



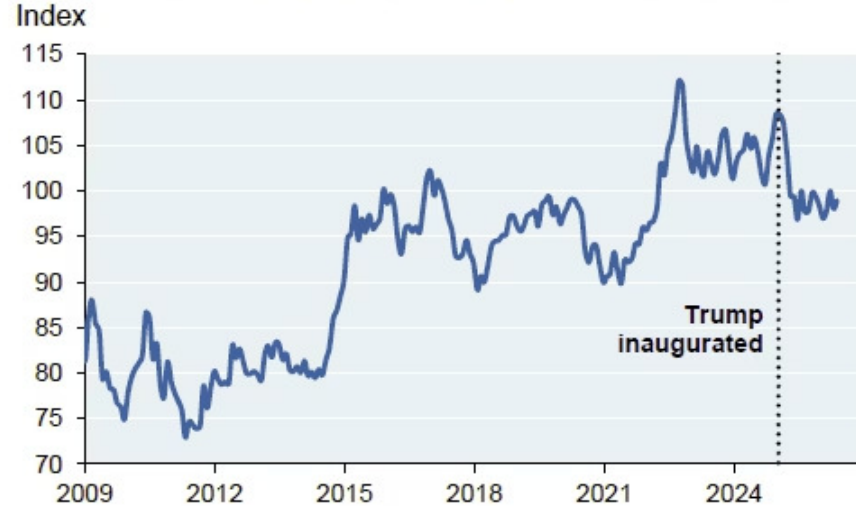
America at 250: If Given a Choice, Continue to Bet on the Country

Guild's Global Market Commentary — July 2, 2026

LONG AMERICA. WARY OF MARKET BEHAVIOR.

The Thesis Everyone Keeps Shorting

US dollar trade weighted exchange rate, 2009 - 2026



Source: Bloomberg, JPMAM, May 2026

A growing fashionable trade has been to bet against America — against the dollar, against richly valued U.S. stocks, against an “exceptionalism” supposedly fading into multipolar decline.

That trade keeps losing.

- Dollar plumbing has held
- U.S. companies out-earn the world across nearly every sector
- America is reindustrializing around the AI supply chain

□ The problem isn't the thesis; it's that the market is expressing it through the most leveraged, most mechanical, most lottery-ticket tape in a generation.

CHAPTER 1

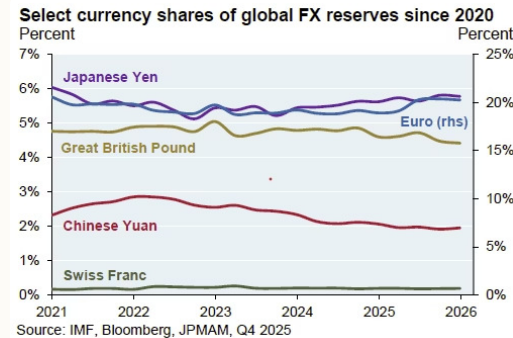
The Franchise: Dollar Dominance Endures

Reserves Barely Budged

The dollar's share of global reserves, payments, and trade invoicing has held despite years of predictions of secular decline.

No Credible Challenger

The euro, yen, pound, and renminbi all lost reserve share too. Losses flowed to a grab-bag of smaller currencies — not a rival hegemon.





CHAPTER 1

The Franchise: Dollar Dominance Endures

The Renminbi Trap

China's currency can't take the crown without opening its capital account — which would risk the capital flight Beijing works hardest to suppress.

“China as world reserve currency is a frankly preposterous idea right now. China has achieved its growth targets via one of the largest monetary expansions the world has ever seen: at \$60 trillion, China's domestic banking assets have reached ~50% of global GDP. If China fully opened its capital account, possible outflows could crush the RMB and trigger a collapse in Chinese equity/real estate markets.” (Michael Cembalest, JPMorgan)

U.S. Corporate Superiority is not a Myth

Emerging markets equity price return relative to US
Relative to MSCI US, index (100 = January 2025)



Source: Bloomberg, JPMAM, June 21, 2026

Value Traps

The recurring mistake: rotating into “cheap” foreign markets on low P/E multiples and discovering you bought a value trap.

Even the EM trade that has worked is really just three semiconductor names — Taiwan Semi, Samsung, and SK Hynix — wearing an emerging-market costume.

Betting against America keeps failing because the alternatives keep failing the test — depth, liquidity, profitability, and the freedom to get your money back out.



CHAPTER 2

The Build-Out: Matter Over Mind

AI's binding constraint has shifted from compute to the **physical inputs compute depends on** — and the choke points are very concentrated.



The Chokepoints Gating the AI Economy

High-Purity Quartz

70–90% of the quartz every silicon wafer starts from comes from one district: **Spruce Pine, North Carolina.**

Helium

No substitute in chipmaking. One-third of global supply was disrupted by strikes on Qatar. No workaround exists.

ABF Film

One company makes more than **90%** of the substrate film that wires an advanced chip to its board.

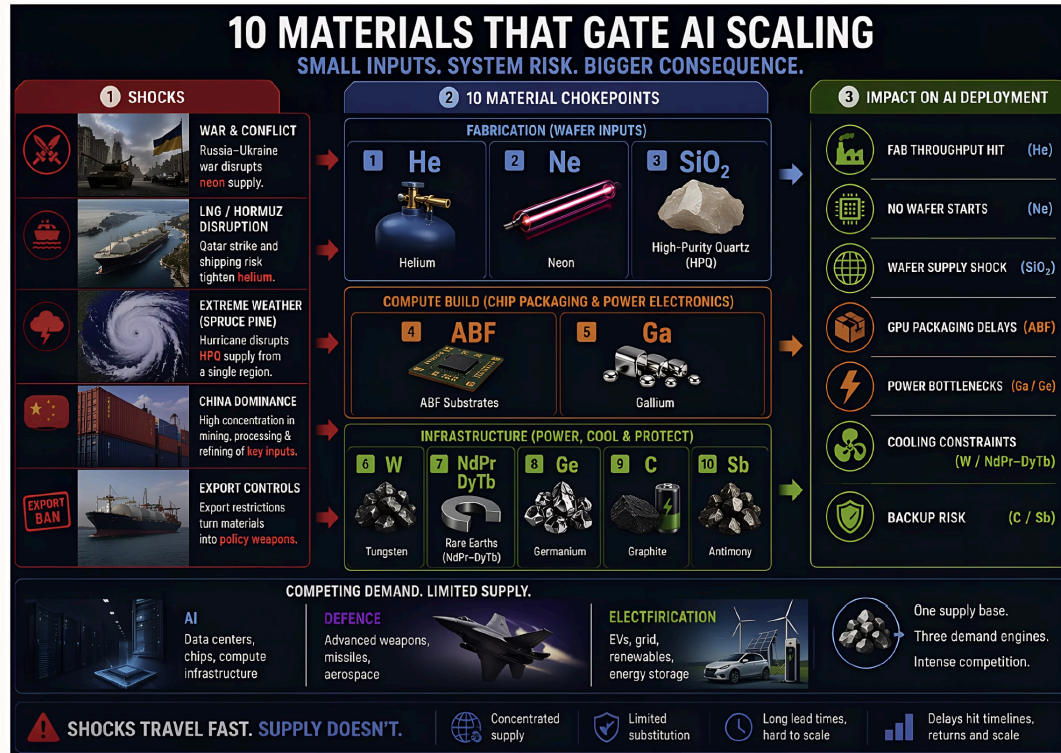
China's Mineral Grip

China controls **70–98%** of gallium, germanium, tungsten, graphite, antimony, and the rare-earth magnets that move heat through a data center.

Electricity

Data centers require enormous and growing amounts of power, and grid capacity plus permitting are becoming a critical bottleneck for the AI economy.

America's Policy Response: Finally Moving



Metals and mining remains just 2.5% of the global equity index — near a multi-decade low — even as it gatekeeps the entire AI build-out.

Two Cautions

- 1. Technology engineers around scarcity.** A 2026 AI screen tested 67,000+ compounds for rare-earth-free magnets — one reportedly arrived 200× faster at a fraction of the cost. Buying after a 140% run is a different bet.
- 2. Supply chains take years to move.** Power-equipment lead times alone run three to five years. This is a multi-year story, not a this-quarter one.



CHAPTER 3

The Tape: Leverage at Historic Extremes

\$1.4T

U.S. Margin Debt

Rose 54% to a record in May (Finra),
the largest leverage pile in a
generation.

\$220B

Leveraged ETF Assets

Nearly doubled in two months. One 3×
semiconductor fund rose ~700% in
three months — then dropped 31% in
a single session.

92%


Retail Holders

South Korea's leveraged single-stock
funds drove up to half of daily
Samsung/SK Hynix volume before
circuit-breakers tripped.

Even the Crown Jewel Is Two-Sided

Nvidia's Monopoly Is Eroding

- Hyperscalers are fielding their own accelerator chips, eating into NVDA's captive market
- Cheap open-weight models — several Chinese — are undercutting frontier labs on cost
- A chunk of megacap “profit” comes from marking up private AI startups those same megacaps own — a recursive valuation circle
- The semiconductor index's distance above its long-term trend now **rivals the dot-com peak**

 When leverage and zero-day options set the price, even the best franchise in the world can be the wrong thing to buy on a given Tuesday.

CHAPTER 4

The Rails: Stablecoins Are the Real Story

Bitcoin is down ~30% this year. If that's your gauge for digital assets, you'll draw exactly the wrong conclusion.

\$300B+ Supply

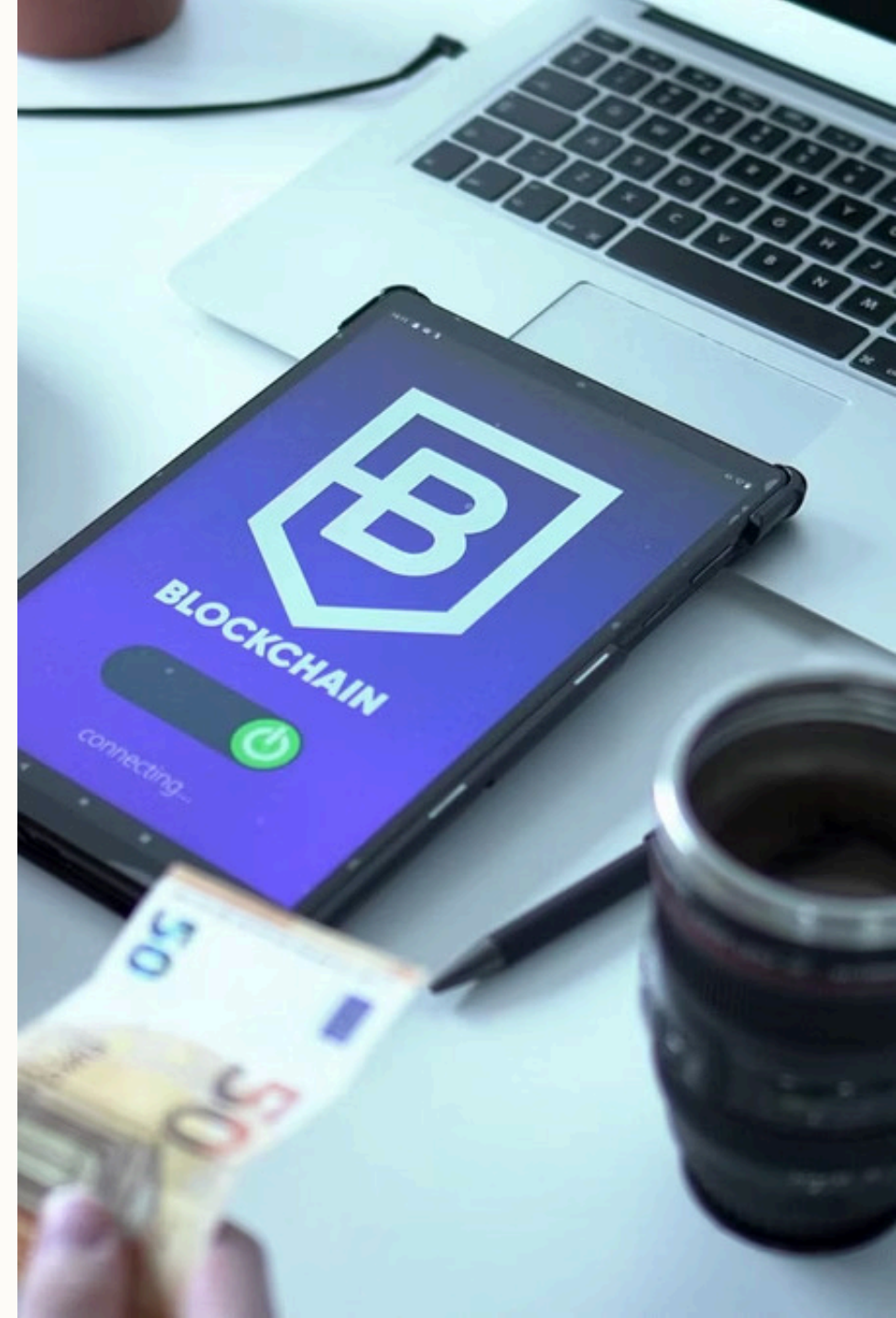
Dollar-pegged stablecoins now settle in seconds, 24/7, at a fraction of a wire's cost — no correspondent-bank friction.

\$30T+ Moved in 2025

By several estimates, more than Visa and Mastercard combined. Directionally loud, even accounting for automated churn.

GENIUS Act

The first federal framework treating stablecoins as payment instruments. Stripe, Mastercard, Visa, and major banks are now building — not fighting.



Transformative, but the profit opportunities are not clear

A new challenger, Open USD (OUSD), backed by a formidable consortium, enters the stablecoin arena, driven by a new regulatory landscape.



Powerful Consortium

Stripe, Visa, BlackRock, and over 140 businesses unite to launch Open USD (OUSD).



Market Challenge

OUSD aims to disrupt the dominance of Tether (62%) and Circle (25%), causing Circle's stock to dip 20%.



Regulatory Tailwinds

The Genius Act (July 2025) provides a framework, encouraging more corporate stablecoin entries.



Revenue Model

OUSD will return most reserve revenue to participants, minus a small management fee.

This move signals a significant shift, with major traditional finance players and tech giants embracing stablecoins as a core payment infrastructure.



Stablecoins: The American Kicker Hidden in Plain Sight

Deeper Dollar Entrenchment Through Disruption

~95% of stablecoins are dollar-pegged. Their reserves sit largely in **Treasury bills**.

The technology that disintermediates banks is further entrenching the dollar — and creating new, structural buyers of U.S. government debt.

The most disruptive corner of finance is one more vote for American primacy.

Patriotic But Unsentimental

We like these themes — the franchise, the build-out, the dollar’s digital rails. **Liking a theme is not the same as buying it right now.**

1

Stay Long the Franchise

Dollar dominance, corporate superiority, and reindustrialization are real and durable.

2

Respect the Tape

Record margin debt, leveraged ETFs, and zero-day options demand position discipline — not conviction alone.

3

Decide What to Hold

The discipline that matters this summer: what to hold, how much, and when. **AI is our research co-pilot, not our portfolio manager.**

Work on your buy list... and **don't short growth.**

Ready to Explore Your Portfolio's Potential?

If you like the way we think, and want our attention directed to your portfolio, give Aubrey Ford, our Client Relations Director, a call today.

310-826-8600