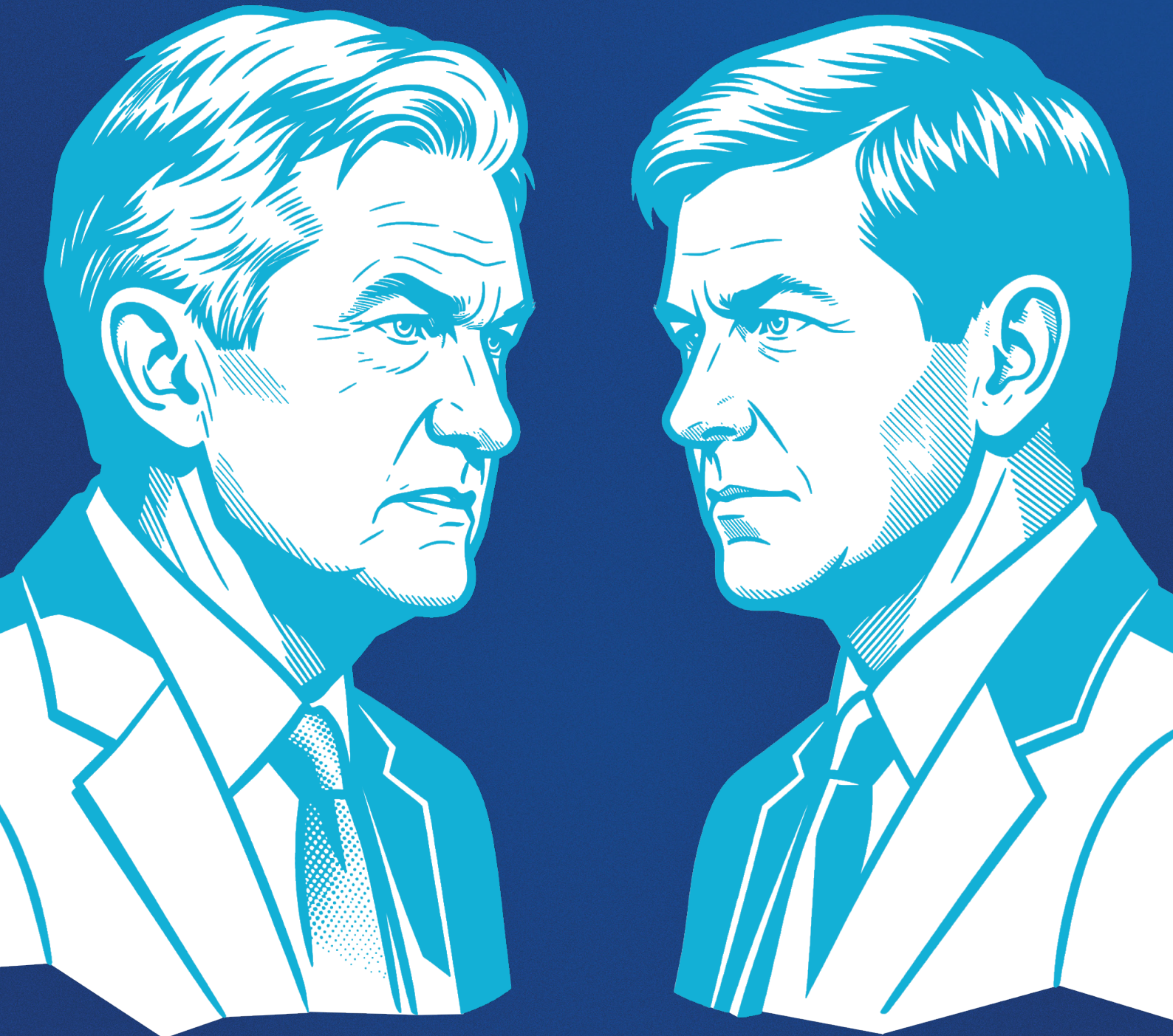


ZITAPLUS

WEEKLY BULLETIN

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NO: 43

THE LAST WARNING BEFORE THE HANDOVER



ECONOMIC CALENDAR • TECHNICAL ANALYSIS
PCE: FIRST CHALLENGE ON WARSH'S DESK
AI'S BIGGEST IPO SEASON HAS ARRIVED • AND MORE...

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TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, JUN 1				
ALL DAY		The King's Birthday	-	-
04:30		Fed Chair Powell Speaks	-	-
17:45		S&P Global Manufacturing PMI (May)	53.3	54.5
18:00		ISM Manufacturing PMI (May)	53.3	52.7
18:00		ISM Manufacturing Prices (May)	85.3	84.6
TUESDAY, JUN 2				
13:00		CPI (YoY) (May)	3.2%	3.0%
18:00		JOLTS Job Openings (Apr)	6.860M	6.866M
WEDNESDAY, JUN 3				
16:15		ADP Nonfarm Employment Change (May)	116K	109K
17:45		S&P Global Services PMI (May)	50.9	50.9
18:00		ISM Non-Manufacturing Prices (May)	-	70.7
18:00		ISM Non-Manufacturing PMI (May)	53.7	53.6
18:30		Crude Oil Inventories	2.900M	-3.327M
THURSDAY, JUN 4				
ALL DAY		Corpus Christi Day	-	-
16:30		Initial Jobless Claims	211K	215K
FRIDAY, JUN 5				
16:30		Average Hourly Earnings (MoM) (May)	0.3%	0.2%
16:30		Nonfarm Payrolls (May)	95K	115K
16:30		Unemployment Rate (May)	4.3%	4.3%

THE LAST WARNING BEFORE THE HANDOVER



Image Credit: Charles Krupa/AP

Jerome Powell did not leave quietly. On May 15, 2026, in his final days as Federal Reserve Chair, Powell stepped onto the stage of the John F. Kennedy Profile in Courage Award ceremony and delivered what may become one of the defining messages of his tenure. Rather than discussing inflation or interest rates, he focused on something he viewed as even more important: the independence of the Federal Reserve.

His warning was direct: If policymakers begin removing Fed officials over disagreements on monetary policy, future administrations could do the same. The result, Powell argued, would be a loss of public confidence in the institution's ability to act independently of politics. It was a carefully timed statement from a chairman who had spent months defending the Fed's autonomy under growing political scrutiny.

A HAWK TAKES THE HELM

Just one week later, the next chapter began. Kevin Warsh, President Trump's nominee to lead the Federal Reserve, was sworn in on May 22 following Senate confirmation. The transition unfolded quickly, with Powell remaining briefly on the Board of Governors until Warsh officially assumed the role. Warsh arrives with a well-known reputation. As a Fed governor between 2006 and 2011, he was regarded as one of the institution's more hawkish voices during the financial crisis. Over the years, he has repeatedly questioned the expanding role of central banks and argued against relying too heavily on monetary policy to solve broader economic challenges.

What makes the transition particularly unusual is Powell's continued presence on the Board until January 2028. For the foreseeable future, the man who spent his final months defending the Fed from political influence will sit alongside the chairman chosen to succeed him.

THE JUNE MEETING CHANGES EVERYTHING

Warsh's first opportunity to define his leadership comes almost immediately. The June 16–17 FOMC meeting arrives at a difficult moment. Inflation remains above target, energy prices have climbed following the Iran conflict, policymakers remain divided, and pressure for lower borrowing costs continues to come from Washington.

The divisions inside the Fed were already visible before the leadership change. At the April meeting, Powell's final gathering as chair, officials voted 8–4 to keep rates unchanged at 3.50%–3.75%. The dissenting votes reflected disagreements from opposite ends of the policy spectrum, highlighting just how fractured the committee has become.

BEYOND THE FIRST DECISION

Powell's final speech may ultimately be remembered not as a goodbye, but as a challenge left behind for his successor. The defining moment for Kevin Warsh may not arrive on June 17. It may come later, when the White House disagrees with a Fed decision and the new chairman faces his first real test of independence. The way he responds could determine more than the direction of interest rates. It could shape the credibility of the Federal Reserve itself and define the institution's relationship with political power for years to come.



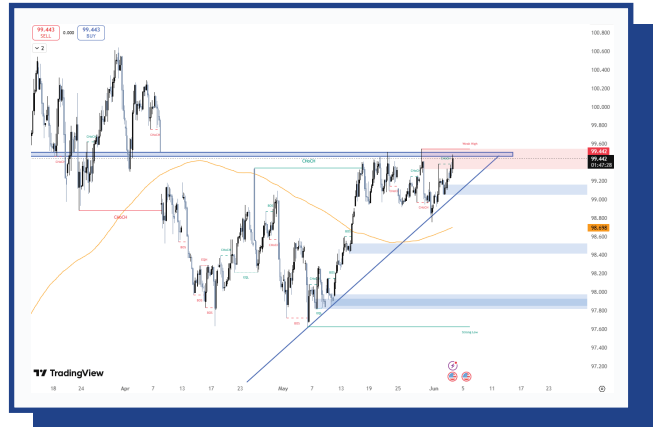
\$ DXY

DOLLAR PUSHES TO TWO-MONTH HIGH

The DXY rose to 99.4, its highest level in nearly two months, after private employers added 122,000 jobs in May, exceeding forecasts and marking the strongest increase since January 2025.

Higher job openings and renewed Middle East tensions reinforced inflation concerns and strengthened expectations that the Fed could raise rates before year-end.

Technically, resistance stands at 99.50. A break above could open the way toward 100.00 and 100.60. Support is located at 99.00, followed by 98.40, while a move below 97.60 could expose 96.50.



🔥 BRENT OIL

BRENT TRACKS A TIGHTER MARKET

Brent crude traded above \$97 per barrel as uncertainty surrounding US-Iran negotiations and ongoing tensions in the Middle East kept supply concerns in focus.

Adding to the upward pressure, industry data showed a 6.8 million-barrel decline in US crude inventories. If confirmed by official figures, it would mark the sixth consecutive weekly drawdown, highlighting tightening supply conditions.

Brent faces resistance at \$99.00, with a break above potentially targeting \$102.50. Support is located at \$96.00 and \$93.40.



XAUUSD

GOLD SLIDES UNDER \$4,500

Gold dipped below \$4,500, closing in on multi-month lows as expectations for tighter monetary policy grew. Strong U.S. labor data and rising crude oil prices have aggravated inflation fears, strengthening the case for a more hawkish Federal Reserve. Rising borrowing costs continue to sap demand for non-yielding bullion amid ongoing uncertainty in the Middle East.

Technically, \$4,500 serves as immediate resistance, with a breakout targeting \$4,570. Downside support rests near the 200-day SMA at \$4,417, followed by \$4,375.



XAGUSD

SILVER DECLINES TOWARD TWO-WEEK LOW

Silver prices declined to near \$74, hovering around a two-week low as expectations for tighter monetary policy grew. Blockbuster U.S. labor data and rising crude oil prices have escalated inflation concerns, reinforcing the case for prolonged, elevated interest rates. This environment of rising borrowing costs continues to dampen the appeal of non-yielding precious metals amid ongoing Middle East conflict risks.

Technically, silver remains capped below resistance at \$76.00, with a breakout targeting \$78.30. Downside support lies at \$72.50, followed by a key floor at \$70.70.



PCE: FIRST CHALLENGE ON WARSH'S DESK



The latest PCE inflation report delivered a mixed message, but not one that changes the Federal Reserve's broader challenge. The April reading is likely to play a central role when Kevin Warsh chairs his first FOMC meeting on June 17. At first glance, the figures showed inflation remaining well above the Fed's target, despite a modestly softer monthly reading:

- **Headline PCE:** 3.8% YoY — accelerating
- **Core PCE:** 3.3% YoY — remains above the Fed's 2% target
- **Core PCE (MoM):** +0.2% — below expectations

Energy prices continue to cast a long shadow over inflation as tensions involving Iran and the Strait of Hormuz persist. While the Fed cannot directly control energy prices, sustained increases can spread through transportation, manufacturing, and consumer spending, creating broader inflation pressures over time. With inflation still running well above target, attention is shifting toward whether Warsh will maintain a firm stance on price stability or leave the door open to further tightening if inflation proves persistent.

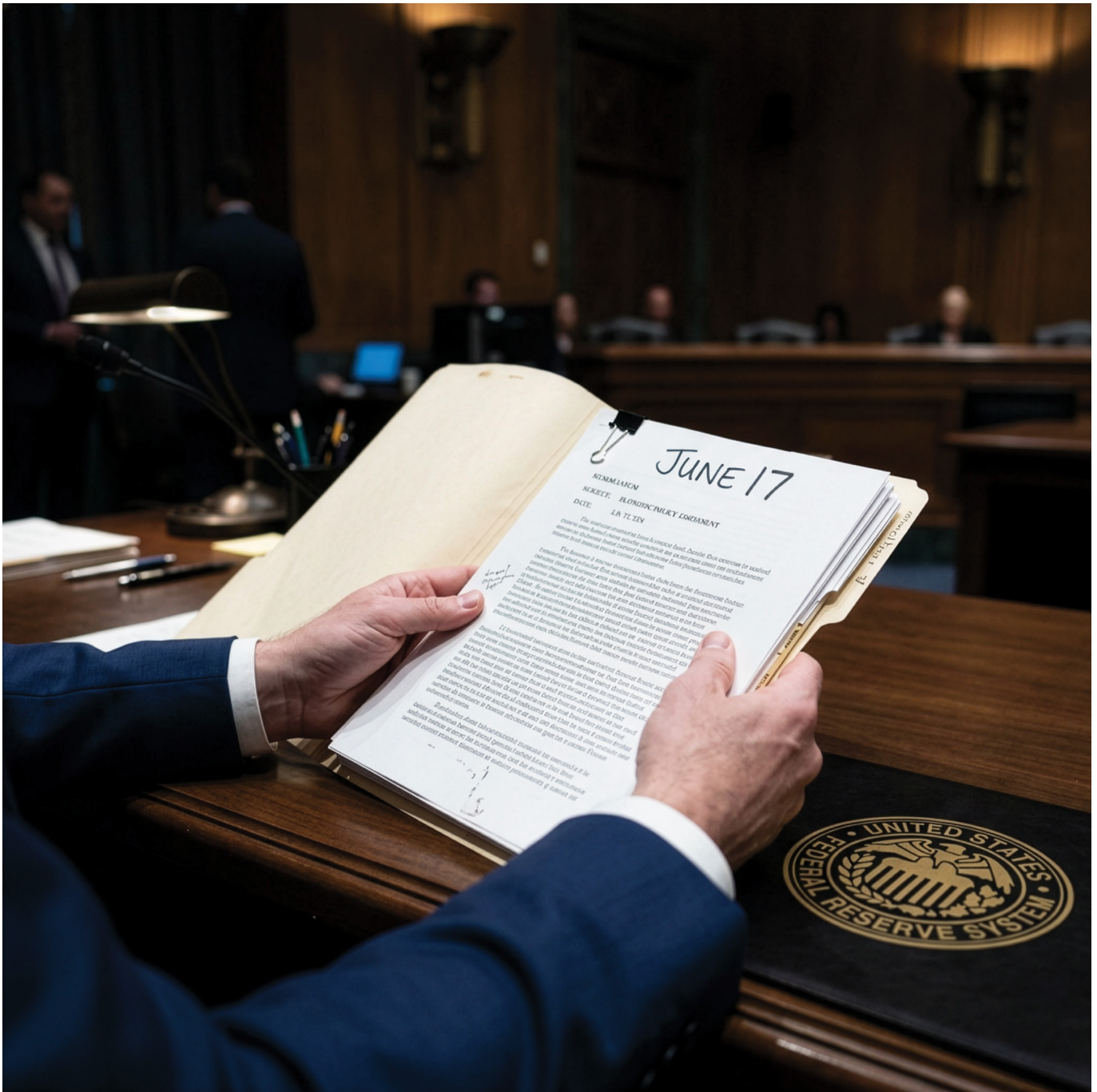
THE ECONOMY HOLDS ITS GROUND

Beyond inflation, the rest of the economic data painted a picture of slower but still resilient growth. Key releases included:

- **Q1 GDP:** 1.6% annualized, revised down from 2.0%
- **Initial Jobless Claims:** 215K, still historically low
- **Personal Spending (Apr):** +0.5% MoM, in line with expectations
- **Durable Goods Orders (Apr):** +7.9% MoM, well above forecasts

First-quarter GDP was revised down to 1.6%, reflecting softer consumer spending and investment activity. Even so, labor market conditions remained stable, with jobless claims near historically low levels.

Consumer spending rose 0.5% in April, supported by services activity and higher energy-related expenditures. Durable goods orders jumped 7.9%, led by transportation equipment and aircraft demand, showing ongoing strength across parts of the industrial sector.



ALL ROADS LEAD TO JUNE 17

The June 17 meeting is expected to result in rates remaining at 3.50%-3.75%. The greater focus, however, will be on the message delivered by the Fed's new chair.

Warsh inherits an inflation rate well above target, a labor market that continues to show resilience, and a policy committee already divided, as reflected by April's 8-4 vote to leave rates unchanged. He also takes over at a time when political pressure for lower borrowing costs remains visible. More than a rate decision, June 17 will provide the first clear signal of how Warsh intends to lead the Federal Reserve. The April PCE report has ensured that every word of that message will carry added weight.

AI'S BIGGEST IPO SEASON HAS ARRIVED

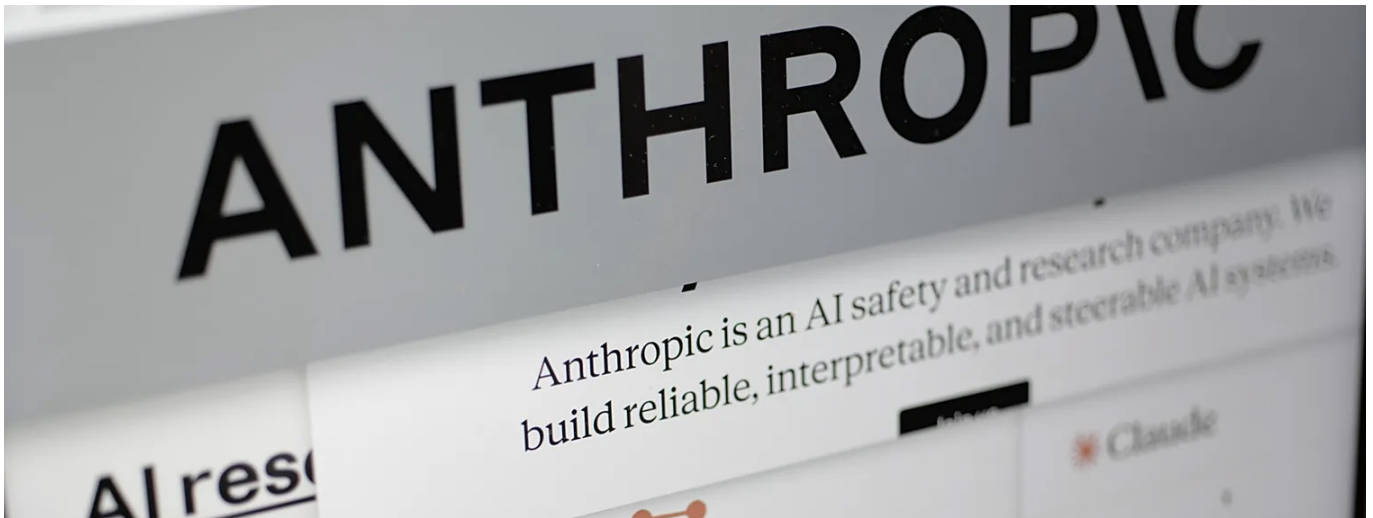


Image Credit: AP Photo/Patrick Sison

Wall Street's AI story is moving into a new phase. After years of private funding rounds, soaring valuations, and relentless investment in artificial intelligence, some of the industry's biggest names are preparing to enter public markets. The first move came on June 1, when Anthropic confidentially filed its S-1 with the SEC. The Claude developer is targeting a public listing as early as October. Anthropic is unlikely to be alone for long. SpaceX begins its IPO roadshow on June 4, and if successful, the offering would surpass Saudi Aramco's record and become the largest IPO ever completed. OpenAI is also expected to pursue a public listing later this year, setting the stage for what could become one of the busiest IPO periods in recent memory.

A WALL OF CAPITAL

The scale of the upcoming offerings is difficult to ignore. Key figures include:

- **Anthropic valuation:** \$965 billion
- **SpaceX target valuation:** \$1.75 trillion
- **Potential combined fundraising:** More than \$200 billion
- **Total US IPO proceeds in 2025:** \$45 billion
- **Goldman Sachs forecast for 2026:** \$160 billion in US IPO issuance

Supporters argue there is ample capital available to absorb the offerings. Nearly \$8 trillion currently sits in US money market funds, meaning even SpaceX's planned raise would represent only a small fraction of available liquidity.

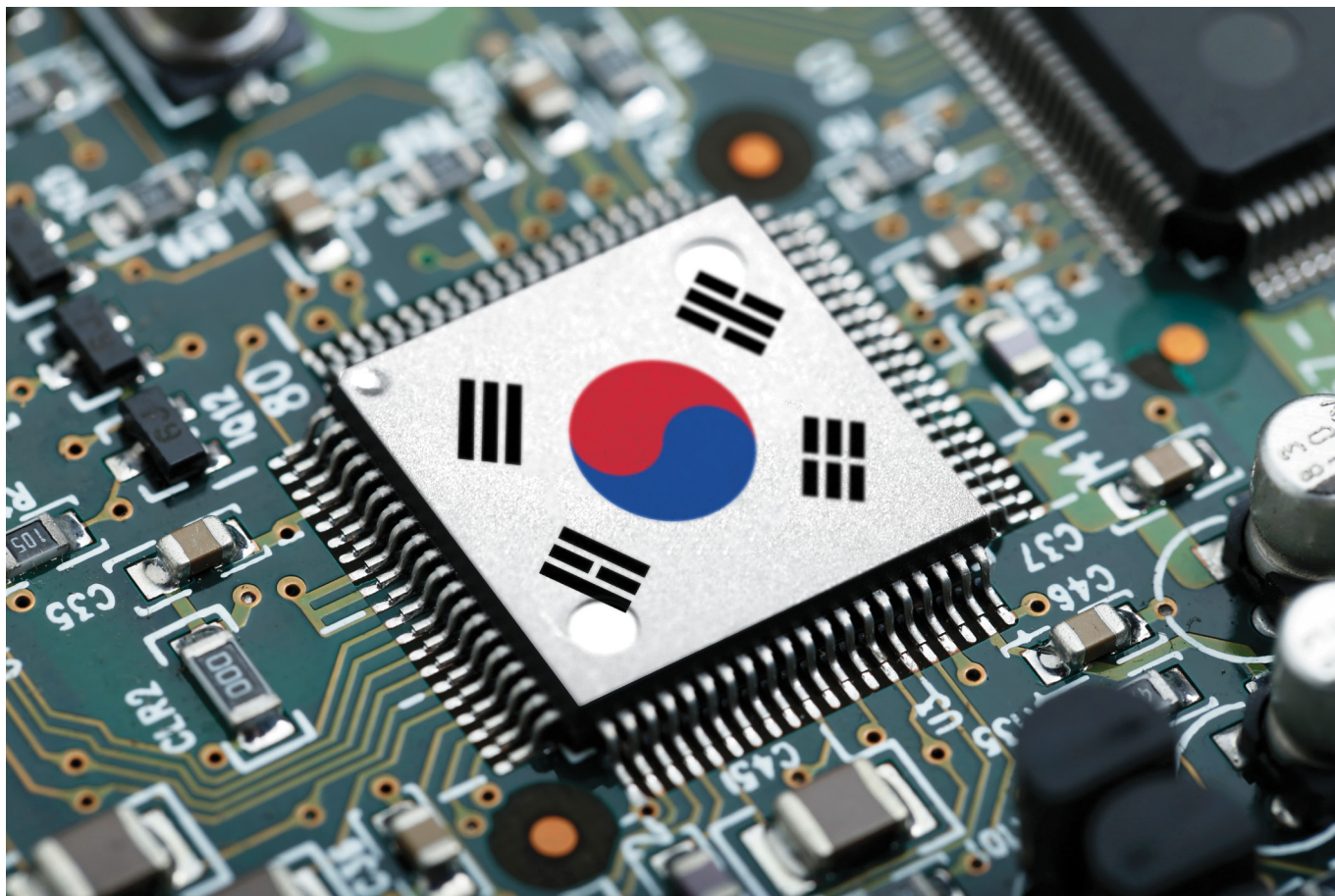
THE NEXT STAGE OF THE AI TRADE

For years, institutional investors have gained exposure to artificial intelligence primarily through companies such as Nvidia, Microsoft, and Alphabet. The upcoming IPO wave offers something different: direct access to firms building the technology itself. That opportunity is generating excitement, but it is also fueling debate. Some analysts view the listings as the natural next step in AI's growth story, opening a new chapter for one of the most transformative technologies in decades. Others see a transfer of risk, arguing that early investors may be taking advantage of peak enthusiasm to sell shares to public investors.

BUBBLE OR BEGINNING?

The question surrounding Wall Street's AI IPO wave is: are public markets witnessing the early stages of a speculative bubble, or the birth of a new investment era? The answer remains uncertain. What is clear, however, is that artificial intelligence has become far more than a technology story. With SpaceX, OpenAI, and Anthropic preparing to test investor appetite, AI is shaping up to be the defining financial market theme of 2026.

AI CHIP BOOM LIFTS KOREA TO SIXTH PLACE



South Korea has become the world's sixth-largest stock market, with total market capitalization reaching nearly \$5 trillion after an 86% surge this year, edging past India's \$4.8 trillion. The rally has been driven by semiconductor giants Samsung Electronics and SK hynix, which continue to benefit from strong AI and cloud-computing demand alongside ongoing memory-chip shortages. The semiconductor upcycle has fueled expectations of exceptional profit growth, prompting Goldman Sachs to raise its 12-month KOSPI target to 9,000 and forecast earnings growth of around 300% in 2026.

TECH GIANTS SUPPORT THE RALLY

Korea's market gains have been concentrated in technology stocks, particularly semiconductor companies that sit at the center of the global AI supply chain. Samsung and SK hynix have both surpassed the \$1 trillion valuation mark, driving much of the market's advance. Despite the rally, the KOSPI trades at roughly seven times forward earnings, suggesting valuations remain relatively modest. Analysts note, however, that the outlook depends on the longevity of the semiconductor cycle and the success of ongoing corporate governance reforms under the country's "Value Up" initiative.

INDIA FALLS BEHIND AS CAPITAL LEAVES

India's stock market has declined about 11% this year, pressured by roughly \$26 billion in foreign outflows, currency weakness, and inflation concerns linked to higher energy costs. Although India's economy remains larger, with a GDP of around \$4.15 trillion compared with South Korea's \$1.93 trillion, its equity market has lacked the AI-driven momentum supporting technology-focused economies. Taiwan has also benefited from the AI investment cycle, showing the growing advantage enjoyed by markets with strong exposure to the semiconductor industry.

Market Roundup

SOFT PCE REVIVES RATE-CUT EXPECTATIONS

Markets focused on recent US inflation data after the Core PCE Price Index, the Federal Reserve's preferred measure, rose 0.2% in April, below the 0.3% forecast. The annual rate held at 3.3%, matching expectations but remaining above the Fed's target. The softer monthly reading strengthened the view that price pressures may be gradually easing despite higher energy costs and geopolitical uncertainty. Treasury yields moved lower, and expectations for future rate cuts regained some momentum. Attention now turns to the upcoming labor-market and inflation reports for confirmation that the disinflation trend can continue through the second half of the year.



TECHNOLOGY RALLY FINDS NEW FUEL

Artificial intelligence remained a major driver of equity markets, with Nvidia extending its rally and reinforcing confidence in long-term AI spending. Demand for data centers, AI infrastructure, and advanced computing systems supported technology stocks despite broader economic uncertainty. Research from major institutions shows a growing share of S&P 500 earnings growth, capital spending, and market performance coming from AI-related companies. While concerns over valuations remain, investment in AI continues to attract strong interest as firms compete for leadership in one of the fastest-growing sectors in the market.



Image Source: CFOTO/Getty Images

IRAN AND ITS ALLIES TO CONSIDER NEW MEASURES

Trading activity was influenced by heightened Middle East tensions after signals emerged suggesting that negotiations between Washington and Tehran had faltered. Reports that Iran suspended indirect communications with the US following Israeli operations in Lebanon raised doubts about the pace of diplomatic progress. The Strait of Hormuz and Bab el-Mandeb corridor returned to the spotlight after reports suggested Iran and its regional allies were considering measures that could affect maritime traffic through both routes. Any disruption could impact a significant share of global energy shipments and add to inflation pressures.



Image Source: Lina Selg/Bloomberg

Market Roundup

ALPHABET PLANS RECORD \$80 BILLION AI FUNDRAISING

Alphabet announced plans to raise up to \$80 billion through a share sale to expand its AI infrastructure, marking what analysts describe as the largest equity fundraising in history. The company said demand for its AI products, including Gemini, is exceeding current capacity, prompting major investments in computing infrastructure. The fundraising includes a \$10 billion share sale to Berkshire Hathaway. While the move highlights confidence in long-term AI growth, it also brought debate over whether massive AI spending can generate sufficient returns, with Alphabet shares falling more than 4% following the announcement.



DRONE ATTACK TARGETS ST. PETERSBURG

Russia reported intercepting 50 Ukrainian drones over the Leningrad region, including areas near St. Petersburg, as the city opened the 29th St. Petersburg International Economic Forum (SPIEF). Ukrainian President Zelenskyy said Ukrainian forces struck the Petersburg Oil Terminal and military targets at the Kronstadt naval base. Russia's Defense Ministry said a total of 354 drones were intercepted across the country and Crimea overnight. The incident comes as officials and business representatives from 76 countries gather for SPIEF, where President Vladimir Putin is scheduled to speak and meet with senior international delegates, including Chinese Vice President Han Zheng.



Image Source: AP Photo

REVOLUT FOUNDER TARGETS \$200 BILLION IPO

Revolut founder and CEO Nikolay Storonsky is aiming for a potential IPO valuation of nearly \$200 billion within two years, a target that could increase his personal stake to around \$76 billion. Since launching the company in 2015, Storonsky has built Revolut into a global fintech platform with 75 million customers across banking, payments, investing, and crypto services. The company plans further international expansion and is expected to pursue a private share sale later this year at a valuation exceeding \$100 billion. Revolut's future growth will depend on maintaining strong profitability while securing regulatory approval and customer trust in key markets, including the United States.



Image Source: Pilar Olivares/Reuters

The Week Ahead

Attention remains on US-Iran developments after reports of progress toward a potential agreement that could reopen trade through the Strait of Hormuz. The economic calendar is packed with labor market updates from the US, including payrolls, JOLTS job openings, ADP employment, and Challenger job cuts, while ISM surveys will offer a fresh look at business activity.

AMERICAS

The US labor market takes center stage with May nonfarm payrolls expected to show 96K new jobs, down from 115K in April. The unemployment rate is forecast to remain at 4.3%. Average hourly earnings are projected to increase 0.3% month-on-month and 3.5% from a year earlier. JOLTS openings are expected to slip from 6.9 million to 6.8 million, while ADP figures should point to steady hiring in the private sector. ISM manufacturing and services surveys are both expected to remain above the expansion threshold.

More releases include factory orders, first-quarter productivity and unit labor costs, consumer credit data, and remarks from Federal Reserve officials. Broadcom's earnings report will be closely watched. Across the region, Canada publishes employment data along with S&P Global and Ivey PMIs, Mexico releases business and consumer confidence figures, and Brazil reports industrial production and trade data. PMI readings are also scheduled across Latin America.

EUROPE

Inflation rates in the Eurozone will determine what to expect before the ECB's June meeting. Headline CPI is expected to accelerate to 3.3% year-on-year, the highest reading since September 2023, while core inflation is projected to rise to 2.4%. The unemployment rate is expected to hold at 6.2%, remaining near historical lows. The week also brings final first-quarter GDP figures for the Eurozone and updated labor market data from Spain. Retail sales data from Germany and the wider Eurozone are expected to show a fourth consecutive monthly decline. In France, the trade deficit is likely to narrow modestly, while industrial production may retreat following March's recovery.

Business surveys across Southern Europe will highlight diverging trends, with manufacturing activity expected to weaken further in Italy while improving in Spain. Services activity is forecast to remain below growth levels in both countries. Switzerland releases a broad set of indicators, including GDP, inflation, unemployment, retail sales, and trade data. Turkey's economy is expected to grow 2.7% year-on-year in the first quarter, compared with 3.4% previously. In the UK, housing and mortgage data will headline a lighter calendar. Poland's central bank is expected to leave its benchmark rate unchanged at 3.75%.

ASIA-PACIFIC

China's official NBS and RatingDog PMI reports will provide an updated view of business conditions, with both manufacturing and services activity expected to soften. Japan's schedule includes capital expenditure, projected to slow to 4.1% yearly, along with monetary base figures, wage growth, household spending, and leading economic indicators. Household spending is expected to decline 1.4% from a year earlier. The Reserve Bank of India is expected to keep rates unchanged. First-quarter GDP growth is forecast at 7.3%, easing from 7.8% in the previous quarter, while April industrial production figures will also be released.

Australia's calendar includes first-quarter GDP, expected at 0.5% quarter-on-quarter after 0.8% growth previously, together with updates on job advertisements, private credit, commodity prices, building approvals, business activity, and trade. South Korea, Indonesia, and Vietnam will publish trade data, while inflation reports are due from South Korea, Indonesia, Vietnam, the Philippines, Thailand, and Taiwan. Manufacturing PMI readings will offer further insight into economic activity across the Philippines, South Korea, Taiwan, Vietnam, Indonesia, Malaysia, Thailand, Hong Kong, Saudi Arabia, the UAE, and Singapore.



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