

Market Quick Take - Chips lead a rebound as Treasury yields retreat - 18 September 2026

Saxo Bank · 2026-09-18 · English original

Market drivers and catalysts

- Macro: Hawkish FOMC reaction fades, less hawkish BoJ than expected early Friday.
- Equities: US and European equities rebounded as oil and yields eased, Asia extended gains as Japan raised rates.
- Volatility: Equity and rates volatility unwound the post-Fed premium while the curve stayed in contango
- Digital Assets: Crypto-linked shares rebounded with equities as a House panel advanced the bitcoin reserve bill
- Commodities: Gold trades higher as global yields and crude oil prices retreat.
- Fixed Income: Global yields retreat as crude oil prices ease. BoE shocks longest gilt yield lower with QT tweaks.
- Currencies: JPY sharply lower after less hawkish than expected BoJ meeting.

Macro

- The Bank of Japan raised the policy rate 25 basis points to 1.25% as expected, but the decision was only approved by a 7-2 margin and the language in the monetary policy statement expressed less urgency on the need to tighten further than the market was perhaps expecting. While short-dated Japanese Government Bond yields were only about two basis points lower in the wake of the decision, the Japanese yen suffered a sharp sell-off.
- The BoE kept rates at 3.75% in a 6–3 vote but warned they could rise if Middle East tensions stoke inflation. Governor Bailey said the energy shock's impact is so far limited but prolonged volatility could increase inflation risks. The Bank of England announced more material changes to its QT than expected, pausing active gilt sales entirely for the next six months and stopping the sale of long-dated gilts entirely.
- Saudi Arabia is rerouting crude via ship-to-ship transfers near Oman's Sohar to offset a key pipeline shutdown, cutting tankers' exposure to Iranian attacks. It expects to restore about half of the East-West pipeline's capacity within days and full flows in six weeks. Ship-to-ship transfers in the Gulf of Oman have risen to 2.7 million bpd from 1.5 million bpd in August.
- Eurozone inflation rose to 3.2% in August 2026, near a 2½-year high and above the ECB's 2% target, driven by a 14.3% jump in energy. Core inflation edged down to 2.4% and services inflation to 3.0%. Inflation picked up in Germany, France, Spain, and Italy, but eased slightly in the Netherlands.
- Canada's producer prices rose 1.3% m/m in August 2026, up from 0.3% in July and versus expectations for no change. Energy and petroleum prices gained 4%, led by refined products, while PPI

excluding energy rose 0.8%. Non ferrous metals (+4.4%) and chemicals (+2.8%) also rebounded, boosted by unwrought precious metals and plastic resins.

- US jobless claims fell by 10,000 to 196,000 last week, near July's 60 year low and below the 208,000 forecast. Continuing claims dropped to 1.73 million, the lowest since January 2024, highlighting labor market resilience. Federal employee claims edged up to 398 but remain historically low.
- The US House passed a bipartisan bill imposing economic sanctions on Russia via tariffs in a 262-159 vote. The bill is expected to be signed by President Trump.
- More in our Macro Analysis & Macroeconomic News

Macro calendar highlights (times in GMT)

- 0600 – UK Aug. Retail Sales
- 1315 – US Aug. Industrial Production

Earnings events

- Tuesday: Autozone
- Wednesday: Cintas, Paychex
- Thursday: Costco, H&M Hennes & Mauritz

For all macro, earnings, and dividend events check Saxo's calendar.

Equities

- USA: US equities rebounded sharply Thursday, with the S&P 500 up 1.1%, Nasdaq 100 up 1.7% and Dow up 0.6%, as softer oil and lower Treasury yields eased inflation concerns after the Fed's rate hike. Semiconductors led, with the Philadelphia Semiconductor Index up 3.1% and Nvidia gaining 2.5% after Jensen Huang said chip sales volumes could double next year, while Coinbase rose 5.8% after regulators opened a pathway for tokenised US equities. After hours, Nucor fell 3% and Steel Dynamics dropped 4.1% after both guided third-quarter earnings below expectations.
- Europe: European equities extended gains, with the Stoxx 600 up 0.9%, DAX 0.7%, CAC 40 0.6% and FTSE 100 1.2%, as oil retreated and bond yields stabilised after the Fed hike, while the Bank of England held rates. Mining and autos led the broader advance. ASML rose 1.6% as technology recovered from its earlier sell-off, while Allegro surged 9.5% after raising its 2026 forecasts. Man Group gained 6.4% following a UBS upgrade, whereas Raiffeisen Bank fell 6.0% after Grizzly Research disclosed a short position. Investors remain focused on oil and central-bank guidance.
- Asia: Asian equities advanced Friday, with the Nikkei 225 up 1.8% and Kospi 2.6% as lower oil prices and bond yields extended Wall Street's relief rally. The Bank of Japan raised rates by 25 basis points to 1.25%, the highest in 31 years, although the yen weakened after the 7-2 vote signalled caution around further tightening. Samsung Electronics rose around 3% and SK Hynix almost 6% in early trade after Nvidia's demand outlook revived memory-chip optimism. Huawei also accelerated its Ascend 960DT launch to early 2027, highlighting intensifying competition in Chinese artificial intelligence chips.
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Volatility

VIX 15.44 | VIX FUTURES: 17.92 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (145.70) | MOVE: 76.22 | MARKET REGIME: TRANSITIONING | AS OF ~06:00 CET

- Thursday's chip-led rebound is the trigger. VIX fell 12.8% to 15.44, giving back its post-Fed rise, while VIX1D dropped 23% to 13.12 and VVIX fell 8% to 87.7. Rates volatility eased too, with MOVE down 5.6% to 76.2, and oil volatility fell more than 9%.
- The VIX cash curve stays in contango from 13.39 at nine days to 21.72 at one year, with the front future at 17.92 well above spot; SKEW is steady at 145.7. SPX options imply a 0.56% move to today's quarterly expiry and 1.34% to next Friday. Options carry a high risk of rapid loss.

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Digital Assets

BITCOIN ~77,317 (+1.25%) | ETHEREUM ~2,476 (+1.25%) | IBIT 43.30 (+0.60%) | ETHA 18.47 (+1.76%) | AS OF ~05:55 CET

- Digital assets firmed alongside the equity rebound, with crypto-linked shares recovering part of the week's losses: Coinbase rose 5.8%, Strategy 4.8% and Circle 5.8%, while miners advanced broadly, led by Riot at 7.5%. Spot bitcoin ETFs nonetheless recorded a \$296 million net outflow on Wednesday, a third day of redemptions at IBIT.
- The House Financial Services Committee voted 28 to 21 to advance a bill writing the Strategic Bitcoin Reserve into law with a 20-year holding period, the furthest a reserve bill has travelled in Congress; it still needs a floor vote and Senate passage.

Commodities

- Brent crude has extended its pullback to below USD 104, falling for a third straight session, as fears of prolonged Saudi supply disruption continue to ease. Saudi Arabia is working to restore roughly half of the damaged East-West pipeline capacity while offering additional Asian cargoes via ship-to-ship transfers off Oman, reducing the immediate risk of lost exports. The retreat comes despite continued severe disruption through Hormuz — preliminary Kpler data showed only four commodity vessels transiting the Strait on Thursday versus a recent ten-day average of around 16 — and renewed Saudi-Houthi fighting. Brent nevertheless remains roughly 15% higher this month, leaving a substantial geopolitical risk premium embedded in prices.
- Gold has pushed higher again to around USD 4,360, extending Thursday's sharp rebound from the post-Fed low near USD 4,240. The recovery has been helped by a modest easing in Treasury yields and the pullback in oil, which reduces the urgency of further Fed tightening even after Warsh's hawkish message this week. Gold's resilience is notable given that the Fed has just begun a new hiking cycle and the dollar remains relatively firm, suggesting continued demand from investors less sensitive to the traditional rates-and-dollar relationship. After reclaiming USD 4,350, the next test is the recent USD 4,365–4,400 area, while USD 4,300 now becomes the first important support on a setback.
- More in our Commodity News, Analysis & Commentary

Fixed Income

- US Treasury yields fell all along the yield curve, likely in part on a fresh drop in crude oil prices. The benchmark 2-year treasury yield backed out most of the reaction to the FOMC meeting late Wednesday, trading below 4.69% early Friday after peaking at 4.74% after the FOMC meeting and dropping as low as 4.66% Thursday. Long-dated treasuries saw strong buying interest Thursday as the benchmark US 10-year treasury yield strayed further away from the key 5.00% level, falling about nine basis points to close at 4.93% Thursday and near 4.94% early Friday.
- Japan government bonds saw a choppy ride after the Bank of Japan rate hike and release of the policy statement, which seems to have indicated less urgency to tighten policy further from here than the market seemed to be looking for, and the split 7-2 decision in favour of the hike raised eyebrows. JGB yields were very slightly lower at the front end of the yield curve after initially chopping lower and the picture was the same for longer-dated yields.
- The UK's longest dated gilts rallied sharply on the Bank of England's overhaul of its quantitative tightening programme, which would halt sales of longer-term gilts (see more above). The benchmark 30-year Gilt yield fell twelve basis points to 5.74% after hitting a 28-year high of 5.95% just last week.

Currencies

- The Japanese yen was pushed sharply lower in the wake of the Bank of Japan meeting, which did bring the expected 25 basis point rate hike but brought less urgency on the need to continue tightening policy than the market was looking for and a split 7-2 decision in favour of the policy hike. USDJPY squeezed above 157.20 from near 156.20 before the decision. The 200-day moving average looms above near 158.40 as the market awaits the Bank of Japan Governor Ueda press conference. EURJPY squeezed above 180.50
- Sterling traded on the soft side even as the Bank of England signaled Thursday that it will have to tighten policy again, although market expectations were already pricing in a hike for the November 5 BoE meeting and the bank said that there was "little evidence so far of material second-round effects" and an overhaul of the bank's QT programme
- The broader US dollar picture saw the greenback losing post-FOMC momentum Thursday as treasury yields at the front-end of the US yield curve reversed most of the reaction to the meeting, perhaps as oil prices retreated again Thursday. EURUSD backed almost to 1.1500 Thursday before settling into the 1.1475-1.1490 range.
- AUDUSD has entirely reversed the reaction to the hawkish FOMC meeting, trading as high as 0.7136 early Friday after the post-FOMC low of 0.7075.
- More on currencies in our dedicated section: [Forex Trading News & Analysis](#)

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