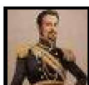
AI Summary of Art of the Deal:

1. **Outrageous Opening Position:** Start with a bold, extreme demand to anchor negotiations in your favor and gain room to maneuver.
2. **Always Retaliate:** Hit back hard against any challenge to deter future attacks and maintain control.
3. **Think Big:** Set ambitious goals to drive bigger outcomes.
4. **Know the Market:** Master the details and trends to outsmart others.
5. **Leverage Strengths:** Use your edge—confidence, resources, or timing—to dominate the deal.
6. **Protect the Downside:** Limit risks while chasing rewards.
7. **Promote Relentlessly:** Hype your brand and project to boost perceived value.
8. **Strategic Withdrawal:** Know when to back off and take a good deal if the maximum isn't achievable.



Dan

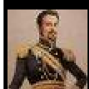
How was I so prescient ? Ignore headlines Ignore daily sentiment Not confusing negotiation tactics for objectives Identifying what the actual objectives where by identifying who the key power centres supporting the policy.

Dan

What are the various power centres driving this - what do they say they want: Trade/Money/Military guys - these guys have been crystal clear and writing about their goals, I just read it, then evaluated the bottom line for each (not the opening gambits).

Dan

Understanding the business cycle and liquidity cycle - which is invisible to most commentators. I knew that well before the midterms conditions would be much better and Trump will be able to point to 'so much winning'



Dan

Sorry to brag. But its important to note that while everyone was getting hysterical this past week. I already had the Brokenomics framework to understand the why and did the work to understand the how in this particular case. Something to remember for the next time.

The Dan Tariff Predictions

It's all about China	✅
Other tariffs are very much negotiable	✅
A baseline tariff will remain	✅
A 90 day pause is very possible	✅
Ignore the political fallout narrative - temporary	✅
Approach is for max negotiation leverage	✅
The debt cost is the limiting factor on how far you push	✅
A new currency accord is coming (Mar a largo accords)	**TBC**
Trump will force the world to choose US v China	**TBC**
Business/Liquidity cycle will substantially improve by the midterms	**TBC**

No - americans are not going to be sowing their own Nikes - but the marginal high value goods will relocate | TBC

My macro argument

- The dollars 'exorbitant privilege' is not an immutable law of nature, the dollar dies from its strength not its weakness as it becomes unviable if the liquidity isn't there and debt cannot be rolled.
- The US has $10 trillion of Covid era debt to rollover over the next year. Getting rates lower than nominal growth is the whole game, or the US gets swallowed by its debt problem.
- The key to debt rollover is global liquidity and the dollar is a wrecking ball - it's simply far too strong. 50% of global debt is in $s and a strong dollar is throttling financial conditions. A lower $ eases global liquidity, releasing significant global liquidity.
- Particularly in China who is advanced in their debt refi. China & US need an adjustment which will allow them to further ease, allowing refi and a significant surge in global liquidity.
- To be clear it's all about China.
- Secondary to the immediate and pressing debt refi cycle playing out now are two bigger trends - Manufacturing and Strategic supply lines (Including Military).
- The US share of global manufacturing has declined 11 points over the last decade from 28.4% to 17.4% - we are literally watching the US lose a war against Russia because of its inability to match their output of mutations at this very moment.
- The US is not a superpower because of the dollar - that's a benefit - but because of its military power. A 2018 Pentagon study found the US military fails at 100s of different key points without China. You do not get to remain global hegemon if your manufacturing can't supply your military. Nike trainers are not the metric you hedge this policy by.

	Trade	**Money**	**Military**
Problem	US Manufacturing ⬇️ Big Deficits Lack of B/C Jobs US Hollowed out	Huge US Debt Global Debt Rates too high Dollar too high	US Military relies on China
Champion	Trump Peter Navarro	Scott Bessent	Pete Hegseth
Winning	Jobs Back Deficit down	Dollar down Cheaper debt rollover Maralago Accords	US Military self reliance or at least allies
Losing	Backing down	High Debt Cost	China: Out produce China: Turn off US Military
EU	🥶	😍	🙂
China	🤬	😍	🤬
ROW	😶	😍	🙂
Boomers	🤬		
Gen X	😘		
Millennials	🤩		
Zoomers	🤩		