

Market Quick Take - Brent fades a Riyadh airport spike before US CPI - 12 October 2026

Saxo Bank · 2026-10-12 · English original

Market drivers and catalysts

- Macro: A weekend attack on Riyadh's airport pushed crude higher before the move faded
- Equities: Wall Street closed the week higher while a spectrum deal hammered the telephone carriers
- Volatility: Index volatility fell across the board and the shortest-dated gauges led the decline
- Digital Assets: Tokens held their ground while listed exchanges and treasury proxies outpaced the miners
- Commodities: Supply relief weighs on corn and oil while gold stalls above USD 4,200
- Fixed Income: US Treasuries rangebound Friday after Thursday's yield plunge.
- Currencies: USD rangebound near top of range as USDJPY traders mull intervention risk.

Macro

- Saudi Arabia's Riyadh Airport was hit again Sunday, killing 1 and injuring 11, after the deadly attack over the weekend by the Houthis killed 12 people and injured 300, briefly pushing Brent above \$105.50 before it reversed.
- Russia diesel deal: Russia partially lifted its diesel export ban, agreeing to supply 500,000 tonnes to global markets pursuant to a Trump-Putin agreement effective October 10, adding modest relief to energy markets.
- US University of Michigan sentiment: The preliminary October consumer sentiment index fell to 46.3, below the 47.6 consensus estimate and down from 48.1 in September, reflecting persistent inflation and geopolitical anxiety. The Current Conditions component registered its weakest reading ever at 44.7.
- The US Treasury announced on Friday the appointment of the controversial figure Judy Shelton as counselor to US Treasury Secretary Scott Bessent, charged with advising the latter on currency policy, "with a particular focus on evaluating financial conditions in China". Shelton has been known for outspoken views against Fed independence and in favour of hard money policies (linking the US dollar to gold in particular). A Trump nomination to put her on the Fed Board of Governors back in 2019 failed to advance in the Senate.

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Macro calendar highlights (times in GMT)

- US Bond Market Closed for bank holiday
- 1250 – UK Bank of England's Mann to speak
- 1610 – US Fed's Hammack (FOMC voter) to speak
- 0030 – Australia RBA Minutes
- 0030 – Australia Sep. NAB Business Confidence Survey

Earnings events

- Tuesday: JP Morgan, Johnson & Johnson, UnitedHealth, Goldman Sachs, Wells Fargo, Citigroup
- Wednesday: ASML, Bank of America, Morgan Stanley, Blackrock, Fastenal
- Thursday: TSMC, Charles Schwab, Interactive Brokers, Prologis

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

Equities

- US: Friday closed the week on the front foot. The S&P 500 rose 0.59% to 7,811.54, the Nasdaq 100 added 0.51% to 30,883.15 and the Dow advanced 0.83% to 51,660.18, while the Russell 2000 gained 0.46% to 2,806.98. Small caps still fell for a fifth consecutive week, down 5.7% over that run. Verizon dropped 8.7%, its largest single-day fall in more than 24 years, with SpaceX's agreement to buy Grain Management's nationwide 800 MHz spectrum for about USD 8 billion cited as the driver; the deal is intended to build a standalone Starlink mobile service. Humana jumped 11.7%, improved Medicare Advantage star ratings cited, while Delta Air Lines cut its full-year guidance alongside a third-quarter earnings miss. Apple slipped 1.11%, reports of cut iPhone 18 Pro component orders cited. Microsoft gained 2.38% and Amazon 3.29%, while AMD fell 2.03%. Futures point higher, the S&P contract up 0.32% and the Nasdaq contract 0.41%.
- Europe: Friday brought a recovery after a near four-month low mid-week. The Stoxx Europe 600 rose 0.97% to 631.56, its best session since 21 September, with industrial goods and services cited as the leadership, and the FTSE 100 gained 1.1% to 10,552, HSBC and Relx among the main contributors. The DAX added 1.13% to 25,087.27 and the CAC 40 0.95%, while the Euro Stoxx 50 at 6,173.38 still ended the week 1.04% lower. Banks remain the weak spot, the sector index roughly 8% below its level two weeks ago and in a technical correction, and Deutsche Telekom fell 6.9% on Thursday, the same Starlink spectrum news cited.
- Asia: Monday is mixed and thinner than usual, with Japan closed for a public holiday. Korea is the clear laggard, the Kospi down 3.14% to 6,418.10, with Friday's memory-chip weakness on Wall Street cited as the lead. The Hang Seng is 0.17% higher at 24,253.71 while its technology sub-index slips 0.55%, with elevated US yields and rising intervention risk cited as pressure on Hong Kong assets, and the CSI 300 eases 0.15%. The ASX 200 firmed 0.83%. Singapore's STI fell 3.5% last Wednesday, its largest drop since April 2025, after a warning that surging long yields may hurt Southeast Asian lender earnings.

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Volatility

VIX 14.84 | VIX FUTURES: 17.00 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (154.34) | MARKET REGIME: LOW VOL BULL | AS OF ~06:00 CET

- An easing geopolitical risk premium was cited as the trigger. Spot VIX fell 3.70% to 14.84, with VIX1D down 11.62% to 9.05 and VIX9D 7.78% lower at 11.26. VXN dropped 6.51% to 20.55 and the small-cap gauge 5.19% to 19.93, while VVIX eased 3.17% to 84.88.
- The cash curve holds a clean contango from 9.05 to VIX1Y at 21.73, yet SKEW firmed 3.45% to 154.34 against falling spot. Rates volatility eased, MOVE down 2.22% to 98.47. SPX expected move: 30.6 points, or 0.39%, for today's expiry and 82.1 points, or 1.05%, for Friday 16 October.

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Digital Assets

BITCOIN ~83,523 -0.20% | ETHEREUM ~2,542 +0.30% | IBIT 46.55 +0.63% | ETHA 55.99 +0.52% | AS OF ~06:00 CET

- Tokens are little changed overnight while the listed complex finished Friday firmer. Coinbase rose 4.30%, Circle 4.54%, Block 2.67% and Strategy 1.89%, though the miners lagged, Marathon down 2.62%, IREN 1.46% and CleanSpark 1.27%. Token volatility edged up, DVOL at 37.69.
- Thailand finalised its crypto fund rules. The SEC issued 11 regulations on 8 October, effective 16 October, letting locally domiciled bitcoin and ether funds list on the Stock Exchange of Thailand. They must be passive, hold at least 80% of net assets in the underlying token on average, and use regulated custodians; margin lending is barred.

Commodities

- Oil: Brent trades near USD 103.70, down 1%, after briefly spiking above USD 105.50 in early trading following Houthi attacks on Riyadh's airport. However, resilient Middle East crude flows, Russia's partial lifting of its diesel export ban and President Trump's surprise decision to allow imports of Russian diesel, alongside claims that Russia and Ukraine had agreed to a so-called energy ceasefire, have helped offset renewed regional tensions. London gasoil futures are down 3.3% near USD 185 per barrel equivalent, remaining within their recently established trading range.
- Metals: Gold closed at a two-week high on Friday, supported by declining US Treasury yields and softer oil prices. However, bullion has once again struggled to establish a foothold above USD 4,200, retreating to USD 4,185 after reaching USD 4,217 in early Asian trading. With US bond markets closed today for Columbus Day, attention turns to a busy week of economic releases, including September CPI on Wednesday, followed by PPI and retail sales on Thursday, and Fed Chair Kevin Warsh's appearance at the IMF on Friday. These events could prove important for the direction of bond yields, the dollar and, consequently, precious metals.
- Grains: US corn futures plunged by as much as the 30-cent daily trading limit on Friday, the biggest decline in three years, before settling 20 cents, or 4.1%, lower at 480 cents per bushel. The sell-off followed a major bearish supply surprise in the USDA's October WASDE report, which unexpectedly raised its 2026/27 US corn production forecast well above trade expectations. A higher yield estimate pushed projected US ending stocks almost 10% above expectations, while an upward revision to global inventories added to the bearish outlook.

- Commitment of traders: A broad commodity rebound following two weeks of losses did little to reverse the selling bias among managed money accounts. The latest COT report, covering the week to 6 October, when the Bloomberg Commodity Index rose 1.2%, showed continued net selling across several key markets, including crude oil, natural gas, gold, copper, corn and cotton. Buying was concentrated in fewer contracts, led by sugar and soybeans, highlighting a continued reluctance among speculative traders to rebuild broad commodity exposure despite the market recovery.

More in our Commodity News, Analysis & Commentary

Fixed Income

- US treasury yields were steady to close the week Friday and the US bond market is closed Monday for the Columbus Day holiday. The benchmark 2-year treasury yield ended Friday up three basis points at 4.79%, while the 10-year treasury yield likewise rose slightly after Thursday's plunge, ending the week at 5.24%.
- The France-Germany 10-year government debt yield spread eased slightly Friday, tightening three basis points to 137 basis points.

Currencies

- The US dollar ended Friday within the narrow range that traded all week, with EURUSD near 1.1210 early Monday and USDJPY perched just below its 200-day moving average at 158.55 as markets wonder whether another round of official intervention to stem JPY weakness awaits if it rallies above this level or threatens the 160.00 area.
- The Swedish krona was one of the stronger G10 currencies last week, as EURSEK fell from 11.30 to near 11.20, erasing the prior three weeks rise. Odds continue to firm that the Riksbank will hike the policy 25 basis points to 2.00% at its November 4 meeting.

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

Source: <https://www.home.saxo/content/articles/macro/market-quick-take---brent-fades-a-riyadh-airport-spike-before-us-cpi---12-october-2026-12102026>