Market Quick Take - Markets rally as Waller turns dovish jobs report takes centre stage

Saxo Bank · 2026-09-04 · English original

Market drivers and catalysts

• Macro: A senior Fed voice softened on September as the jobs report comes into view

• Equities: US and European stocks rallied as rate fears eased, while Asian markets extended gains with technology leading.

• Digital Assets: Crypto equities surged as bitcoin reclaimed a key level on easing rate fears

• Commodities: BCOM heads for record weekly close as energy surges; Waller and softer dollar revive gold momentum

• Fixed Income: Global bonds rally, led by Japan's government bonds

• Currencies: Recent JPY surge partially fades, USD weaker.

Macro

• The US Fed's Waller pivots dovish: Fed Governor Christopher Waller said his September rate decision will be "heavily influenced" by August CPI data due 11 September. He signalled willingness to hold rates steady if disinflation continues, prompting markets to price roughly even odds of a hike at the September meeting, down from near-certainty earlier in the week.

• US trade deficit widens sharply: The July goods and services trade gap expanded 24.4% month-on-month to $88.6 billion, the largest since early 2025, driven by an 11.4% surge in capital goods imports, primarily computers and semiconductors, reflecting the AI investment race.

• The ISM Services PMI showed strong momentum in August, with activity and demand both picking up. Solid growth alongside limited hiring supports the broader AI-productivity story. For the Fed, however, rising cost pressures were the main concern, putting even more focus on the August CPI ahead of the mid-September FOMC meeting. The ISM Services PMI rose 1.3 points to 55.4, above the 54.1 consensus. Business activity and new orders strengthened, while backlogs also increased. Meanwhile, prices paid rose to 72.6, above the 70 consensus.

• US-Iran conflict ongoing: The US carried out a second round of strikes against Iran this week, keeping oil prices elevated and stoking inflation concerns. President Trump said renewed attacks would be "short-lived," offering some relief to markets mid-week.

• The BOE's Pill flags prompt hike: Bank of England Chief Economist Huw Pill said a "prompt" rate increase would be appropriate to prevent the Iran energy shock from embedding inflation, though he stressed it need not be the start of a prolonged hiking cycle.

• More in our Macro Analysis & Macroeconomic News

Macro calendar highlights (times in GMT)

• 0600 – Germany Jul. Factory Orders

• 1230 – US Aug. Nonfarm Payrolls Change

• 1230 – US Aug. Unemployment Rate

• 1230 – US Aug. Average Hourly Earnings

• 1230 – Canada Aug. Employment Data

• 1400 – Canada Aug. Ivey PMI

Earnings events

• Next week

• Wednesday: Inditex

• Thursday: Oracle, Adobe

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

Equities

• USA: The S&P 500 rose 1.1% to 7,747.71, the Nasdaq 100 gained 1.2%, and the Dow added 1.2% after Fed Governor Christopher Waller's softer comments reduced expectations for a September rate hike. Microsoft gained 2.7%, while Nvidia rose 1.8% after agreeing to acquire AI platform Hugging Face for $12.9 billion. Snowflake surged 16.6% on a stronger revenue outlook, while Broadcom fell 2.7% after its quarterly revenue forecast disappointed. After hours, Lululemon dropped around 18% after cutting its full-year revenue and profit outlook again. Markets now turn to today's US jobs report.

• Europe: The Stoxx 600 rose 0.5% to 649.1, the Euro Stoxx 50 gained 0.3%, Germany's DAX advanced 0.6%, and the FTSE 100 added 0.7% as lower global bond yields eased recent pressure on valuations. Soitec jumped 10.3% after raising its second-quarter revenue growth outlook, while WPP gained 5.6% and Publicis rose 4.4% following reports that Publicis had won PepsiCo's media account. Commerzbank added 2.3% after announcing a share buyback of up to €1.2 billion, while LVMH fell 1.8% as investors remained cautious on the luxury recovery.

• Asia: Asian equities advanced in today's session, with Japan's Nikkei 225 up 1.2%, South Korea's Kospi around 2% higher and Hong Kong's Hang Seng gaining about 2% as Waller's comments supported risk appetite ahead of US jobs data. SoftBank surged around 10%, providing much of the Nikkei's lift, while Kioxia gained 6.3% as AI-linked stocks rebounded. Samsung Electronics rose 3% and SK Hynix gained 5%, helped by renewed semiconductor demand optimism. A stronger yen and rising Bank of Japan rate expectations remained the main counterweight for Japanese exporters.

• More in our Equity Trading - Stock Market Analysis & News

Digital Assets

• Crypto equities had their strongest day in weeks as bitcoin reclaimed USD 80,000 on Thursday and rate-hike odds fell. Strategy rose 17.56%, Circle 16.46% and Coinbase 10.14%, with the miners up 10% to 14%; spot has since flattened overnight.

• Strategy resumed buying after a ten-week pause, adding 4,603 bitcoin for USD 369.7 million in its 31 August filing, lifting holdings to 845,050. US spot bitcoin funds took in USD 101 million on Wednesday while ether funds saw USD 48 million leave.

Commodities

• Oil: Crude trades steady after a three-session rally of around 9%, with WTI at USD 91.50 and Brent at USD 95.50. The US-Iran conflict around the Strait of Hormuz continues to keep supply risks and the geopolitical risk premium elevated. Brent has risen almost 60% this year, while refined products such as diesel have seen even steeper gains amid the Middle East conflict and Russia-Ukraine war. OPEC+ ministers meet on Sunday to set production targets.

• Metals: Gold extended its rebound, rising as much as 2.9% on Thursday to above USD 4,500 an ounce, its biggest intraday jump since 19 August, supported by a weaker dollar and Waller's remarks. Spot trades around USD 4,470 this morning. The largest bullion-backed gold fund recorded a USD 1.41 billion inflow, its largest since 16 January, while the senior gold miner fund rose 3.95% and silver 2.51%. In addition, central bank demand remains an important structural support. Following Waller's comments, there is little doubt that next week's August CPI print could have an outsized impact on market risk sentiment and where gold goes next. Key resistance is the 200-day moving average at USD 4,534.

• Commodities: The BCOM Total Return Index is heading for a weekly gain of around 2%, lifting its year-to-date advance to 33.6% and putting it on course for a record weekly closing high. Energy has done most of the heavy lifting, surging 6.3%, while agriculture trades softer following four weeks of strong gains that lifted the BCOM Agriculture Index by 12.6%. An end-of-week rebound across precious metals has left the sector near unchanged on the week, while industrial metals have recorded a small gain.

• More in our Commodity News, Analysis & Commentary

Fixed Income

• Global bonds rallied Thursday and early Friday. On Thursday, the US Fed's Waller, an FOMC meeting voter, sounded far more dovish than Chair Warsh, confusing the market and sending short-date US yields sharply lower by some seven basis points, though much of that move was erased. Today's key test for global bond markets is the US August jobs report.

• In Japan on Friday, the government bond yield curve bull flattened again, with short-dated yields modestly lower while the longest-dated government bonds were snapped up for a second session, sending the benchmark 30-year JGB yield another seven basis points lower and testing the symbolic 4.00% yield level.

Currencies

• The rally in the Japanese yen extended close to the key 155.00 level in USDJPY, an area where the prior two rounds of intervention failed to see the JPY punching through to sustain a rally. Bloomberg reported that JP Morgan estimates that perhaps some 16–17 trillion JPY in JPY carry trades, more than USD 100 billion in long USDJPY trades, remain outstanding and that a self-reinforcing liquidation of positions could be triggered by a move below 155.00 that could send USDJPY to the 142–146 range.

• The US dollar was broadly weaker after Fed voter Christopher Waller’s dovish comments. EURUSD rose back solidly above 1.1625 and AUDUSD rose above 0.7210, its highest level since May.

• EURSEK fell sharply after testing as high as 11.18+ earlier this week, falling as low as 11.08 early Friday and therefore back into the range below 11.11 that had capped the exchange rate from June through August. Sweden’s Riksbank Governor Thedeen spoke positively on the status of the economic recovery and the market has pulled forward expectations of the bank’s first policy hike to as soon as the November meeting.

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

---

Source: https://www.home.saxo/content/articles/macro/market-quick-take---markets-rally-as-waller-turns-dovish-jobs-report-takes-centre-stage-04092026