

Market Quick Take - Feds Williams comments caps treasury yields Micron earnings on tap

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Market drivers and catalysts

- Macro: Hiring demand cooled to a five-month low while Japanese output slipped again
- Equities: Wall Street fell for a second day with yields higher, though Asia found its footing
- Volatility: Equity fear gauges held steady while bond market volatility did the real moving
- Digital Assets: Tokens and miners drifted lower while the exchange sector won a clearing licence
- Commodities: Crude eased after Saudi flows resumed while bullion and silver rebounded. Flat September for BCOM index
- Fixed Income: Fed's Williams caps yields with dovish comments
- Currencies: US dollar rally tamed slightly by Fed rhetoric. JPY strength returns.

Macro

- NY Fed President John Williams pushed back against expectations for an imminent follow-up Fed hike, saying there is "no urgency" after September's move and that policymakers have time to assess incoming data. He still sees one further hike as potentially appropriate later this year, with inflation around 3.7% and still well above target, but expects inflation to ease gradually. The comments saw markets pare October hike expectations and helped pull short-end Treasury yields lower.
- US September Consumer Confidence came in far weaker than expected, with the overall index at 81.9 for the month versus 89.0 expected and a revised 88.6 for August, hitting the lowest level in over 12 years. Both the Present Situation and Expectations components fell sharply.
- According to the August JOLTS US job openings survey, openings fell by 256,000 to 7.08 million in August 2026, a five-month low and below forecasts, with broad sector and regional declines except in the South. Hires and separations were little changed at 5.2 million and 5.1 million, respectively.
- Japan's industrial production fell 1.7% m/m in August 2026, its second straight decline and well below forecasts for a 1.7% rise, as weaker export demand hit autos, machinery, and petroleum/coal products. Output still rose 3.4% y/y, easing from 3.9% in July.

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Macro calendar highlights (times in GMT)

- 0645 – France Flash Sep. CPI
- 0730 – Sweden Riksbank Meeting Minutes
- 0755 – Germany Sep. Unemployment Rate / Change
- 1200 – Germany Flash Sep. CPI
- 1215 – US Sep. ADP Employment Change
- 1230 – US Releases Annual Revisions to GDP and PCE
- 1230 – US Aug. PCE Inflation
- 1430 – EIAs Crude and Fuel Stocks Report

Earnings events

- Wednesday: Micron
- Thursday: Accenture, Nike

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

Equities

- US. Equities posted a second consecutive loss, with surging long end Treasury yields and weak consumer confidence cited as the drag. The S&P 500 fell 0.2% to 7,670.84, the Dow lost 0.3% to 51,355.13 and the Nasdaq Composite eased 0.1% to 26,797.54, while the Nasdaq 100 managed a 0.2% gain to 30,339.33. The largest single stock move was Fair Isaac, down 26.5%, its biggest ever decline. Carnival rose as much as 14%, its best session since April 2025, after raising full year earnings guidance, and CarMax reported quarterly EPS of USD 1.16 against USD 0.73 expected on 13% used unit comparable growth. Apple fell 2.7% to 329.40, leading index decliners, while Meta added 3.2% to 738.79 and Broadcom 1.6%. Coursera gained 5.1% after hours on a Pale Fire Capital stake.
- Europe. Regional indices erased early gains, coinciding with a renewed Treasury selloff into the close. The Stoxx 600 slipped to 638.09, the FTSE 100 fell 0.5% to 10,636.71 with Shell the largest drag at minus 1.7%, the DAX was fractionally higher at 25,399.21 with Infineon up 4.8%, and the Euro Stoxx 50 rose 0.3% to 6,320.27. Julius Baer climbed as much as 8.8% to a record after the Swiss regulator required only CHF 250 million in additional capital, less than had been feared. Lindt fell 8.7% and ASML rose 4.2%. The Stoxx 600 is on track to close September about 1.9% lower.
- Asia (Wednesday 30 September, 06:05 CET snapshot). Regional markets are rebounding for the first time in three sessions, with lower oil prices and reduced Fed rate increase expectations cited as support. The Nikkei 225 is up 1.8% at 66,658 after Tuesday's 65,481 close, with reports that Nidec is finalising the sale of its components unit to Carlyle also in focus. The Kospi opened 1.1% higher at 6,943 but had faded to 6,852, down 0.3%, by the snapshot, with the combined Samsung and SK Hynix buyback programme roughly 80% complete. The Hang Seng is broadly flat at 24,513, the CSI 300 up 0.2% and the ASX 200 up 0.6%. Shein fell 10% after first half operating income dropped 53%.

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Volatility

VIX 16.04 | VIX FUTURES: 17.53 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (144.58) | MARKET REGIME: TRANSITIONING | AS OF ~06:00 CET

- Equity vol is asleep and bond vol is on fire. The VIX closed at 16.04, barely moved, and sits mid-range against a week of 14–17 prints, with realised near 12.7% leaving a compressed but normal three-to-four point variance premium.
- The MOVE tells the opposite story: 106.60, up 4.7% Tuesday and 50% on the month, its biggest weekly jump since April, as the 10-year hit 5.30% and the 30-year 5.60% on a Fed that hiked in September and is 70% priced to hike again in October. The curve carries a visible election hump into November and three-month VIX call skew sits in the 91st percentile. Core PCE lands today.

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Digital Assets

BITCOIN ~83,260 -0.44% | ETHEREUM ~2,670 -0.25% | IBIT 47.33 +0.25% | ETHA 20.28 +0.65% | AS OF ~06:00 CET

- Bitcoin is holding low-\$80Ks and ether near \$2,720, both a few percent below last week's eight-month highs, in a market with unusually clean positioning — Tuesday saw only \$90 million of near-balanced liquidations after Friday's expiry flushed leverage.
- Flows tell a two-speed story: the best ETF week since October 2025 flipped 2026 net flows positive, but daily inflows decayed to \$55.8 million by Monday, and IBIT's concentration means any single print may be one allocator. Strategy keeps buying above spot. The session hinges on \$82,800 support and \$84,900 resistance, and on the same PCE print driving the rates complex.

Commodities

- Oil: Crude prices eased as Saudi flows through the East-West pipeline continued to recover, with both Goldman Sachs and JPMorgan estimating that Middle East exports are returning towards pre-war levels. JPMorgan estimates crude shipments have rebounded to 17.5 million barrels per day, or 98% of pre-war levels, while product flows, including diesel and gasoline, have recovered more slowly to 3 million barrels per day, or 58%. Goldman Sachs estimates the global oil market is roughly balanced in September, while highlighting a growing divergence between falling Iranian exports and rising shipments from other producers, most notably Saudi Arabia, whose exports have doubled relative to the 2025 average. The December Brent contract trades around USD 96.5, roughly USD 7 below November.
- Metals: Gold rebounded from Monday's rout, when it fell more than 3.5% to USD 4,111, its weakest close since early August. Spot gold has recovered to around USD 4,170 after easing slightly during Asian trading, where Chinese investors appear to be trimming exposure ahead of the Golden Week holiday starting Thursday. The rebound was supported by easing US Treasury yields after New York Fed President John Williams pushed back against expectations for an imminent follow-up Fed rate hike. Silver also recovered after falling more than 5% on Monday and trades around USD 61, while mining stocks outperformed, with GDX gaining 1.3% and GDXJ 1.5%. Copper is little changed around USD 6.62/lb, having encountered some local resistance near its 50-day moving average.
- Commodities: The Bloomberg Commodity Index is heading towards a broadly flat September, currently up around 0.5%, leaving the year-to-date gain near 33%. Energy delivered another strong month despite

the recent retracement, gaining 8.3% and helping offset losses across all other major sectors, most notably precious metals at –6.3% and soft commodities at –8.5%. At the individual level, Brent and gasoil gained around 13%, while the biggest losses were seen in cocoa at –20%, cotton –15%, wheat –10% and silver –8%. Notably, the steep backwardation across energy markets provided a substantial boost to total returns: excluding the positive roll yield, the BCOM Energy Spot Index gained only 4.8%, compared with the 8.3% total-return gain.

More in our Commodity News, Analysis & Commentary

Fixed Income

- US Treasury yields saw a choppy session Tuesday as yield eased back and then surged back higher (despite a very weak US September Confidence survey and weak JOLTS data – see above) before falling once again on dovish comments from the NY Fed's John Williams, who said that he only saw the need for one more rate hike this year, knocking anticipation of a hike at the October FOMC meeting lower. By early Wednesday the benchmark 2-year treasury yield was trading near 4.89% after an intraday high Tuesday and cycle high above 4.95%. The benchmark 10-year treasury yield traded near 5.23% after peaking intraday Tuesday at 5.29% (a 19-year high).
- High-yield US corporate bonds yield spreads to US treasuries widened once again Tuesday, as the Bloomberg index we track rose another six basis points to close at the highest level since April at 309 basis points.

Currencies

- The US dollar nudged higher despite soft US data, hitting new local highs for the cycle against most major currencies, with the notable exception of the Japanese yen (see below). EURUSD hit a new low for 2026 and since May of 2025 below 1.1325, trading as low as 1.1312 before comments from the New York Fed's Williams tamed and partially reversed the USD strength, taking back into the old range.
- USDJPY bucked the US dollar strength elsewhere and fell early Wednesday as far as 156.38 before bouncing back above 157.00, in part on a strong auction of 2-year Japanese Government Bonds and possibly as well on quarter-end related fixing flows. The JPY strength was broad, with EURJPY trading to a new low since November of last year below 177.50 before rebounding to the 178.00 area by early Wednesday in Europe.

More on currencies in our dedicated section: Forex Trading News & Analysis

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