

Market Quick Take - Brent near 106 as the thirty-year tops 54

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Market drivers and catalysts

- Macro: Talk of a phased Hormuz deal met another record low reading on American jobless claims
- Equities: A flat headline index masked broad declines while a data centre failure hit software
- Volatility: The volatility impulse landed in rates again, with bond measures jumping and equity gauges calm
- Digital Assets: Crypto slipped for a third session while Britain prepares to open its licensing gateway
- Commodities: Brent pared a sharp geopolitical spike while bullion headed for a weekly loss
- Fixed Income: Fresh highs for the cycle in global bond yields
- Currencies: USD strength slows, JPY firms early Friday after revelation that Trump weighed in on the yen's weakness.

Macro

- Crude prices and a global bond selloff eased as the United States and Iran are weighing a Qatar-mediated phased deal to reopen the Strait of Hormuz and lift the American blockade, with Tehran seeking control of the strait and reduced US military pressure; the White House says President Trump is open to talks but not under pressure. Houthi militants fired missiles at Saudi cities over the same period.
- Yields on US Treasuries have surged from one high to the next this week, with nearly all benchmark maturities now hovering around or above 5%. The average yield across the USD 32 trillion US Treasury market has risen to 5.05%, while the average yield on government debt globally is approaching 4%, the highest since 2007. The surge has immediate real-world consequences, sharply raising borrowing and refinancing costs for consumers, corporations and governments. The longer yields remain elevated, the greater the squeeze on household finances, corporate investment and already stretched government budgets, increasing the risk that tighter financial conditions eventually translate into a sharper economic slowdown.
- UK GfK consumer confidence improved to -13 in September, the highest since August 2024, though the survey compiler cautioned that rising energy and fuel costs could yet weigh on sentiment.
- Norges Bank raised its policy rate by 25 basis points to 4.50%, citing persistent inflation, while Sweden's Riksbank left rates unchanged, but said that a rate hike would happen this year. Switzerland's SNB left policy rates unchanged at the remarkable 0.00% level and guided dovish (more below under Currencies.)

More in our Macro Analysis & Macroeconomic News

Macro calendar highlights (times in GMT)

- 1400 – US September University of Michigan Sentiment

Earnings events

- Tuesday: Carnival Corporation
- Wednesday: Micron
- Thursday: Accenture, Nike

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

Equities

• US. The S&P 500 finished Thursday almost unchanged at 7,704.13, down 0.02%, with the Nasdaq 100 a fraction higher at 30,478.86 and the Dow off 0.31% at 51,355.15. Breadth was materially weaker than the headline suggests: the equal-weighted S&P 500 fell 0.53% and the Russell 2000 slipped 0.11%, with the 30-year Treasury yield at its highest since 2004 cited as the broad drag. Oracle plunged after declaring force majeure at its New Mexico data centre, a move also cited as pressuring Bloom Energy and Blue Owl. Palantir, Palo Alto Networks and Datadog were noted as the software standouts. Among the megacaps, Meta rose 4.50% to 777.59 and AMD added 2.38%, while Broadcom fell 1.30%. After the close, Costco beat on fiscal fourth-quarter earnings at 6.75 dollars a share against 6.53 expected, with tariff refunds cited as a contributor, though paid membership growth disappointed and the shares were little changed; Scholastic missed on both lines and fell about 12%.

• Europe. European equities fell for a second consecutive session. The Stoxx Europe 600 dropped 0.55% to 636.44, the DAX lost 0.57% to 25,266.53, its lowest since 24 July, the FTSE 100 declined 0.2% to 10,679.99 and the SMI eased 0.11% to 13,905.82. The CAC 40 fell 0.52% and euro-area banks underperformed, the Stoxx banks index down 0.90%. Firmer crude coincided with gains in energy names and weakness across the wider market. ASML was the largest single drag on the Stoxx 600, Infineon fell 3.9%, Rentokil dropped 4.3% and Logitech lost 6.1%. Beazley leaves the FTSE 100 effective 1 October.

• Asia. Japan traded higher on Friday, the Nikkei 225 up 1.01% at 66,174.88, while Australia's ASX 200 fell 0.54%; mainland China, South Korea and Taiwan are shut for holidays, so their latest prints are Thursday closes. On Thursday Chinese equities underperformed, the CSI 300 down 1.73% at 4,439.14 and the Hang Seng down 1.69% at 24,343.19 with its tech sub-index off 2.14%, with investors cited as trimming risk ahead of the Trump-Xi summit after the US-China trade truce extension underwhelmed. The Kospi closed 0.90% higher at 7,080.92. Nine Dragons Paper gained as much as 7.4% on a full-year profit beat, while CTF Services missed on net income. Futures point to a softer regional open, with the deepening global bond selloff cited as the driver.

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Volatility

VIX 15.67 | VIX FUTURES: 17.95 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (146.04) | MARKET REGIME: Low Vol Bull | AS OF ~06:00 CET

- The session backdrop was a deepening long-end Treasury selloff. VIX closed at 15.67, up 3.2%, still below the 18 threshold, while one-day VIX1D jumped 13.0% to 12.10 and VIX9D rose 4.9% to 14.11.

VXN added 2.3% to 21.24 and VVIX firmed 2.2% to 90.57.

- The larger move sat in rate volatility: MOVE rose 9.6% to 104.58 and the Treasury ETF gauge surged 18.1% to 16.07, while the VIX curve held contango and SKEW was little changed at 146.04. SPX options imply about 42 points, 0.54%, for today's expiry and 111 points, 1.44%, into the 2 October payrolls print.

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Digital Assets

BITCOIN ~84,171 -0.26% | ETHEREUM ~2,677 -0.40% | IBIT 47.81 -0.15% | ETHA 20.33 +0.59% | AS OF ~06:00 CET

- Crypto drifted lower for a third session, coinciding with rising global yields and a firmer dollar. Miners bore the brunt, with Riot down 4.9%, Marathon down 3.2% and IREN off 1.9%, while Coinbase edged up 0.6% and Circle gained 1.4%.

- On the structural side, the UK's Financial Conduct Authority opens its cryptoasset authorisation gateway on 30 September, with the filing window running to 28 February 2027 and no automatic conversion for firms already registered under money-laundering rules.

Commodities

- BCOM. The Bloomberg Commodity Index is heading for its first, albeit modest, weekly loss in four weeks, down 0.8% and trimming its year-to-date gain to 36%. A stronger dollar and surging bond yields weighed on sentiment across markets, particularly precious metals, while geopolitical risks ebbed and flowed, leaving the energy sector lower overall. Diesel, EU gas and silver are the three biggest weekly losers, while gains are led by US natural gas, cocoa and sugar.

- Oil. Brent trades near unchanged on the week at around USD 105.4, having moved within a range of more than USD 10 amid a steady flow of mixed supply and geopolitical developments from the Middle East. The latest focus is on US and Iranian negotiators exploring a phased deal that could see Tehran reopen the Strait of Hormuz if certain conditions are met. Meanwhile, the prospect of a Trump-backed US diesel export ban sent fuel prices sharply higher earlier in the week before they eased as the industry warned that any short-term reduction in domestic prices could prove fleeting - and potentially be followed by higher costs - as rising US fuel inventories prompt producers and refiners to cut output.

- Metals. Gold is down around 3% and silver 5% on the week as investment metals faced a bond-market stress test, with surging Treasury yields supporting a stronger dollar and raising the opportunity cost of holding non-yielding assets. Despite these macro headwinds, bullion has remained relatively rangebound over the past month, with traders monitoring support around USD 4,235 and resistance currently near USD 4,400.

- Natural gas. Despite a midweek surge, Europe's TTF benchmark is heading for a weekly loss of around 6.5%, trading near EUR 73/MWh (USD 24.30/MMBtu), amid signs that more LNG cargoes have successfully transited the Strait of Hormuz. In contrast, the US Henry Hub contract has surged almost 9% after a major pipeline disruption helped trigger a short squeeze as traders reduced sizeable bearish positions. From a low of USD 2.82/MMBtu on Tuesday, the front-month contract briefly touched USD 3.30 on Thursday before easing back towards USD 3.20.

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Fixed Income

- US treasury yields reached new highs for the cycle Thursday, with the longest 30-year treasury yield benchmark reaching its highest since 2004, reaching 5.50% Thursday dropping back a few basis points. The 10-year yield rose as high as 5.22% before falling back to 5.18% by early Friday, still up six basis points. AT the front end of the curve, the benchmark 2-year treasury yield rose far less only rising a couple of basis points on Thursday and failing to post a new cycle high intraday dropping back just below 4.90% early Friday.
- Japan's government bond yields have risen sharply in line with global counterparts, with the benchmark 2-year JGB yield at new cycle- and more than 30-year highs Friday near 1.94%, up eight basis points this week, with the benchmark 10-year yield likewise posting new highs intraday Friday above 3.12% before falling back to 3.09%, only up a single basis point from Thursday's close.
- Longer-dated European sovereign bond yields posted new cycle highs in line with their US counterparts and the Germany-France 10-year yield spread widened to as high as 112 basis points, a new 14-year high, before ending the day a basis point lower at 109.4 basis points.

Currencies

- The JPY bounced back Friday from Thursday's extension of the recent sell-off after Japan's finance minister Katayama said that US President Trump has shared his concerns about the weak Japanese yen with Japan's PM Takaichi. USDJPY traded as high as 159.03 Thursday before dropping back near 158.15 by early European hours Friday. EURJPY traded back below 180.00 after testing the highs of the week near 180.80 Thursday.
- The US dollar rally slowed on Thursday, with EURUSD bouncing back toward 1.1375 after trying as low as 1.1359, while AUDUSD trades just below its 200-day moving average at 0.7018 after testing as low as 0.7004 early Friday. GBPUSD traded as low as 1.3209 as sterling has weakened to key levels against the Euro – note the importance of the 0.8610 area on the EURGBP chart.
- The Swiss franc traded sharply weaker Thursday after a nominally dovish SNB meeting, where the bank left the rate at 0.00% as universally expected, removed wording about CHF intervention against weakness (no longer seen as necessary, likely, after the recent sell-off in the franc) and only slightly raised its inflation forecasts through 2028, all while complementing the supportive effect of a recently weaker CHF for the economy. EURCHF rallied aback above 0.9425 after trading below 0.9400 ahead of the meeting.
- Elsewhere, Norway's Norges Bank rate hike triggered a sharp NOK rally, but guidance for possible further hikes failed to lift short Norwegian rates, so the rally was erased. Sweden's Riksbank failed to inspire sticky SEK strength as the core inflation forecasts confused (higher for this year and next, but lower for 2028) while the bank said that there was still some spare capacity in Sweden's economy.

More on currencies in our dedicated section: [Forex Trading News & Analysis](#)

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