTH directions (China is the floor, MoU 2.0 is the ceiling), be SHORT crack spreads into any credible strait deal, and keep gold (miners) as the debasement hedge alongside the soft-USD thesis, as the miners will gain from both 1) lower energy costs (if the price drops at the consumption level via lower cracks) and 2) a potential gain in the metals price from a softer USD.

In Equities: long the End-Consumer Scarcity sleeve (Dell, HPQ, Apple) as the highest conviction, long the memory complex with SanDisk as the comeback kid, accumulate the underowned cybersecurity pair (S, CRWD), keep the drones for the structural story rather than the current tape, and hold BOTH of our biotech names into a September that serves pivotal Definium data and Beam's ERS presentation in the same month.

Chart 12: Our current portfolio…

..	Entry Date	Name	Currency	Entry Price	Current Price	Open PnL in USDs (%)	Allocation	Thematic	Live conviction (1-10)
ASX:DRO	27/06/2025	DroneShield Ltd	AUD	2,38	2,01	-8,93%	5,73%	Military Drones	7
NASDAQ:NXT	03/10/2025	Nextpower Inc	USD	80,40	104,55	30,04%	5,28%	Electricity	9
NASDAQ:DFTX	03/10/2025	Definium Therapeutics Inc	USD	12,39	43,90	254,32%	14,77%	Alt Health	10
NASDAQ:DPRO	10/10/2025	Draganfly Inc	USD	13,81	4,62	-66,55%	1,24%	Military Drones	9
NYSE:WOLF	10/10/2025	Wolfspeed Inc	USD	34,96	31,51	-9,87%	3,18%	Electricity	10
NASDAQ:IREN	24/10/2025	IREN Ltd	USD	60,31	44,76	-25,78%	4,52%	AI Bottlenecks	8
NYSE:STEM	24/10/2025	Stem Inc	USD	21,95	6,24	-71,57%	0,63%	Electricity	7
NYSEAMERICAN:UUUU	26/11/2025	Energy Fuels Inc	USD	14,64	14,58	-0,41%	4,91%	Decoupling	9
NASDAQ:CRWD	22/12/2025	Crowdstrike Holdings Inc	USD	120,73	225,53	86,81%	1,82%	AI Bottlenecks	8
NASDAQ:MU	22/12/2025	Micron Technology Inc	USD	276,15	949,83	243,95%	3,20%	AI Bottlenecks	10
NYSE:S	22/12/2025	SentinelOne Inc	USD	14,92	23,84	59,79%	1,60%	AI Bottlenecks	9
NYSE:BE	22/12/2025	Bloom Energy Corp	USD	93,48	236,22	152,70%	2,38%	Electricity	9
NASDAQ:ONDS	22/12/2025	Ondas Inc	USD	9,47	8,91	-5,91%	0,96%	Ukraine	8
NASDAQ:TSLA	22/12/2025	Tesla Inc	USD	493,65	339,96	-31,13%	0,69%	Ind. Robotics	6
NASDAQ:ISRG	22/12/2025	Intuitive Surgical Inc	USD	576,92	401,27	-30,45%	0,81%	Ind. Robotics	6
NYSE:PATH	22/12/2025	UiPath Inc	USD	16,47	16,68	1,28%	1,03%	Ind. Robotics	6
NASDAQ:RR	22/12/2025	Richtech Robotics Inc	USD	3,60	1,72	-52,25%	0,46%	Ind. Robotics	6
ETR:IOS	05/01/2026	IONOS Group SE	EUR	27,35	33,16	19,20%	3,73%	Decoupling	10
NASDAQ:ENPH	05/01/2026	Enphase Energy Inc	USD	38,25	40,78	6,61%	1,37%	Electricity	8
NYSE:TPB	05/01/2026	Turning Point Brands Inc	USD	121,34	86,35	-28,84%	0,64%	Alt Health	7
NYSE:CRCL	13/03/2026	Circle Internet Group Inc	USD	115,60	75,38	-34,79%	3,04%	Crypto Utility	7
NASDAQ:LIN	13/03/2026	Linde PLC	USD	496,26	478,20	-3,64%	2,57%	Decoupling	9
ASX:EOS	13/03/2026	Electro Optic Systems Holdings Ltd	USD	11,23	8,51	-24,22%	1,72%	Military Drones	7
NASDAQ:STLD	13/03/2026	Steel Dynamics Inc	USD	172,83	260,53	50,74%	2,63%	Decoupling	9
TSE:HPS.A	01/05/2026	Hammond Power Solutions Inc	CAD	289,42	266,43	-10,26%	2,57%	Electricity	9
NYSE:DELL	08/05/2026	Dell Technologies Inc	USD	237,89	494,51	107,87%	4,33%	End-Consumer Scarcity	10
NYSE:HPQ	08/05/2026	HP Inc	USD	21,83	31,30	43,38%	4,95%	End-Consumer Scarcity	10
NASDAQ:AAPL	08/05/2026	Apple Inc	USD	292,31	305,26	4,43%	2,26%	End-Consumer Scarcity	10
NASDAQ:OUST	29/05/2026	Ouster Inc	USD	44,35	45,13	1,76%	2,43%	Ind. Robotics	8
NASDAQ:SNDK	12/06/2026	SanDisk Corp	USD	1.912,20	1.528,11	-20,09%	5,14%	AI Bottlenecks	9
NASDAQ:MPWR	12/06/2026	Monolithic Power Systems Inc	USD	1.577,60	1.362,55	-13,63%	3,67%	AI Bottlenecks	8
NASDAQ:ARM	12/06/2026	Arm Holdings PLC - ADR	USD	360,30	278,65	-22,66%	2,06%	AI Bottlenecks	8
NASDAQ:BEAM	06/07/2026	Beam Therapeutics Inc	USD	35,44	26,51	-25,20%	1,78%	Alt Health	10
NYSE:B	06/07/2026	Barrick Mining Corp	USD	38,35	40,91	6,68%	1,10%	Decoupling	10
NASDAQ:TEM	06/07/2026	Tempus AI Inc	USD	60,23	54,29	-9,86%	0,73%	Alt Health	8
	YTD in %	**13,22%**							
	2025 in %	31,27%							
	2024 in %	72,57%							

**The portfolio data was updated shortly after the market close on Aug 13th*

Andreas Steno

Andreas is the core macro consultant in Steno Research. Building on years of experience as Global Chief Strategist at Nordea Bank, he is one of the most quoted and sought-after macro analysts out there. Andreas' expertise is the FX/rates, energy, real estate and equity spaces, but doesn't shy away from hot takes on other topics if the underlying analysis is strong enough. Andreas anchors the weekly editorial 'Steno Signals'.

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