

Market Quick Take - Chip stocks steady in Asia before US inflation - 14 October 2026

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Market drivers and catalysts

- Macro: Fed's Williams pointed to one more increase this year and none after that
- Equities: Chipmakers fell for a sixth session before Asian memory names steadied overnight
- Volatility: One-day index volatility repriced sharply higher from a very low base before inflation
- Digital Assets: Tokens firmed with Asian equities while the ether funds extended their outflow run
- Commodities: Oil rebounds on Middle East attacks; gold steadies ahead of US CPI
- Fixed Income: Yields steady ahead of US September CPI report
- Currencies: USD strength continues to fade, especially versus smaller DM currencies

Macro

- New York Federal Reserve President John Williams said one more increase this year is appropriate but that no further tightening should be needed in 2027, while emphasizing the high level of uncertainty around his outlook as he continues to watch the AI component of inflation closely. Meanwhile, White House economic adviser Kevin Hassett said it is "very possible" the Fed could hold if inflation keeps slowing. Traders priced a 22% chance of an October increase on the CME FedWatch tool, rising to 86% chance by December.
- China's trade surplus ballooned to \$938 billion for the first nine months, keeping it on pace to exceed last year's record. Last month exports soared 36% from a year earlier while imports jumped 31%, resulting in the trade surplus widening to USD 133.5 billion compared with an estimated USD 118 billion.
- September consumer prices land at 14:30 CET. Consensus looks for headline inflation to accelerate to 3.6% year on year and core up 0.2% on the month, with higher energy costs cited.
- The IMF flagged surging government bond yields as the biggest emerging risk to the global financial system. It sees global growth at 3.1% in 2026 and 3.4% in 2027, supported by resilient advanced economies and artificial intelligence investment but constrained by high energy prices. Bank of Japan officials are reported to be leaning against a back-to-back increase this month while eyeing a move as soon as December.
- The Middle East remains a live supply risk. Houthi militants struck Saudi Aramco's Dhahran headquarters and Riyadh's airport, and Iran stepped up tanker attacks in the Strait of Hormuz.

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Macro calendar highlights (times in GMT)

- 0800 – IEAs Monthly Oil Market Report
- 1230 – US Sep. CPI
- 1800 – Fed's Beige Book
- 0030 – Australia Sep. Employment Data

Earnings events

- 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: Tuesday ended flat at the index level and heavy beneath it. The S&P 500 closed 0.02% lower at 7,805.45, the Nasdaq 100 fell 0.31% to 30,569.48, the Dow shed 0.35% to 51,675.16 and the Russell 2000 slipped 0.40%. Chipmakers extended their slide to a sixth straight session, with Applied Materials down 6.7% and the DRAM index 3.44% lower, competition from Chinese memory maker CXMT cited as the driver. Goldman Sachs surrendered a premarket gain of roughly 3.7% to close 0.23% lower at 891.91, having reported earnings per share of 17.01 against a 13.08 estimate with fixed income missing; JPMorgan and Wells Fargo were mixed, and Citigroup posted a decade-high revenue print and still closed lower. Johnson & Johnson dropped about 5.3%, with a talc litigation charge cutting net profit and a MedTech miss cited. Microsoft closed at a record, up 0.43% to 543.45, with Meta 2.63% higher. After hours Bank of America fell, USD 1.21 billion of fines announced by US regulators cited.
- Europe: A firm session faded late. The Stoxx Europe 600 closed 0.10% lower at 635.02, erasing a gain of as much as 0.7%, a late technology selloff cited, with ASML down 4.2% and ASM International 6.3% lower, taking the technology sub-index down 1.6%. Givaudan surged 9.4% to a 15-month high, stronger-than-expected growth cited, and BP advanced 3.7%, guidance flagging a capital expenditure cut cited. The DAX closed marginally lower at 25,259.90, with Siemens Energy and sticky German inflation cited as weights, while the Euro Stoxx 50 fell 0.55% and the AEX 0.54%. The FTSE 100 and the SMI edged higher.
- Asia: Tuesday brought the heaviest session of the move and this morning has steadied. The Kospi plunged 5.5% at Tuesday's close, down as much as 7% intraday and its worst session in 21 months, with Samsung Electronics off roughly 7% and SK Hynix about 10%; the Nikkei 225 and Taiwan's Taix both fell around 2% and the MSCI Asia Pacific index lost 1.6% to its weakest close since August. This morning the complex has recovered part of that: the Kospi is 1.40% higher at 6,119.67 and the Nikkei 0.84% higher at 68,348.41, with Samsung and SK Hynix each up more than 2%. The Hang Seng added 0.16%, its technology sub-index 1.63% higher, while the CSI 300 slipped 0.31%.

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Volatility

VIX 15.27 | VIX FUTURES: 17.48 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (154.74) | MARKET REGIME: LOW VOL BULL | AS OF ~06:00 CET

- A chip-led risk reset set the tone. Spot VIX firmed 0.39% to 15.27 while VIX1D jumped 38.86% to 10.72 into the September CPI print, leaving one-day vol 4.5 points under spot. VXN rose 1.44% to 21.14 and the small-cap gauge 1.39% to 20.43, with VVIX easing 0.64% to 85.38. The cash curve holds a clean contango out to VIX1Y at 21.66, and SKEW sits elevated at 154.74.
- Rate volatility was the outlier, MOVE up 2.67% to 101.10. SPX options price a 39.7 point expected move, 0.51%, for today's expiry, and 65.3 points, 0.84%, into Friday 16 October.

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Digital Assets

BITCOIN ~83,694 +0.75% | ETHEREUM ~2,514 +0.76% | IBIT 47.13 +0.58% | ETHA 56.68 -0.47% | AS OF ~06:00 CET

- Tokens firmed overnight alongside the Asian equity rebound. The listed complex closed Tuesday mixed, with Coinbase up 0.78% and Riot 1.21% against Cipher Mining down 12.77%, Marathon 3.50% and CleanSpark 1.46%. Token volatility was unchanged, DVOL at 38.22.
- US spot ether funds extended their outflow run to a tenth session, with USD 85.4 million leaving on 12 October and roughly USD 783 million since 29 September. The SEC has made Cboe BZX's multi-crypto options listing rules operative.

Commodities

- Oil: Brent trades back above USD 106 as renewed attacks in the Middle East cloud the recovery in regional oil flows. Saudi Aramco's headquarters was among the targets of Houthi missile attacks on Tuesday. Meanwhile, OPEC reported that September production rose by almost 1 mb/d to 25.1 mb/d, approaching pre-war levels, as higher output from Saudi Arabia and Iraq more than offset declines elsewhere. However, physical market tightness persists, with North Sea Dated Brent trading at a substantial premium to futures, while diesel prices in New York and London have both climbed back above USD 200 per barrel, with the Trump-Putin diesel deal so far doing little to ease supply concerns. Attention now turns to the IEA's monthly oil market report, due later today.
- Metals: Gold trades steady near USD 4,160 after Tuesday's decline, driven by renewed energy price strength and rising bond yields, was halted following comments from Fed official Williams suggesting that one further rate hike this year may be sufficient, with no additional tightening needed in 2027. Focus now shifts to today's September CPI report, while key resistance remains around USD 4,235, a level breached during the late-September sell-off. Meanwhile, copper rose to a three-week high on renewed supply concerns after wage negotiations at BHP's Escondida mine in Chile failed to produce an agreement, raising the prospect of strike action at the world's largest copper mine.

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Fixed Income

- US treasury yields rose slightly after dipping to the lowest levels in more than a week ahead of Wednesday's US September CPI data. The benchmark 2-year treasury yield trades early Wednesday at 4.78%, not reacting to the New York Fed's Williams on his rate guidance (see above), while the 10-year treasury yield is steady early Wednesday at 5.20% after dipping as low as 5.17% on Tuesday, the lowest level in more than a week.
- The France-Germany 10-year government debt yield spread tightened five basis points to 137 basis points Tuesday after the debate to pass the 2027 budget began in France's National Assembly.

Currencies

- The US dollar weakened off early Tuesday lows and continued slightly lower in early trading Wednesday ahead of the US September CPI report later in the day, with EURUSD above 1.1200 again and USDJPY near 158.30 after recently testing above its 200-day moving average at 158.55. AUDUSD managed to pull back to just above 0.7000 early Wednesday for the first time in over two weeks.
- The euro offers a mixed picture, higher versus the Swiss franc and slightly higher versus the Japanese yen, but pushing beyond key cycle lows in recent days versus GBP as EURGBP trades below 0.8450, possibly eyeing the key post-Brexit vote range low near 0.8200 eventually. As well, the single currency is hitting new multi-year lows versus the Norwegian krone as natural gas prices soar, with EURNOK trading below 10.65 early Wednesday for the first time since early 2023, while EURSEK pushed lower to 11.15 early Wednesday, its lowest level in over a month.

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

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