

Market Quick Take - Chip rally lifts Tokyo as long yields stay high - 01 October 2026

Saxo Bank · 2026-10-01 · English original

Market drivers and catalysts

- Macro: Inflation cooled more than forecast while German prices climbed to a two year high
- Equities: Asian chipmakers surged after a strong memory outlook while Wall Street closed a weak September
- Volatility: Equity fear gauges edged higher while bond market volatility did the larger moving
- Digital Assets: Tokens held steady while listed miners sold off ahead of a busy approval month
- Commodities: Oil slips on rising Middle East supply; gold steadies after softer PCE print
- Fixed Income: US yield curve steepened as long yield test highs. France's long dated yields continue to spiral higher.
- Currencies: USD firm despite soft PCE inflation data. USDJPY rebounds sharply on BoJ meeting minutes.

Macro

- The US August PCE inflation data came in softer than expected. A set of revisions of prior data was carried out under a new calculation methodology that was flagged ahead of Wednesday's data release, and these revisions came in even lower than many expected while the August release itself surprised on the soft side for the core month-on-month number, if not the headline. For August, the market was looking for 0.3% MoM and 3.7% YoY but got 0.3%/3.4% with year-on-year lower due to the lower revisions. The core MoM number came in at 0.2% vs. 0.3% expected and the YoY was 3.0% vs. 3.3% expected, again on earlier revisions, with the July number also revised lower to 3.0% from 3.3%. If we annualize the revised month-on-month core numbers of 0.13% for June, 0.13% for July and 0.247% (only 0.003 from a 0.3% print) for August, that makes a 2.00% annualized core PCE inflation rate.
- US personal consumption expenditures rose 0.9% in August 2026, the strongest since March and above expectations, with broad increases in goods and services. Personal income rose 0.2%, disposable income 0.3%, and real consumer spending 0.6%.
- US September ADP payrolls rose 90k versus 75k expected while the August data point was revised down to 36k from 38k.
- Germany's annual inflation rose to 3.3% in September 2026, the highest since December 2023 and above expectations, driven mainly by a surge in energy prices. Core inflation stayed at 2.4%, and the EU-harmonized rate also reached 3.3%, above the ECB's 2% target.
- China's Ministry of Finance signaled the intent to boost fiscal stimulus in an article published Thursday, including measures aimed at boosting consumption and private investment and spending by local

authorities.

More in our Macro Analysis & Macroeconomic News

Macro calendar highlights (times in GMT)

- 1400 – US Sep. ISM Manufacturing

Earnings events

- Thursday: Accenture, Nike

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

Equities

- US: Equities closed mixed, capping the S&P 500's worst month since June. The index fell 0.3% to 7,651.54, the Dow dropped 0.9% to 50,911.09, the Nasdaq Composite rose 0.2% to 26,861.06 and the Nasdaq 100 added 0.2% to 30,408.50. Jabil was the largest single stock decliner, falling 10.0%, while Meta led the index lower, down 1.8% to 725.18. Financials fell 1.2% for a third straight session. Apple rose 1.1% to 333.02 and Alphabet 0.9% to 344.08, adding a further 1.7% after hours following a product announcement. Micron reported record fiscal fourth quarter revenue of USD 54.23 billion and guided fiscal first quarter revenue to USD 61.5 billion, roughly 13% above the prior quarter, though the shares gave back their initial after-hours gains to sit about 0.4% higher. S&P 500 futures are up 0.4% in early Asian trade.
- Europe: Regional indices posted their worst month since March, the Stoxx 600 falling 0.5% to 634.88 and 2.5% across September. The DAX lost 0.8% to 25,199.19, the FTSE 100 fell 0.3% to 10,606.00, the SMI declined 0.6% to 13,830.34 and the Euro Stoxx 50 eased 0.8% to 6,269.03, with banks the weakest sector at minus 1.1%. Siemens was the largest drag at minus 2.3%, AT&S Austria had the biggest single stock drop at minus 7.2% and Commerzbank fell 4.0% in Frankfurt. Kongsberg rose about 5.6% after signing a NOK 10 billion air defence contract with Belgium.
- Asia (Thursday 1 October, 06:05 CET snapshot): The region split sharply along chip exposure. The Nikkei 225 is up 2.8% at 68,604, with Micron's outlook cited as lifting memory and equipment names, Advantest gaining nearly 8%, Tokyo Electron about 5% and Kioxia 4.2%, though the broader Topix added only 0.2%. The Kospi has reversed an opening 0.3% decline to 6,931, up 1.4%, with SK hynix up 1.6% and Samsung Electronics 1%. The ASX 200 is the regional outlier, down 2.0% at 8,617, its lowest since June, with 92.5% of constituents lower and Liontown off 10.0%, Lynas 5.7% and Cochlear 5.4%. Hong Kong is closed for National Day, so the Hang Seng's 24,613 is Wednesday's close; the futures contract eased 0.7%. The CSI 300 is up 0.3%.

More in our Equity Trading - Stock Market Analysis & News

Volatility

VIX 16.34 | VIX FUTURES: 17.73 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (141.92) | MARKET REGIME: TRANSITIONING | AS OF ~06:00 CET

- The long end held near multi decade highs and equity volatility firmed a little. VIX rose 1.9% to 16.34, VXN 1.8% to 22.46 and VXD 2.2% to 16.06. VIX1D jumped 4.4% to 12.20 into today's data, while VIX9D was unchanged at 14.20 and VVIX eased to 89.48.
- MOVE rose 3.6% to 110.5 and VXTLT 2.2% to 18.30, while SKEW eased to 141.92 and GVZ fell 2.6%

to 23.74. The cash curve stays in contango. SPX expected move is 0.61% for today's expiry and 0.91% for Friday, when payrolls land.

More in our Options Trading - Stock Market Analysis & News

Digital Assets

BITCOIN ~83,677 +0.11% | ETHEREUM ~2,693 +0.29% | IBIT 47.34 +0.02% | ETHA 20.12 -0.79% | AS OF ~06:00 CET

- Tokens held a narrow range while the listed equities did the selling. The miners fell hardest, Riot down 5.8%, Marathon 5.5%, Cipher 4.2% and CleanSpark 3.2%, with Coinbase off 1.9%, Strategy 1.0% and Circle 1.8%. Deribit's DVOL held near 35.
- October brings final decisions on sixteen crypto exchange traded funds, beginning with a Litecoin fund on 2 October, Grayscale's Solana and Litecoin trust conversions on 10 October and a WisdomTree XRP fund on 24 October.

Commodities

- Oil. Brent trades below USD 97 on the December contract, down 1.5%, easing after Wednesday's 1.2% gain following a tanker strike in the Strait of Hormuz. Uncertainty persists over whether the recovery in Middle East crude flows to near pre-war levels can be sustained and, importantly, whether still-low fuel supplies will soon follow. European natural gas futures rose as much as 4.7% on Wednesday, with the tanker incident and increased German stockpiling cited as supporting factors.
- Metals. Gold closed the third quarter at USD 4,155.60 an ounce, up 3.3% for the quarter but down 6.2% in September, its worst month since June. A softer core PCE reading provided some support despite another rise in longer-dated bond yields. Spot gold has since recovered to USD 4,187, up 0.7%. Notably, exchange-traded funds added gold for five consecutive sessions into month-end, lifting total September inflows to 63 tonnes.
- Copper, meanwhile, remains supported by tightening supply conditions and historically low freely available inventories. Deutsche Bank forecasts copper could rise more than 50% to USD 22,050 a tonne within six months, arguing that shrinking stockpiles could force buyers to compete increasingly aggressively for available metal.

More in our Commodity News, Analysis & Commentary

Fixed Income

- The US Treasury yield curve steepened after the August PCE inflation data came in softer than expected, while private ADP payrolls for September were firmer than expected. Short-dated treasury yields fell briefly before ending the day near unchanged, with the benchmark US 2-year treasury yield just below 4.90%, while 10-year yields also fell briefly, only to surge to new post-GFC highs just above 5.30% before settling slightly lower. This took the 2-10 yield slope back to 40 basis points, up from the cycle lows less than two weeks ago near 20 basis points.
- Eurozone sovereign yield spreads are in the spotlight after the sharpest widening of spreads versus Germany yields since June 8, when French parliamentary election results saw a strong victory for Marine Le Pen's RN party. The Germany-France 10-year yield spread widened eight basis points to 127 basis points, a new high since 2012, while the Germany-Italy spread widened four basis points to 103 basis points, a new high since early 2025.

- High-yield US corporate bonds yield spreads to US treasuries widened once again Wednesday, as the Bloomberg index we track rose another two basis points to close at the highest level since April at 311 basis points.

Currencies

- The US dollar rebounded despite the soft PCE inflation data release and ahead of the September ISM manufacturing survey release today and September jobs report tomorrow. After squeezing as high as 1.1380 after the US data releases Wednesday, EURUSD dropped back to the 1.1320 area by early Thursday, near the cycle lows of 1.1312.
- USDJPY rose sharply after the BoJ's September meeting summary failed to convince markets that further rate hikes are imminent. USDJPY rose as high as 158.30 by early Thursday after trading below 156.50 in the wake of the US data releases Wednesday and EURJPY rose back above 179.00.

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

Source: <https://www.home.saxo/content/articles/macro/market-quick-take---chip-rally-lifts-tokyo-as-long-yields-stay-high---01-october-2026-01102026>