THE BACKROOM BRIEF

MARKETS · MACRO · CRYPTO

TUESDAY, SEPTEMBER 1, 2026 | GREED, VOL AWAKE | CRYPTO 24H VOLUME $82.4B

BTC $77,473 -1.3% · ETH $2,422 -1.8% · SOL $100.1 -2.8% · SPX 7,631.54 -0.71% · DAX 25,970 -1.10% · GOLD $4,335 -2.4% · BRENT $95.23 +4.6% · DXY 99.66 +0.23% · US10Y 4.80% +4bp · VIX 16.34 +9.5% · OVX 49.13 +9.4% · F&G 69 GREED

THE LEDE

The Calm Was Marked to Market

Three of the four fear gauges this desk watched fall on Friday rose on Tuesday, and the fourth, the one that had risen alone, rose the most. VVIX, the cost of hedging the hedge, closed at 91.25 from 86.29 per CBOE's daily series. Crude volatility jumped 9.4 percent to 49.13 after two tankers were hit by projectiles seventeen nautical miles off Khasab, Oman, on Monday evening, and United States forces answered on Tuesday with a second round of strikes on Revolutionary Guard sites along Iran's southern coast, following an earlier strike on Larak Island, per Central Command statements carried by CBS News. Brent settled at 95.23 dollars, up 4.6 percent on the day and 13.7 percent on the month, per TradingEconomics. Nasdaq volatility rose 8.8 percent to 21.96. Into that, Eurostat's flash estimate put euro-area inflation at 3.3 percent for August, from 2.9, with energy running at 14.3 percent while core eased to 2.4. Fed funds futures now give a September hike 67.9 percent, from 37.3 a week ago. On Sunday this desk wrote that three compressed volatility surfaces might be a position rather than an observation. A shock landing inside the forecast window is weak evidence that the mechanism was right, and the desk says so below. What is not in doubt is the price: the position was marked, and the desk's Brent short went with it.

CROSS-REFERENCE

Press Digest

OUTLET	REGION	LEAD STORY	KEY NUMBER
Bloomberg	US	Sticky inflation is roiling bond markets again	10Y 4.78% intraday
Bloomberg	US	Trillion-dollar dislocation hides in calm credit markets	$1T

New York Times	US	What to know about Venezuelan energy after the oil deal; two more tankers attacked in Hormuz	17 fields
Handelsblatt	Germany	DAX closes below 26,000 as bond yields and oil weigh	25,970
Nikkei Asia	Japan	Red-hot data center boom fuels public backlash across Asia	n/a
Caixin	China	Beijing scraps 32-year-old tax break on foreign investors' dividends	32 years
South China Morning Post	Hong Kong	Chinese EV makers told to curb discount wars overseas	QFII >$40B
China Daily	China	August PMI edges up	49.8
Korea Times	Korea	Record budget for AI and semiconductors	21.3T won
Gulf News	Gulf	Shein's Hong Kong debut falters	n/a
The National	Gulf	Oil rises above $90 as US and Iran resume strikes	$90
Al Jazeera	Global	John Ternus succeeds Tim Cook as Apple CEO after 15 years	15 years

Financial Times, The Economist, Reuters, Wall Street Journal columns, Les Echos, FAZ, Valor and the Economic Times returned nothing readable to this desk's fetches on the day. Their absence is a coverage gap, not a judgement on their leads.

The divergence is geographic and it is sharp. Bloomberg leads with bonds; the New York Times' business feed leads with the Venezuelan oil deal and carries the tanker attacks second; and Bloomberg alone adds a third fact: the stock of debt trading at unusually wide spreads for its rating has doubled since the start of 2026, which it calls a trillion-dollar dislocation hiding inside calm credit indices. That is a single-outlet read this desk could not corroborate from any spread series of its own, and it is carried here as Bloomberg's claim rather than as a fact. Nobody in Asia led with the Fed or the strikes. Nikkei Asia led with data-center backlash, Caixin with a dividend tax, the South China Morning Post with electric-vehicle price discipline, Korea Times with a budget. The National led with the oil price and with September fuel costs; Gulf News led with Shein's Hong Kong debut. The one read this desk finds most useful sits between two Chinese outlets: Caixin reports Beijing has removed a 32-year-old tax exemption on dividends paid to foreign investors on the same morning the South China Morning Post reports foreign holdings of yuan stocks above 40 billion dollars after a record surge. One outlet is describing the welcome, the other the bill.

ANALYSIS

Ten Stories

1. Four gauges, one direction

On Friday three of four fear gauges fell and this desk asked whether that was an observation or a position. On Tuesday every one of them rose. The VIX closed at 16.34, up 1.42 points or 9.5 percent, per TradingEconomics' delayed quote; CBOE had not posted its September 1 row when this brief went to press, so treat the level as provisional and the direction as certain. CBOE's own series confirms the rest. Nine-day VIX went from 12.34 to 14.33, a 16 percent move, the largest on the term structure. Three-month VIX printed 18.33 and six-month 20.56, so the curve stays in contango but the front lifted fastest, which is what a market does when it stops assuming the next two weeks are free. Nasdaq volatility rose 8.8 percent to 21.96, Russell volatility 9.8 percent to 20.65. VVIX closed at 91.25, back near its 30-session mean of

92.16 after Friday's 86.63. Crude volatility rose 9.4 percent to 49.13, and gold volatility 1.03 points to 25.43.

Two surfaces did not join. CBOE's emerging-markets volatility index closed at 23.76, its lowest of the last thirty sessions, down from 45.72 on July 28. And Deribit's bitcoin implied volatility index closed at 37.96, up 2.6 percent on the day but still down from 43.18 on August 23. Long-bond volatility, VXTLT, rose half a point to 12.39. So the repricing ran through energy, equity and short-dated index options, and skipped emerging markets and crypto entirely.

That asymmetry is the stake, and it cuts against the desk. Tuesday's move was event-driven: strikes on Iran and a European energy print landed inside the window, and compressed volatility did not break on its own. A call that compressed volatility is a position will look right any time a large enough shock lands in the window, and a shock landing is weak evidence that the mechanism was right. Sunday's note was right on direction, silent on breadth, and untested on cause. Either the stress is correctly localised, in which case Tuesday was an oil-and-rates event and the calm elsewhere is earned, or the two surfaces that did not move are lagging rather than exempt, which would make any all-clear on crypto and emerging markets premature, and those are the two the desk's own bitcoin card is exposed to. There is also a duller null the desk owes the reader: some of Tuesday may be plain mean reversion after weeks of compression, independent of the day's news, and treating a dramatic session as more informative than a calm one is the mirror image of the bias the Desk Note below catches. This desk cannot tell from one session. Watch: an OVX close above 50 re-enters the regime that held for 22 sessions through July and August, and its 30-session mean is 55.37, so 49.13 is still a low print by the standard of its own summer. VVIX above 100 would say the equity market has started pricing the hedge, not just the move.

2. Larak Island to Khasab

The sequence, as CBS News carried it from Central Command statements, ran like this. United States forces struck two rocket launchers and sea drones on Larak Island after the Revolutionary Guard was observed preparing to lay mines in the Strait of Hormuz. Iran answered with ballistic missiles at the King Hussein and Al-Azraq air bases in Jordan, ten of thirteen intercepted per Jordanian authorities, and an attack on American personnel at a base in the United Arab Emirates. On Monday evening two tankers were hit roughly seventeen nautical miles off Khasab, Oman, minutes apart: the Senegal Prosperity, South Korean-owned and Liberia-flagged, and the Sidr, Saudi-flagged, each struck by three projectiles, no casualties reported. The New York Times carried the tanker attacks in its business feed, second to the Venezuelan oil deal. On Tuesday Central Command confirmed a second round against Revolutionary Guard air defence, radar, maritime assets, mine-laying capability and communications sites; Iranian state media reported explosions in Bandar Abbas and Chabahar, per Bloomberg, and Iranian officials claimed two killed at a wedding in Bandar Kuhestak. The President's line, per CBS: "If they retaliate, they'll be hit much harder." The Treasury Secretary's, same source: "We will economically asphyxiate this regime." Separately on Tuesday he said the strait "will be like a worthless piece of water" within two years as pipelines bypass it, per The Hill and Bloomberg.

The tape: Brent 91.07 on Monday, up 3.8 percent per CBS, then 95.23 on Tuesday, up 4.6 percent, its highest in nearly six weeks per TradingEconomics, and 37.7 percent above a year ago. WTI 90.73, up 5.8 percent, the largest gain in five weeks per Bloomberg. Heating oil up 6.6 percent. Dutch TTF gas up 5.4 percent to 73.61 euros per megawatt-hour. On transits, the count this desk could source is Windward and TankerMap data via Yahoo News: roughly five vessels through the strait on Tuesday against a ten-day average of fourteen, none of them laden liquid tankers; pre-war the figure was 88 a day, and Kpler counted about 16 a day on August 28 per The National, while CBS put daily transits below half of pre-war levels. Those three counts measure different things, commodity-vessel transits, ships, and a ratio, and they do not reconcile with one another; the desk prints all three rather than pick the one that fits. Against that, Saudi Arabia is reported to be pushing roughly seven million barrels a day through the East-West pipeline to Yanbu, and ADNOC plans to double Fujairah export capacity from 1.8 to 3.6 million barrels a day, per OilPrice.com. QatarEnergy extended its LNG force majeure on deliveries to Italy's Edison until November, per The National on August 28. The IAEA's director general said on Tuesday there is an urgent need for access to Iranian sites, per Al Jazeera.

The stake for this desk is direct. Sunday's Brent short bias carried a kill at a price close above 91. Monday closed above it. Tuesday closed four dollars higher. The view is dead, and the honest note is that it died on the first session it could have. Energy equities took the other side: BP up 5.7 percent and Shell 2.6 in London, TotalEnergies up 2.7 in Paris, Petrobras 4.1 in Sao Paulo, Canadian Natural 3.7 and Suncor 3.5 in Toronto, Woodside 1.1 and Santos 1.8 in Sydney, all per TradingEconomics' session notes. Watch: a third round of strikes, a transit count that reaches zero laden tankers, or OVX through 50. And the mechanical question the price implies: Brent above 100 with heating oil already up 6.6 percent in a day puts the refined-product crack, not crude, at the centre of the next inflation print.

3. Europe's 3.3 percent is an energy number

Eurostat's flash estimate for August put euro-area inflation at 3.3 percent from 2.9 in July, its highest since September 2023. The composition is the story. Energy ran at 14.3 percent from 10.3. Core, excluding energy, food, alcohol and tobacco, fell to 2.4 from 2.5. Services fell to 3.0 from 3.3. Non-energy industrial goods rose to 1.2 from 0.9, food held at 1.2, and the monthly rate was 0.4. By country: Spain 4.5, Italy 3.2, Germany 2.9, France 2.7. Germany's own flash from Destatis on Monday had come in at 2.9 against 2.8 in July and a 3.0 consensus per FXStreet, with energy up 10.5 percent on the year and core at 2.4. Euro-area unemployment held at 6.4 percent in July, per Eurostat.

The European Central Bank's deposit rate is 2.25 percent, raised from 2.00 on June 17 per the ECB's key-rates table, and the Governing Council meets on September 10. Tuesday's bond market gave its answer to the composition question before the council does: the German two-year rose 5.9 basis points to 2.98 percent, more than the ten-year, which rose 4.5 to 3.369, per TradingEconomics. That is a front end pricing a bank that leans against the headline rather than looking through it. The French ten-year at 4.206 percent and the Italian at 4.2062 are now identical to the third decimal; Sunday's brief noted France yielding more than Italy, and the gap has closed to nothing without either country doing anything. Both sit 84 basis points over Bunds. The DAX lost 1.10 percent to 25,970, closing below 26,000 with SAP down

3.0 percent and Siemens and Rheinmetall down more than 2, insurers the only sector higher, per Handelsblatt and TradingEconomics. The STOXX 600 fell 0.60 percent to 647. The euro slipped 0.2 percent to 1.1593.

What is at stake is a central bank facing a supply shock with a core rate that is falling and a headline that is rising. The economics leans one way without settling it: a bank that hikes into 14.3 percent energy inflation with services at 3.0 and decelerating is fighting the wrong number, and the second-round effects it fears run through wages, on which this desk has no fresh print and states so rather than assume. The precedent cuts the same way; the ECB's 2008 and 2011 hikes into oil-driven headline inflation are now widely read as errors. The other reading, that Tuesday's front-end move was Fed spillover across every G10 curve rather than a judgement on the ECB, is taken up in the Economist's Corner below. Watch: the September 10 decision and, more than the decision, whether the statement names energy as the driver or inflation as the problem.

4. Sixty-eight percent

Fed funds futures closed Tuesday pricing a 67.9 percent probability that the target range is 3.75 to 4.00 percent after the September 16 meeting, per CME-derived buckets on Investing.com's rate monitor, against 64.4 percent on Monday and 37.3 percent a week earlier. The current range is 3.50 to 3.75 percent, unchanged since December 11, 2025, per the Federal Reserve's own open-market operations page, so the upper bucket is a hike and the arithmetic is unambiguous: the September contract at 96.290 implies 3.71 percent, inside the current range, so anything above is tightening. October carries 56.4 percent for one hike and 21.8 for two. December carries 42.5 percent for 4.00 to 4.25 and 13.0 for 4.25 to 4.50, which sums to roughly 1.6 hikes by year-end from a bank that has not moved in nine months. Yahoo Finance quoted CME FedWatch at 66.4 percent for September earlier in the session, so two vendors agree on the shape. What moved it: the Fed chair's Jackson Hole line on August 28, "Otherwise, we have work to do," which this desk covered on Sunday and which took September from the thirties to the mid-fifties in two sessions, and then Tuesday's oil print and an ISM prices-paid index that refused to fall.

The data did not argue. ISM's August manufacturing index printed 54.6 from 55.6 in July, an eighth month of expansion, with new orders at 53.7 from 56.7, employment at 51.2 from 52.8, and prices paid unchanged at 71.1, per the ISM report carried by PR Newswire. The Treasury curve, per TradingEconomics: two-year 4.40 percent up 5 basis points, five-year 4.56, ten-year 4.80 up 4 to 4.5 depending on the vendor's timestamp, thirty-year 5.28 up 3. Two-tens is 40 basis points. The ten-year is at its highest since January, per Bloomberg. The ten-year TIPS yield was unchanged at 2.44 percent, so the nominal move at that point was inflation compensation: the breakeven widened 4 to 5 basis points to about 2.36. That matters for what follows, with one qualification. At the ten-year point Tuesday was an inflation repricing rather than a real-rate shock, and gold fell 2.4 percent anyway. A repricing of the front end from 37 to 68 percent in a week is itself a real-rate event at the maturities that set gold's carry cost, and the desk could not source a five-year TIPS print to test that. So the honest statement is narrower: the dollar and the hike path did gold's pricing on Tuesday, and the ten-year real yield did not.

Equities logged a third straight loss. The S&P 500 closed at 7,631.54, down 0.71 percent; the Nasdaq Composite at 26,099.77, down 1.03; the Nasdaq 100 at 29,077, down 1.29; the Dow at 52,766.88, down 0.79; the Russell 2000 at 2,922.13, down 1.16, per Investing.com, with TradingEconomics reporting seven of eleven S&P sectors lower. Nike printed a 52-week low at 38.07 dollars, and Wynn, Las Vegas Sands, VICI and Carnival all printed 52-week lows, per Yahoo Finance. Apple changed chief executives on the same day: John Ternus took over from Tim Cook, who becomes executive chairman, as announced in April per Apple's newsroom and reported by NPR. Watch: JOLTS and the Beige Book on Wednesday, ADP and ISM services on Thursday, payrolls on Friday. The stake is the hurdle rate. Cash pays 3.50 to 3.75 today and the curve says 4.00 to 4.25 by December. Every risk asset in this brief is now being asked to clear a number that rose again on Tuesday.

5. The rout goes global: three percent JGBs and 160 yen

The Japanese ten-year closed at 2.996 percent, up 4.9 basis points, its highest since 1996 per TradingEconomics' market note, a superlative the desk could not check against the finance ministry's own series and carries on that one vendor. The two-year rose 5.6 to 1.81 and the thirty-year 5.3 to 4.19: a near-parallel shift across the curve, which reads as a term-premium and fiscal repricing rather than a narrow bet on the next meeting. Britain sold hardest: the ten-year gilt rose 6.6 basis points to 5.209 percent, the thirty-year 10.5 to 5.883, the two-year 9.1 to 4.50. Australia's ten-year rose 11.3 basis points to 5.189. Bunds rose 4.5, Canada's ten-year 0.9 to 3.748 ahead of a Bank of Canada decision on Wednesday, Brazil's 8.9 to 14.626. Bloomberg's headline: "Bond Slide Grips Emerging Markets as Fed Risk Drags Sentiment." All of it per TradingEconomics' bond tables unless noted.

Dollar-yen closed at 160.164, up 0.27 percent, its first close above 160 in this episode, after Friday's 159.972 tested and held and Monday's 159.74. TradingEconomics' market note says the yen has now given back more than half the gains that followed the joint Japan-US intervention in late July, and that expectations for a September Bank of Japan hike are building. The Bank of Japan's policy rate is around 1.0 percent and the next meeting is September 17 and 18, per the bank's own site. The Nikkei 225 closed at 66,215.34, down 0.15 percent, per Investing.com and TradingEconomics, with Fujikura down 3.7 percent and Tokyo Electron 2.6, SoftBank up 1.2. The dollar index rose 0.23 percent to 99.66. The number a carry thesis lives on is the two-year differential: 4.40 percent in the United States against 1.81 in Japan, 259 basis points, and it widened on Tuesday because the American two-year rose 5 basis points to Japan's 5.6 while the yen still fell.

The consequence sits inside this desk's bitcoin card, whose second kill is dollar-yen reversing below 155 within a week on rising JGB yields. JGB yields rose. The yen fell instead. That combination, higher domestic yields and a weaker currency, is the fiscal-dominance read, not the carry-unwind read, and it is the opposite of what the kill was built to catch. The condition has not triggered. The mechanism it depends on, JGB yields moving, is now live every session. Watch: Ministry of Finance action at 160, a JGB ten-year print with a 3 in front of it, and the September 17-18 meeting, which the curve is starting to treat as a hike rather than a hold.

6. Korea's ninety-eight billion dollar month

South Korea exported 98.25 billion dollars of goods in August, up 68.7 percent on the year, per the Ministry of Trade, Industry and Resources as carried by Korea Times. Semiconductors were 46.65 billion of that, up 209 percent, a third consecutive month above 40 billion. Exports to the United States rose 89.3 percent to 16.5 billion and to China 119.3 percent to 24.1 billion. Imports rose 22.6 percent to 63.51 billion, leaving a 34.75 billion dollar surplus. The industry minister, Kim Jung-kwan, per Korea Times: "Semiconductor exports remain strong, while shipments of non-semiconductor products also grew 20 percent." The KOSPI closed at 6,835.80, up 0.23 percent, the only major Asia-Pacific index to rise on the day, with SK hynix up 1.14 percent, SK Square 2.89 and Samsung Electronics 0.38, per TradingEconomics. The won weakened 7.05 to 1,374.36 per dollar, an odd pairing for a surplus economy on the day of its widest export beat in months, and the kind of pairing that puts the central bank's currency desk on watch. The Bank of Korea's rate is 3.00 percent after a 25 basis point hike on August 27, per the bank. One sourcing note: the export figures reach this desk through Korea Times' report of the ministry release; the desk did not open the ministry's own document and holds the numbers to that standard.

The same paper reported a record 821 trillion won budget for 2027, about 599 billion dollars, with 21.3 trillion won directed at semiconductors, AI and data centres, and that Hanwha's defence revenue rose 53 percent to 10.44 billion dollars. Nikkei Asia's lead was the other side of the same trade: a "red-hot" data-centre boom drawing public backlash across Asia over power demand, alongside SoftBank-backed SB Energy filing for a US listing. Gulf News carried Nvidia's report that data-centre demand exceeds available capacity.

The risk is concentration. Semiconductors were 47 percent of Korea's exports in August on the ministry's figures as carried by Korea Times, and a 209 percent annual growth rate in a single product line cannot compound, and twelve months from now it becomes the base that August 2027 is measured against. For now it is the single clearest piece of evidence that AI capital spending is the one bid in the world that did not care about Tuesday. Watch: whether the September print holds above 40 billion for the chip line, and whether Wednesday's Asian open, facing Tuesday's Nasdaq loss and a 3 percent JGB, treats the KOSPI as a chip proxy or a risk asset.

7. Beijing taxes the dividend as the foreigners arrive

Caixin reported on Tuesday that Beijing has scrapped a 32-year-old tax exemption on dividends paid to foreign investors. The South China Morning Post reported the same morning that foreign exposure to yuan-traded stocks has jumped by about a third, with holdings under the qualified foreign institutional investor scheme above 40 billion dollars, and that the surge may slow. It also reported that Chinese carmakers have been issued guidelines to curb discount wars in overseas markets. China Daily's lead was the official purchasing managers' index edging up: the National Bureau of Statistics manufacturing PMI printed 49.8 for August against a 49.7 consensus and 49.2 in July, with non-manufacturing at 49.0, per FXStreet. The private gauge told a different story: S&P Global's RatingDog manufacturing PMI rose to 51.5 from 50.9, its highest in six months, with new export business rising at the sharpest pace in six months, per S&P Global's release.

Prices were quieter than the policy. The Shanghai Composite fell 0.16 percent to 3,979.89, with NAURA down 4.59 percent, SMIC 2.01 and CATL 1.50 against Yonghui up 6.17 and Shanghai International Port 5.70, per TradingEconomics. The Hang Seng fell 0.93 percent to 25,330, Tencent down 2.6 and Meituan 2.9. Shein's Hong Kong debut disappointed, per Nikkei Asia and Gulf News. Caixin also reported the national Social Security Fund returned 13.2 percent last year, its best in five years. The yuan was 6.7225 per dollar, China's ten-year 1.684 percent, and its five-year sovereign CDS tightened 1.4 percent to 34.59 basis points per Investing.com's aggregate.

What is at stake is a policy-risk repricing of the "foreigners are back" trade at the moment it peaked. The official-versus-private PMI split says the export sector is expanding and the domestic economy is not, which is consistent with a government that can afford to tax inbound portfolio income because the goods side is carrying growth. It is also a different claim from "the economy is fine": an export sector expanding on the sharpest rise in foreign orders in six months while state-linked domestic activity contracts is the shape of an economy leaning on the rest of the world at the moment the rest of the world's rates are rising. Watch: Stock Connect flows, and whether the dividend change reaches the high-yield state-owned names that foreign funds bought for exactly that income.

8. Gold's first kill close

Gold closed at 4,334.92 dollars, down 106.22 or 2.39 percent, its lowest since mid-August per TradingEconomics. Monday's close was 4,441 and Friday's 4,454. Sunday's card carried a kill of two closes below 4,420. Tuesday was the first. Silver fell 3.4 percent to 64.25, copper 2.25 percent to 6.45 a pound, platinum 2.5 percent to 1,750. Gold volatility rose to 25.43. The ten-year TIPS yield did not move, so the fall came without a real-yield shock, through the dollar's 0.23 percent gain and a September hike now priced at two-in-three. Miners took it worse than the metal: Endeavour and Fresnillo down more than 5 percent in London, Agnico Eagle down 4.4, Barrick and Wheaton 3.6 in Toronto, per TradingEconomics' session notes, and Zijin Gold International down 8.1 percent in Hong Kong on Monday.

The official sector is still buying. The People's Bank of China added 20 tonnes in July, its 21st consecutive month, taking holdings to 2,366 tonnes, and central banks bought a net 289 tonnes in the second quarter, a record for the period, with Poland adding 18 tonnes in July and Singapore 4, its first purchase since September 2025. Those figures are World Gold Council data as reported by the press; this desk could not open the council's own tables on the day and says so.

It comes down to one close. A card already cut to one-of-five conviction on Sunday is now a single session from dead, and the day it happened was a day of US strikes on Iran, which is the day gold is supposed to work. That is the tell: rates did gold's pricing on Tuesday and geopolitics did not. Watch: Wednesday's close against 4,420. The desk will not extend the kill to keep the view alive.

9. Funding fell to the floor while the crowd stayed long

Binance's BTCUSDT funding settled at 0.0038 percent on Tuesday afternoon UTC, the minimum of its 30-day range, eight hours after printing 0.010 percent, the maximum of that range, per Binance's API. The 30-day average is 0.0085 percent and the predicted next print is

0.0082. Binance's top-trader position ratio printed 2.0977 to one long, an eighth consecutive session above two to one; Sunday's brief counted seven. The global long-short account ratio flipped to 0.9948, net short, from 1.08. OKX's account ratio went the other way, to 1.31 long from 1.04. The taker buy-sell ratio was 0.99 on Monday, sell-side. Liquidations in the 24 hours to Monday afternoon UTC totalled 437 million dollars, 297 million of it longs, with ether liquidations at 138 million exceeding bitcoin's 95.6 million, and the largest single hit 6.13 million on an ASTER-ETH pair on Phemex, per CoinGlass data carried by Phemex.

Open interest fell with the longs and then came straight back. Binance bitcoin OI dropped to 106,320 coins on Monday, the liquidation day, from 107,673, then rebuilt to 107,978 on Tuesday, 8.48 billion dollars, up 2.73 percent on the day. Bybit ran the same shape: 48,917 coins on Monday from 49,904, then 52,988 on Tuesday, 4.10 billion dollars, up 8.3 percent. Between them that is roughly 5,700 bitcoin of fresh open interest, about 440 million dollars of notional, added on the same session the spot ETFs took in 142 million. The Monday cohort that was liquidated is not the cohort holding Tuesday's book. OKX holds 2.18 billion. Hyperliquid carries 7.95 billion across all assets, 2.98 billion in bitcoin, 2.18 in ether and 1.91 in HYPE, with bitcoin funding there near 0.001 percent per eight hours, per the venue's API. Deribit's perpetual funding was 0.003 percent. Spot ETFs took in 216.7 million dollars on Monday, 205.9 million of it into IBIT with VanEck's HODL losing 13.4 million, and 142 million on Tuesday, per Farside data via Bloomingbit and NewsBTC. Bitcoin's daily path per CoinGecko: 80,268 on Friday, 77,821 Saturday, 78,225 Sunday, 77,658 Monday, 78,553 Tuesday, and 77,473 as this brief closed, down 1.35 percent on the day and 1.7 on the week, up 21.6 on the month.

Sunday's watch condition was specific: if the ratio holds above two while funding breaks above 0.010, the crowding has started to cost something. The opposite happened. Longs were liquidated on Monday, open interest fell with them, funding collapsed to its floor, and then Tuesday rebuilt the book to a larger size at the cheapest carry of the month while the top-trader ratio never left two to one. That is a crowd reloading into a catalyst rather than a crowd that has not been tested, and the reload was not paid for: funding stayed near its floor even as open interest rose 2.7 percent on Binance and 8.3 percent on Bybit. A book that reloads to eight-day-crowded levels without the price of carry moving, three sessions before payrolls, is the setup for a second and larger forced deleveraging rather than evidence the first one did not matter. The split between retail bases deserves one sentence rather than a shrug: Binance's global account ratio flipped net short on the same day OKX's reached its seven-day high, two different customer bases taking opposite sides on the day the book reloaded, and the desk will track it one more session before calling it noise. Watch: whether funding rebuilds toward 0.010 over the next three prints, and the 78,800 to 79,000 cluster that InvestingLive flags as overhead resistance against 77,165 as support. The weekly expiry on September 4 carries 29,136 bitcoin of open interest on Deribit.

10. A twenty-one billion dollar venue the desk cannot see

Bloomberg reported on Monday that Polymarket is raising one billion dollars led by 1789 Capital, which is putting in roughly 300 million, at a 21 billion dollar post-money valuation, up from 15 billion in April. Kalshi raised at 22 billion in May, per the same report. CoinDesk noted that Donald Trump Jr. is a partner at 1789 and joined Polymarket's advisory board in

2025. On the same day, for the sixth consecutive desk session since the outage began on August 26, Polymarket's public data API and Kalshi's returned nothing to this desk: connection failures at 25 seconds, no error code, no rows. On August 28 the Commodity Futures Trading Commission ordered a 172,000 dollar penalty against Gabriel Perez for insider trading in prediction-market event contracts, release 9289-26; the release as this desk read it does not name the venue on which the contracts traded. On Tuesday the commission resolved an action against a swaps trader for false statements, release 9291-26, with little detail beyond the charge. The Senate's procedural vote on the CLARITY Act, the market-structure bill that would split digital-asset oversight between the SEC and CFTC, is scheduled for September 15 per CoinDesk, with 53 Republican seats against a 60-vote threshold and roughly 14 Senate working days left in September and October.

What the desk can see of the venues is secondhand. Kalshi's own newsletter put a September hike at 52 percent after the Jackson Hole speech; a KuCoin item quoted Polymarket at 53 percent for a hike at a time when it said futures were at 32, which dates it to before the repricing. Manifold, a play-money venue, shows 48 percent. CME futures say 67.9. What is at stake is that the venues now valued at 43 billion dollars between them are pricing the single most important macro event of the month fifteen points below the futures, on quotes this desk cannot refresh, in the same week the regulator fined an insider in exactly their product, the first such order in this desk's own log. The desk's inference, labelled as one: a 172,000 dollar penalty is a rounding error against the raise, and the precedent may not be, because an event-contract venue is only worth 21 billion if its prices are believed, and prices are only believed if the people with the answer cannot trade them. Watch: the September 15 cloture count, and whether the data endpoints come back before the FOMC does.

MARKETS

Crypto

Bitcoin closed Tuesday's New York session at 78,553 dollars per CoinGecko's daily series, up 1.15 percent on the day, then gave it back: 77,473 as this brief closed, down 1.35 percent over 24 hours, down 1.7 percent on the week, up 21.6 percent on the month, and 38.6 percent below the October 2025 record of 126,080. Ether traded 2,422, down 1.8 percent, and Solana 100.06, down 2.8 percent, the weakest of the majors. Total crypto market capitalisation was 2.626 trillion dollars, down 3.8 percent over the same 24 hours per CoinGecko's global endpoint, on 82.4 billion of volume. A collector's snapshot of the same endpoint about twenty minutes earlier showed the aggregate up 1.7 percent on 80.2 billion; the desk uses the later pull, the one consistent with every coin in the table below closing lower. Bitcoin dominance was 59.1 percent and ether 11.1.

ASSET	PRICE	24H	24H VOLUME	MARKET CAP
Bitcoin	$77,495	-1.30%	$30.0B	$1.556T
Ether	$2,422.45	-1.70%	$12.7B	$292.3B
XRP	$1.35	-1.86%	$2.06B	$84.9B
BNB	$683.18	-1.10%	$693M	$91.0B
Solana	$100.11	-2.83%	$3.40B	$58.6B

Hyperliquid	$82.75	-1.66%	$1.40B	$18.4B
Dogecoin	$0.0818	-1.26%	$535M	$12.7B
Chainlink	$11.23	-0.68%	$381M	$8.40B
Cardano	$0.1965	-0.68%	$354M	$7.37B
Avalanche	$7.22	-0.04%	$191M	$3.12B
Sui	$0.7213	-0.69%	$391M	$2.95B
Pepe	$0.00000347	-2.18%	$216M	$1.46B
Bonk	$0.00000297	-0.58%	$78.0M	$262M

CoinGecko, snapshot as the US session closed on Tuesday. Not one of the thirteen names was higher on the day.

Eight days of price and mood

The week's shape per CoinGecko's daily closes: bitcoin 78,974 on August 25, 78,511, 79,018, then 80,268 on Friday the 28th, the high of the window, before 77,821 on Saturday, 78,225 Sunday, 77,658 Monday and 78,553 Tuesday. Ether ran 2,482, 2,442, 2,506, 2,511 on Friday, then 2,442, 2,457, 2,416 Monday and 2,467 Tuesday. Alternative.me's Fear and Greed index has not left greed all week: 74, 65, 71, 73, 68, 69, then 62 on Monday, the low of the run, and 69 on Tuesday. Monday's dip to 62 coincided with the 437 million dollar liquidation day; Tuesday's rebound to 69 arrived with the ETF inflow.

Flows

United States spot bitcoin ETFs took in a net 216.7 million dollars on Monday, per Farside Investors data carried by Bloomingbit: 205.9 million into BlackRock's IBIT, 9.4 million into Grayscale's mini trust, 6.9 million into Fidelity's FBTC, 4.3 million into Bitwise's BITB, 3.6 million into Invesco's fund, and 13.4 million out of VanEck's HODL, with the rest flat. Tuesday added 142 million net, per the same source via NewsBTC, which also notes that Friday August 28 had been an outflow session that broke a multi-day inflow streak; the desk could not obtain Friday's figure. Ether ETFs ran a ten-day streak through August 28 totalling 1.42 billion dollars, with 1.02 billion of it into BlackRock's ETHA, and 102.1 million on the 28th alone, per Crypto Briefing; Monday's and Tuesday's ether figures were reported as positive without amounts, and the desk prints no number it cannot source.

Derivatives

VENUE	BTC FUNDING 8H	ANNUALISED	BTC OPEN INTEREST	NOTE
Binance	0.0038%	4.2%	$8.48B	Last settled print at 30-day floor; predicted next 0.0082%; OI +2.73% d/d
Bybit	0.0020%	2.6%	$4.10B	OI +8.3% d/d from $3.80B
OKX	0.0090%	9.8%	$2.18B	Predicted next 0.000%; L/S accounts 1.31
Hyperliquid	0.0010%	1.4%	$2.98B	Venue total OI $7.95B; ETH $2.18B; HYPE $1.91B
Deribit perp	0.0030%	3.3%	n/a	DVOL 37.96 from 36.99; ETH DVOL 51.67

Venue APIs, Tuesday evening UTC. Binance annualised on the 30-day average of 0.0085% would be 9.3%; the last print alone annualises to 4.2%.

Binance's eight-day positioning series, from its futures-data endpoints: top-trader position ratio 2.02, 2.26, 2.15, 2.07, 2.14, 2.08, 2.06 and 2.10 to one long through Tuesday, eight sessions above two. Global long-short accounts 0.94, 1.00, 1.09, 0.92, 1.19, 1.19, 1.08 and 0.99. Top-trader accounts 1.02, 1.09, 1.15, 1.00, 1.31, 1.23, 1.16 and 1.06. Taker buy-sell 0.99, 0.99, 1.01, 1.01, 0.93, 1.06, 0.92 and 0.99 through Monday. Binance bitcoin open interest by day in coins: 107,216, 106,592, 105,594, 108,762, 105,609, 107,673, 106,320 and 107,978, so the book is flat on the week and up 2.7 percent on the day. OKX's long-short account ratio rose to 1.31 from 1.04, its highest of the seven days shown, while its taker volume ran 2.82 billion dollars bought against 2.78 sold on Tuesday.

Options, per Deribit's public book summary parsed by this desk: 410,353 bitcoin of open interest across 978 listed contracts, 262,412 in calls and 147,941 in puts, a put-call ratio of 0.564. The September 25 quarterly carries 168,329 bitcoin, 110,404 calls and 57,924 puts, with maximum pain at 70,000, which is also the largest single strike on both sides: 10,972 calls and 8,652 puts. Above spot the call open interest clusters at 78,000, 85,000, 90,000 and 100,000; below it the puts sit at 75,000, 60,000, 55,000 and 50,000. December 25 holds 112,086 bitcoin, October 30 holds 34,119, and Friday's September 4 weekly holds 29,136. A max-pain strike ten percent below spot with three weeks to run says less than it seems: max pain has weak pull this far from expiry, and a strike that far below spot is dragged down by legacy open interest written when bitcoin traded lower. The shape of the book is a barbell, calls out to 100,000 and puts down to 50,000, which is positioning for a large move in either direction rather than a pin. The evidence for a range sits elsewhere: DVOL at 37.96, down from 43.18 on August 23 and barely moved on the day the rest of the world's volatility repriced.

KEY LEVELS · BITCOIN

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100,000   call wall, 7,296 BTC of Sep 25 open interest (Deribit)
90,000    call wall, 7,662 BTC (Deribit)
85,000    desk target; 8,486 BTC of Sep 25 calls (Deribit)
80,268    Friday Aug 28 close, high of the eight-day window (CoinGecko)
79,196    Binance 24h high
78,800-79,000   resistance cluster (InvestingLive)
78,340    recovery confirmation (InvestingLive)
77,473    spot at press
77,165    support being defended (InvestingLive)
76,368    Binance 24h low
75,000    put wall, 4,552 BTC of Sep 25 open interest, inside the entry zone (Deribit)
74,500-76,500   desk long-bias entry zone, inherited; the 24h low wicked into its top, no daily
close inside it
73,000    desk kill, daily close
70,000    Sep 25 max pain; largest call and put strike (Deribit)
below 70,000   no current sourced level; the only liquidation map collectors found is an April
snapshot and is excluded
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MARKETS

Traditional Markets

INDEX	TUESDAY CLOSE	CHANGE	PERCENT
S&P 500	7,631.54	-54.60	-0.71%
Nasdaq Composite	26,099.77	-271.12	-1.03%

Nasdaq 100	29,077.22	n/a	-1.29%
Dow Jones Industrial	52,766.88	-419.02	-0.79%
Russell 2000	2,922.13	-34.32	-1.16%
STOXX Europe 600	647	n/a	-0.60%
Euro STOXX 50	6,365	n/a	-0.90%

Investing.com for US cash indices, TradingEconomics for Europe. A collector's figure of 4,154 for the Russell 2000 was rejected against two vendors.

Three consecutive losing sessions to open September, with the Nasdaq Composite's 1.03 percent loss roughly one and a half times the S&P's, per Investing.com. TradingEconomics counted seven of eleven sectors lower and attributed the session to rising yields and oil. Yahoo Finance flagged Nike at a 52-week low of 38.07 dollars, and Wynn Resorts, Las Vegas Sands, VICI Properties and Carnival at 52-week lows, which is the travel and leisure complex pricing 95 dollar Brent. Apple's leadership change, John Ternus succeeding Tim Cook with Cook moving to executive chairman, took effect on the day, per Apple's April announcement and NPR.

Rates

MATURITY	YIELD	CHANGE	MATURITY	YIELD	CHANGE
1-year	4.18%	+3.9bp	10-year	4.80%	+4 to 4.5bp
2-year	4.40%	+5.0bp	20-year	5.28%	+3.1bp
3-year	4.47%	+5.5bp	30-year	5.28%	+3.2bp
5-year	4.56%	+4.9bp	10-year TIPS	2.44%	-0.2bp
7-year	4.67%	+5.5bp	10-year breakeven	2.36%	+4 to 5bp

TradingEconomics interbank quotes, Tuesday. Two-tens +40bp, five-thirties +72bp. The ten-year change is quoted at +4.10bp on one TradingEconomics page and +4.5bp on another, hence the range. The Treasury's own daily CSV had not published September rows by press time.

The curve bear-flattened at the front and, at the ten-year point, the nominal move was inflation compensation, with the ten-year real yield flat at 2.44 percent; the desk could not source a five-year TIPS print, which is the maturity that would show whether the front-end repricing was a real-rate move too. Bloomberg put the ten-year at its highest since January. The Federal Reserve's target range is 3.50 to 3.75 percent, last changed on December 11, 2025, per the Fed's open-market page. CME-derived probabilities via Investing.com's monitor, Tuesday evening:

MEETING	3.50-3.75	3.75-4.00	4.00-4.25	4.25-4.50	FUTURES	WEEK AGO (3.75-4.00)
September 16	32.1%	67.9%	n/a	n/a	96.290	37.3%
October 28	21.8%	56.4%	21.8%	n/a	96.190	42.6%
December 9	8.8%	35.7%	42.5%	13.0%	96.015	45.4%

The current range is 3.50-3.75, so every bucket to the right of it is a hike. A week ago December's modal bucket was one hike; now it is two.

Commodities and currencies

COMMODITY	PRICE	DAY	CURRENCY	LEVEL	DAY
Brent	$95.23	+4.60%	DXY	99.661	+0.23%
WTI	$90.73	+5.79%	EUR/USD	1.1593	-0.21%

Heating oil	$4.70	+6.61%	USD/JPY	160.164	+0.27%
Gasoline	$3.15	+2.53%	GBP/USD	1.3515	-0.24%
TTF gas (EUR/MWh)	73.61	+5.44%	USD/CHF	0.8117	+0.41%
Henry Hub	$2.95	+0.46%	AUD/USD	0.7146	-0.28%
Gold	$4,334.92	-2.39%	USD/CNY	6.7225	+0.07%
Silver	$64.25	-3.42%	USD/CAD	1.3895	+0.29%
Platinum	$1,750.10	-2.46%	USD/BRL	5.1529	-0.64%
Copper	$6.45	-2.25%	USD/KRW	1,374.36	+0.52%

TradingEconomics, Tuesday close. Brent-WTI spread $4.51. Brent +13.7% on the month, +37.7% on the year.

Volatility, per CBOE's daily series except where noted: VIX 16.34 (TradingEconomics delayed quote, up 1.42 points), nine-day VIX 14.33 from 12.34, three-month 18.33 from 17.53, six-month 20.56 from 20.17, Nasdaq VXN 21.96 from 20.18, Russell RVX 20.65 from 18.80, VVIX 91.25 from 86.29, crude OVX 49.13 from 44.91, gold GVZ 25.43 from 24.40, SKEW 148.53 on Monday against a 30-session high of 151.66. Every equity vol series rose between 8 and 16 percent on a day the S&P fell less than one percent, which is a market buying protection faster than it is selling stock.

Data on the tape

ISM manufacturing for August: 54.6 headline from 55.6, new orders 53.7 from 56.7, employment 51.2 from 52.8, prices paid 71.1 unchanged, per ISM. Euro-area flash inflation 3.3 percent from 2.9, core 2.4 from 2.5, energy 14.3, services 3.0, per Eurostat; euro-area unemployment 6.4 percent in July. German flash inflation 2.9 percent from 2.8, energy up 10.5 percent, core 2.4, per Destatis. Canada's second-quarter GDP grew 0.8 percent on the quarter, 3.3 percent annualised, with exports up 3.6 percent, the largest rise since the first quarter of 2023, and the first quarter revised to plus 0.3 from minus 0.1, per Statistics Canada on August 28. Brazil's second quarter grew 0.5 percent on the quarter and 2.0 percent on the year, agriculture up 2.8 percent and household consumption down 0.4, per IBGE as reported by the Rio Times. India's April-to-June GDP grew 7.8 percent against a 7.0 percent central-bank projection, per official data reported by Business Standard, while its August manufacturing PMI slipped to 52.8, the weakest expansion in five years, with employment contracting for the first time in two and a half years. Australia's July inflation was 3.5 percent with the trimmed mean at 3.6, per the statistics bureau as reported.

> *The supply-side read: a 14.3 percent energy print with core falling to 2.4 is a relative-price change rather than a monetary phenomenon, and the textbook says a central bank should look through it. The textbook also says the second-round effects arrive through wages twelve to eighteen months later, which is exactly the horizon on which a bank that hiked in June and meets on September 10 is being asked to commit. The cheaper mistake available to the ECB is to hike against a number that oil will unwind on its own; the ECB made that mistake in 2008 and again in 2011. The dearer mistake is to look through a number that becomes wages. Tuesday's two-year Bund, up more than the ten-year, is consistent with a market expecting the first mistake. It is also consistent with something duller: every G10 front end sold on the same day the Fed's September odds went to 68 percent, and a Bund that moves with Treasuries is not a verdict on Frankfurt.*

The week ahead

DATE	EVENT	WHAT MATTERS
Wed Sep 2	Bank of Canada decision	Consensus hold at 2.25%; first G7 decision after the euro print
Wed Sep 2	Australia Q2 GDP; US JOLTS, factory orders, Beige Book	RBA at 4.35% with a decision on Sep 29
Thu Sep 3	US ADP, jobless claims, trade balance, ISM services	Services prices paid after manufacturing's 71.1
Fri Sep 4	US non-farm payrolls and unemployment	The last labour print before the FOMC; Deribit weekly expiry 29,136 BTC
Mon Sep 7	US Labor Day; bitcoin difficulty retarget estimated	US cash markets closed; retarget about +1.3%
Thu Sep 10	ECB decision	Deposit rate 2.25%; energy vs core
Tue Sep 15	Senate procedural vote, CLARITY Act	60 votes needed, 53 Republican seats
Wed Sep 16	FOMC decision	67.9% priced for 3.75-4.00%
Thu-Fri Sep 17-18	Bank of Japan meeting	Rate around 1.0%; yen at 160; JGB 10Y at 3%
Wed Sep 23	BitMEX ceases operations	Reduce-only since Aug 26
Fri Sep 25	Deribit quarterly expiry	168,329 BTC open interest, max pain 70,000

DATA

International Markets

APAC	TUESDAY CLOSE	CHG	POLICY RATE	FX VS USD	LATEST PRINT
China (Shanghai)	3,979.89	-0.16%	3.00% LPR	6.7225	NBS PMI 49.8; RatingDog 51.5, six-month high
Japan (Nikkei 225)	66,215.34	-0.15%	1.00%	160.16	JGB 10Y 2.996%, highest since 1996
South Korea (KOSPI)	6,835.80	+0.23%	3.00%	1,374.4	Aug exports +68.7%, chips +209%
Hong Kong (Hang Seng)	25,330	-0.93%	4.00% base	7.8408	Shein debut disappoints
Singapore (STI)	5,710.37	-0.78%	n/a	1.2732	Off the Aug record 5,774
Australia (ASX 200)	9,067	-0.10%	4.35%	0.7146	Jul CPI 3.5%; Q2 GDP Wed
India (Sensex)	76,944	-0.02%	5.25%	94.98	Q1 GDP 7.8%; PMI 52.8, five-year low

EMEA / AMERICAS	TUESDAY CLOSE	CHG	POLICY RATE	FX VS USD	LATEST PRINT
Germany (DAX)	25,970.11	-1.10%	2.25% ECB	1.1593	Flash HICP 2.9%; Bund 10Y 3.369%
United Kingdom (FTSE 100)	10,789.28	-0.32%	n/a	1.3515	Gilt 30Y 5.883%, +10.5bp
France (CAC 40)	8,302	-0.39%	2.25% ECB	1.1593	Flash HICP 2.7%; OAT 4.206%
Switzerland (SMI)	14,334.79	+0.34%	0.00%	0.8117	10Y 0.41%

Brazil (Bovespa)	179,722	+1.30%	14.00%	5.1529	Q2 GDP +0.5% q/q; tenth straight gain
Canada (S&P/TSX)	35,826	-1.23%	2.25%	1.3895	Q2 GDP 3.3% ann.; BoC decides Wed
Mexico (IPC)	64,514.25	-1.40%	n/a	16.99	10Y 9.334%
Saudi Arabia (TASI)	11,100.74	-0.24%	n/a	peg	Brent $95
UAE (ADX / DFM)	9,974 / 5,834	-0.33% / -0.03%	n/a	peg	Sept diesel +13%

TradingEconomics country pages with Investing.com as second vendor for Nikkei and KOSPI; central-bank sites for policy rates where reachable. A collector's figure of 64,779 (-2.31%) for the Nikkei, from TradingEconomics' aggregate page, was rejected against two vendors agreeing on 66,215.34, the same standard applied to the Russell 2000 above. A collector's 3.75% for the ECB deposit rate was rejected against the ECB's own table. The Bank of England and Banxico pages refused this desk's fetches, so those rates are marked n/a rather than carried from memory.

Brazil is the outlier and it is not an accident. The Bovespa's 1.30 percent gain was its tenth consecutive rise, per TradingEconomics, with Petrobras up 4.1 percent on record July production and the oil move, Banco do Brasil up 2.3, and Casas Bahia up 36.4 percent on the day and 125 percent over two sessions on a judicial reorganisation. The Selic is 14.00 percent after four consecutive cuts, per the central bank, and the real strengthened 0.64 percent to 5.15 on a day every other risk currency weakened. A 14 percent policy rate and an oil producer's equity market is the one place in this brief where Tuesday's two shocks, energy and rates, were both a tailwind.

London had the mirror image inside one index. BP rose 5.7 percent and Shell 2.6 on crude; Endeavour and Fresnillo fell more than 5 percent on gold and silver; Rolls-Royce lost 4, per TradingEconomics. The FTSE's 0.32 percent loss hides a 10 percent dispersion between its oils and its miners. Beneath the equity, the gilt market sold harder than any developed peer: 9.1 basis points at two years, 6.6 at ten, 10.5 at thirty. Toronto ran the same split, oils up 3.5 percent, gold miners down 3.6 to 4.4, and the index lost 1.23 percent because Canada's financials fell with it ahead of Wednesday's Bank of Canada decision, where consensus is a hold at 2.25 percent.

In the Gulf, Tadawul slipped 0.24 percent to 11,100.74 and Abu Dhabi 0.33 percent, while The National reported September diesel prices in the UAE rising 13 percent and, in a separate report dated August 30, Iraqi Kurdistan resuming up to 230,000 barrels a day of production after drone attacks. Gulf equity markets have not rewarded 95 dollar Brent this week, which is the local market pricing the strikes as a cost before it prices the barrel as revenue. Australia's ten-year rose 11.3 basis points, the largest developed-market move of the day, with the cash rate at 4.35 percent and a decision due September 29; among the local banks' published calls compiled by Canstar, NAB looks for a hike to 4.60 at that meeting, ANZ and CBA for November, and Westpac for no move this year, so Tuesday's move is the market siding with NAB. India was flat, Sensex down 0.02 percent, on a day its GDP beat by 80 basis points and its factory PMI hit a five-year low, with Maruti Suzuki down 4.7 percent on a 7 percent fall in exports and ITC up 4.2.

> *Every developed bond market sold on the same day, and each had a local reason to hand: a September hike for Tokyo, a 3.3 percent print for Frankfurt, a 3.5 percent July inflation rate for Sydney, a Wednesday decision for Ottawa, oil and the Fed for New York. Five local reasons pointed the same way at once, and that convergence in rates is the tell. Everything else diverged:*

Brazil rose for a tenth session against a falling world, London split ten points between its oils and its miners, and China's official factory gauge contracted while its private one hit a six-month high. The bond story converged. The equity and data stories did not, and the desk should not dress it up as more than that.

THE INTERNATIONAL TELL · SEPTEMBER 1

RISK

Geopolitics and Energy

Iran and the strait

The strike sequence is set out in story two. The additions here are the peripheral facts that carry price. The National reported on August 28 that QatarEnergy has extended its force majeure on LNG deliveries to Italy's Edison until November, six months after Iranian strikes on Ras Laffan halted production on March 2; that extension lands exactly at the start of the European heating draw, and Dutch gas rose 5.4 percent on Tuesday. Al Jazeera and the New York Times both reported a Venezuelan arrangement under which the United States Energy Secretary is to travel to announce rights to seventeen or more oil fields for a newly formed American company, following a February Treasury authorisation for petroleum exploration; the terms as reported run to a century. The IAEA's director general said on Tuesday there is an urgent need for inspector access to Iranian sites, per Al Jazeera. The Treasury Secretary's two lines on the day: that the United States will "economically asphyxiate" the Iranian government, per CBS, and that the strait becomes "a worthless piece of water" within two years as Saudi and Emirati pipelines route around it, per The Hill and Bloomberg. The bypass arithmetic argues against the second line. About 7 million barrels a day through the East-West pipeline plus a planned 1.8 million of extra Fujairah capacity is a fraction of what moved through the strait before the war, and Qatar's LNG has no pipeline route at all. The market priced the claim at 95 dollars. What the desk does not have is a war-risk insurance premium series for the strait, which is how shippers themselves price it, and it lists that as a gap.

Russia, the G20 and the Shanghai grouping

At the G20 finance meeting in Asheville on Monday, the Treasury Secretary told Russia's finance minister there would be no economic relief and no new agreements while the war continues, per CNBC, over European objections to Russia's participation at all. He also urged the G20 to cut trade imbalances with an explicit focus on China, per Al Jazeera. On the same day Vladimir Putin and Xi Jinping reaffirmed their partnership at the Shanghai Cooperation Organisation summit in Bishkek, per Al Jazeera. Russia's ten-year yields 16.01 percent, up 3 basis points, per TradingEconomics. Peace talks remain where RFE/RL left them: three rounds concluded, a 28-point plan on the table, Rosneft and Lukoil under sanction, no breakthrough.

Trade

Canada's prime minister said on Tuesday at the Davie shipyard in Quebec that the United States must "start being serious" to resolve the trade dispute, per Al Jazeera. The White

House's most recent trade actions remain the August 18 proclamation suspending additional duties on Canadian alcoholic beverages, dairy and motor vehicles, and the August 13 proclamation on unmanned aircraft imports, per whitehouse.gov; nothing new was posted in the window. On export controls, the operative rule is still the January 13 Commerce decision allowing case-by-case review of advanced AI chip exports to China with a 25 percent tariff and a volume cap, per Semiconductor Insights; no change in the window. Korea's 119 percent rise in exports to China and 89 percent to the United States, per its trade ministry, is what that regime looks like in a customs ledger.

RISK

Regulatory, Scandals and Crisis Events

This section covers August 28 to September 1; earlier items that collectors surfaced, including a June short-seller report and an August 26 settlement, are excluded as outside the window. Two exploits in twenty-four hours with the same root cause. On Monday an underflow bug in the Cosmos EVM was used to mint 720 million MANTRA tokens worth about 3.6 million dollars, with 94.7 percent of the stolen tokens reaching an exchange before the chain halted, per rekt.news. On Tuesday the same class of bug drained 2.985 billion TAC tokens, about 7.5 million dollars, from TAC's bonded-token pool; the network halted four hours after the attack began and the funds had already bridged out, per rekt.news. Two chains, one framework, one day apart: this is a sector card rather than a single-token one, and every Cosmos EVM deployment should be assumed exposed until patched. Whether either set of stolen funds has touched a sanctioned mixer, which is what would turn a technical exploit into a Treasury matter, had not been reported by press time. For scale, TRM Labs puts the Coldcard hardware-wallet exploit of late July and early August at 116 million dollars across more than 5,200 addresses, from a firmware flaw dating to March 2021.

The Securities and Exchange Commission charged the former chief executive and former chief operating officer of Pacific Private Money Group on Tuesday with an offering fraud exceeding 80 million dollars that ran from December 2021 to November 2025 and used new investor money to pay earlier investors, affecting roughly 190 mostly retired investors, per SEC release 2026-82. The Commodity Futures Trading Commission's August 28 order against Gabriel Perez, a 172,000 dollar penalty for insider trading in prediction-market event contracts, release 9289-26, is the first such order in this desk's own log against the product Polymarket and Kalshi sell; the release does not name the venue, and the desk does not infer one. Its September 1 release 9291-26 resolved an action against a swaps trader for false statements, with little detail beyond the charge. The jurisdictional point connects to the bill below: the CLARITY Act's split of digital-asset oversight between the SEC and the CFTC is what decides which regulator polices event contracts from here. BitMEX has been reduce-only since August 26 and closes on September 23 after eleven years, per CoinDesk, a planned wind-down rather than a failure. No financial-sector data breach surfaced in the window, and no exchange halted withdrawals.

The incentive read on the CFTC case is the desk's own inference and is labelled as one. An event-contract venue is only worth 21 billion dollars if its prices are believed, and prices are only believed if the people with the answer cannot trade them. A 172,000 dollar penalty against one individual is a rounding error against the raise; whether it becomes precedent depends on the rulemaking that follows, and no rule has followed yet. On legislation, the Senate's September 15 procedural vote on the CLARITY Act needs 60 votes from a chamber with 53 Republicans, per CoinDesk, with disputes over illicit-finance provisions, agricultural jurisdiction and an ethics rule on officials' crypto profits still open. Nothing new on MiCA, the digital euro or GENIUS Act rulemaking in the window.

FLOWS

On-Chain and Whale Intelligence

Bitcoin's network is running hotter than its price. Hashrate was 927 exahashes per second on Tuesday, per mempool.space, against a three-day average of 909 on Monday, with difficulty at 125.8 trillion and the next retarget estimated for September 7 at plus 1.31 percent, reversing the minus 1.31 percent adjustment of August 24. Blocks arrived every 9.31 minutes on average, per blockchain.info, faster than target, which is what produces the upward retarget. Fees are at the floor: one satoshi per virtual byte at every priority tier, with 86,596 transactions waiting, per mempool.space. Transaction counts per blockchain.info: 734,873 on Monday and 879,309 on Tuesday, a 19.6 percent jump on the day the price went nowhere. Hashprice rose about 20 percent in late August to 38.29 dollars per petahash-day, per Bitcoin.com News, with the six-month forward curve near 30.67, about 20 percent under spot per ViaBTC; CoinShares' first-quarter report and Coinpedia's tally put miner sales at more than 32,000 bitcoin across the first half, with MARA at 23,093 and Riot 9,665.

Stablecoins, computed by this desk from DefiLlama's circulating series: total float 310.61 billion dollars, up 940 million on the day, 1.23 billion on the week and 4.15 billion on the month. Tether's USDT is 183.28 billion, down 147 million on the day and up 217 million on the week. Circle's USDC is 73.68 billion, down 243 million on the day and 183 million on the week but up 1.63 billion on the month. Ethena's USDe added 140 million on the day and 340 million on the month to 4.22 billion. USD1 added 166 million on the week to 4.21 billion. Paxos's USDG lost 120 million on the week to 3.21 billion and BlackRock's BUIDL added 111 million to 2.75 billion. DeFi total value locked was 167.22 billion, up 0.15 percent on the day and down 1.1 percent over three days, with Ethereum at 48.3 billion, Solana 5.70, Base 5.47, BNB Chain 5.40, Tron 5.31, Bitcoin 4.12, Hyperliquid 1.52 and Arbitrum 1.39, per DefiLlama. A float growing a billion dollars a day while prices fall 1 to 3 percent is dry powder or it is collateral being posted; the desk cannot tell which from the supply series alone.

On wallets: BitInfoCharts shows one Binance cold-storage address adding 28,951 bitcoin over thirty days to 214,225, worth 16.6 billion dollars. That is exchange custody, not a whale, and the desk repeats Sunday's caveat that every address above 1,000 coins in these rankings is dominated by exchanges, custodians and the Robinhood, Bitfinex and Tether treasuries that fill the rest of the top five. Long-term-holder SOPR was last reported above 1.0 in mid-August, per CryptoQuant data cited by Newhedge, meaning coins older than 155 days are being sold at a profit, not capitulated. The desk has no fresh exchange-netflow series it trusts for Tuesday and prints none.

FLOWS

Sovereign and Institutional Flows

A correction first, because Sunday's issue as distributed to readers carried an error this desk owes them. That issue stated that Norges Bank holds roughly 11,549 bitcoin worth about 725 million dollars and attributed the figure to the fund's half-year report. It does not. This desk read the Norges Bank Investment Management half-year report directly after publication: its fund value of 22,683 billion kroner and 9.4 percent first-half return match what was printed, but the document contains no reference to bitcoin, cryptocurrency or digital assets anywhere. The number came from secondary coverage, and a sentence beginning "the half-year report shows" cannot rest on coverage of the report. Any bitcoin exposure the fund has is most plausibly passive look-through equity in bitcoin-adjacent companies, not a discretionary allocation, and it should never have been bundled with the discretionary sovereign purchases it was printed beside. The rule going forward: if the sentence names the document, the number comes from the document.

Scope first: of the seven sovereign funds this desk tracks, only Norges Bank Investment Management produced any news in the window, and none disclosed a portfolio flow. PIF, Temasek and ADIA refused the fetches outright; GIC, Mubadala and CIC carried nothing dated after August 21. What the primary sources do say this week: Norges Bank Investment Management announced on Tuesday that its chief governance and compliance officer, Carine Smith Ihenacho, will leave at year-end after nine years, per its own newsroom. The People's Bank of China added 20 tonnes of gold in July, its 21st consecutive monthly purchase, to 2,366 tonnes, and central banks in aggregate bought a net 289 tonnes in the second quarter, a record for that quarter; Poland added 18 tonnes in July and Singapore 4 tonnes, its first purchase since September 2025. Those are World Gold Council figures as reported by the press; the council's own data tables did not open for this desk on the day, and the desk marks the sourcing as secondary rather than dress it up. The Czech National Bank's one-million-dollar digital-asset pilot, bitcoin, a dollar stablecoin and a tokenised deposit, remains a pilot and is not part of reserves, per the bank's statements as reported.

Treasury International Capital data for June, released August 17 and reported by Bloomberg: foreign holdings of Treasuries 9.3 trillion dollars, down 72.1 billion on the month, the third decline in four months from February's record, with Japan and China both reducing. The Treasury's own TIC pages timed out for this desk, so the country-level detail is Bloomberg's, not the ledger's. The IMF's Article IV for Switzerland on August 25 projected 0.8 percent growth for 2026. PIF, Temasek and ADIA newsrooms refused the desk's fetches and no disclosure from any of them surfaced elsewhere in the window; GIC's and Mubadala's carried nothing dated after July.

> *The largest pools of capital on Earth moved in one direction: a record 289 tonnes of gold into official reserves over the second quarter, and 72 billion dollars of Treasuries out of foreign hands in the single month of June. Both figures are secondhand this week, and both point the same way the euro-area energy print and the fed funds curve point. Slow money does not react to a strike on Larak Island. It reacts to the fact that a strike on Larak Island still moves Brent five percent six months into a war.*

DATA

Prediction Markets

ENDPOINT	RESULT	NOTE
Polymarket Gamma API	HTTP 000	No response at 25 seconds; sixth consecutive desk session since August 26
Polymarket CLOB	HTTP 000	Same
Kalshi public API	HTTP 000	Same; events and markets endpoints
PredictIt	HTTP 200	186 US political markets, real money
Manifold	HTTP 200	Play-money forecasting, not a market
Metaculus	HTTP 401	Key required

The venues the desk cannot read raised a combined 43 billion dollars of valuation this year, per Bloomberg's Monday report on Polymarket's 21 billion and Kalshi's 22 billion in May. What the desk can read is secondhand and dated, and it is presented as such:

CONTRACT, AS QUOTED	VENUE AND SOURCE	RAW	CALIBRATED	EDGE	DATED
Fed raises rates in September 2026	Kalshi, per Kalshi's newsletter	52%	52.6%	+0.6pp	Post Jackson Hole
Fed rate hike in September	Polymarket, per KuCoin	53%	53.9%	+0.9pp	When futures were at 32%; stale
Fed raises rates in September 2026	Manifold, play money	48%	n/a	n/a	Live Tuesday
Fed cuts 25bp at September 16 FOMC	Manifold, play money	1.5%	n/a	n/a	Live Tuesday
Republican House seats, 192 or fewer	PredictIt	22c	n/a	n/a	Live Tuesday
2028 Republican nominee: Vance	PredictIt	45c	47.8%	+2.8pp	Live Tuesday
2028 Republican nominee: Rubio	PredictIt	20c	20.8%	+0.8pp	Live Tuesday
2028 Democratic nominee: Ocasio-Cortez / Ossoff / Newsom	PredictIt	17c / 17c / 15c	17.3% / 17.3% / 15.1%	+0.3 / +0.3 / +0.1	Live Tuesday

Calibration sharpens prices away from 50 percent using the desk's standard exponent of 1.31; applied only to real-money venues. Manifold is excluded as play money and PredictIt's political favourites are shown for what they are.

The one number that matters here is the gap. Fed funds futures closed at 67.9 percent for a September hike. The most recent prediction-venue quotes the desk can find sit at 52 to 53, and the desk cannot say whether that reflects a real disagreement or a stale screen, because the screens are dark. On Sunday this brief said the two venues that would price the crowd against the futures were unavailable for a fifth session; it is now six, and the venues spent the interval raising a billion dollars. The Israel-Iran and US-Iran ceasefire contracts this desk was tracking did not surface anywhere on Tuesday, and it will not substitute an adjacent question for them.

ANALYSIS

Sentiment, Positioning and Cross-Asset Linkages

INDICATOR	VALUE	SIGNAL	7D TREND	CONTEXT
Fear and Greed	69	Greed	62 to 74 range	Dipped to 62 on Monday's liquidation day (Alternative.me)
Binance BTC funding, last print	0.0038%	Floor of 30d range	From 0.010% ceiling	30d avg 0.0085%; predicted next 0.0082% (Binance)
Top-trader position ratio	2.10	Crowded long	8 sessions above 2.0	Account-weighted, not notional (Binance)
Global long-short accounts	0.99	Net short	Flipped from 1.19	Retail sold the dip; OKX ratio rose to 1.31
Spot ETF net flow	+$142M	Inflow	+$216.7M Mon; outflow Fri	IBIT took 95% of Monday (Farside via Bloomingbit)
Liquidations, 24h to Mon	$437M	68% longs	n/a	ETH $138M exceeded BTC $95.6M (CoinGlass via Phemex)
Binance BTC open interest	$8.48B	+2.7% d/d	Flat on week	Bybit +8.3% to $4.10B
Deribit put-call OI	0.564	Call-heavy	n/a	Sep 25 max pain 70,000
BTC implied vol (DVOL)	37.96	Near lows	From 43.18 Aug 23	ETH DVOL 51.67
Bitcoin dominance	59.1%	n/a	n/a	ETH 11.1% (CoinGecko)
Stablecoin float	$310.6B	Growing	+$1.23B	+$940M on the day; USDC -$243M (DefiLlama)
VIX / VVIX	16.34 / 91.25	Rising	From 14.43 / 86.63 Fri	VIX per TE delayed; VVIX per CBOE
OVX / GVZ	49.13 / 25.43	Rising	From 43.49 / 25.17 Fri	OVX 30-session mean 55.37 (CBOE)
SKEW	148.53	Elevated	30d high 151.66	Monday close (CBOE)
US 10Y / DXY	4.80% / 99.66	Rising	+8bp / +0.8%	Highest yield since January (Bloomberg)

Read together, the crypto positioning table describes a long book that was cut on Monday and rebuilt larger on Tuesday without paying for it. Top traders are two-to-one long for an eighth day; funding, the price of holding that position, fell to the bottom of its monthly range; 297 million dollars of longs were closed for them on Monday and open interest fell with them, then Tuesday added about 440 million dollars of fresh notional across Binance and Bybit on the same session the ETFs took in 142 million. The retail account ratio flipped short on Binance and long on OKX in the same session, two customer bases on opposite sides of the reload. Fear and Greed printed 69 on Tuesday, the same reading as last Sunday, with the price 1.7 percent lower than a week ago: the mood is where it was and the tape is not. The stablecoin composition leans the same way as the derivatives: the fiat-redeemable coins shrank on the day, USDT by 147 million and USDC by 243 million, while Ethena's derivatives-collateralised USDe grew 140 million, which reads more like collateral being posted than cash arriving. None of this is a top signal and none of it is a bottom signal. It is a book that reloaded into payrolls at the cheapest carry of the month.

> *Desk Note, on being right for one day. Sunday's issue argued that compressed volatility into a heavy macro week was a position rather than an observation. Tuesday moved every gauge the way that argument implied, and the temptation is to read the session as vindication. It is one session. Emerging-market volatility fell to a thirty-session low and bitcoin volatility barely moved, which the argument did not predict and cannot explain. The desk logs the confirmation-bias risk here, in the open, rather than in the framing of the stories above.*
>
> DESK NOTE · COGNITIVE BIAS SCAN

Cross-asset linkages

SOVEREIGN 5Y CDS	BP	DAY	DATED	CURVE	2Y	10Y	30Y	2S10S
United States	33.28	0.0	Aug 28	United States	4.40	4.80	5.28	+40
Italy	30.87	0.0	Aug 31	Germany	2.98	3.37	3.83	+39
France	32.74	0.0	Aug 31	Japan	1.81	3.00	4.19	+120
Japan	25.63	+0.01	Aug 31	United Kingdom	4.50	5.21	5.88	+71
China	34.59	-0.49	Aug 31	France	n/a	4.21	n/a	n/a
Mexico	79.05	+0.99	Sep 1	Italy	n/a	4.21	n/a	n/a
Brazil	121.42	+0.34	Sep 1	Australia	n/a	5.19	n/a	n/a
Turkey	217.50	+0.14	Aug 31	Brazil	n/a	14.63	n/a	n/a

CDS from Investing.com's world aggregate, with the last-updated date shown because the rows are up to three days stale: the United States row is dated August 28, before the tanker attacks and both strike rounds. Curves from TradingEconomics. Two-tens in basis points; no developed curve is inverted.

The sovereign CDS table is the one route this desk recovered this week, and as far as it goes it says the stress has not reached sovereign credit. United States protection at 33 basis points, Italy at 31, France at 33 and Japan at 26 are all unchanged or a hundredth wider; only Mexico, up a basis point to 79, and Brazil at 121 moved with the tape. Turkey at 217.5 is where it was. The caveat is the dates: the American print predates everything in this brief's lede, and if it catches up on Wednesday the quiet may not survive the update, so US five-year protection joins the watch list. Set the table beside a day on which the ten-year gilt rose 6.6 basis points and the JGB reached 3 percent, and the documented shape is a repricing of the level of rates without a repricing of sovereign default. What the desk cannot document is corporate credit. Bloomberg's read is that the stock of corporate debt trading at unusually wide spreads for its rating has doubled since the start of 2026, a trillion-dollar dislocation inside index-level calm; the desk could not obtain investment-grade or high-yield option-adjusted spreads or the EMBI from any working route, nor any FX implied-volatility series, and states those three gaps plainly rather than implying the surfaces are quiet.

CBOE VOLATILITY COMPLEX	SEP 1	AUG 31	AUG 28	30-SESSION HIGH	30-SESSION MEAN
VIX9D	14.33	12.34	n/a	n/a	n/a
VIX (TE delayed)	16.34	14.92	14.43	20.88	16.08
VIX3M	18.33	17.53	n/a	n/a	n/a
VIX6M	20.56	20.17	n/a	n/a	n/a

VXN (Nasdaq)	21.96	20.18	19.92	30.84	23.61
RVX (Russell)	20.65	18.80	18.18	23.95	19.66
VVIX	91.25	86.29	86.63	109.47	92.16
OVX (crude)	49.13	44.91	43.49	68.97	55.37
GVZ (gold)	25.43	24.40	25.17	28.28	25.65
VXEEM (EM equity)	23.76	24.34	23.88	45.72	32.96
VXTLT (long bond)	12.39	11.89	11.45	13.70	12.06
SKEW	n/a	148.53	149.77	151.66	141.48

CBOE first-party series. Every row that rose on Tuesday is still below its 30-session mean except VIX, RVX and VXTLT; every row is well below its 30-session high. The July regime was louder than this.

> *The disagreement this desk can document is between government bond yields and sovereign default protection: curves sold everywhere on Tuesday and developed-market CDS did not move a basis point, on prints up to three days old. The disagreement that matters more is the one it cannot document: corporate spreads, where Bloomberg reports a doubling of debt trading wide for its rating and where this desk has no series of its own. So the honest statement is one-sided. Rates repriced; sovereign credit did not, as of its last print; corporate credit is unobserved. And the desk withdraws a line it was tempted to write about gold: gold volatility rose 4.2 percent, the smallest move in the complex and still under its own 30-session mean, which is what a 2.4 percent price move does to implied volatility mechanically. It is not evidence that gold has changed what it is.*
>
> LINKAGE · RATES AGAINST CREDIT

RESOLUTION

The Bottom Line

1. Every equity and energy fear gauge rose on Tuesday, led by the front of the curve, and the desk's Sunday note that compressed volatility was a position got the direction right. It got it right because two shocks landed in the window, which is weak evidence for the mechanism, and crypto and emerging-market volatility did not move at all. The desk takes the mark and declines the credit.

2. Euro-area inflation at 3.3 percent is an energy number with a falling core, and the ECB meets in nine days with a two-year Bund that rose more than the ten-year. Whether that front-end move is a verdict on Frankfurt or spillover from a Fed repricing that hit every G10 curve the same day is the open question, and the answer decides whether September 10 is a policy error in the making.

3. A September Fed hike is 67.9 percent priced, from 37.3 a week ago, and the December curve now leans to two hikes. At the ten-year point Tuesday's move was inflation compensation with the real yield flat, and gold fell 2.4 percent despite that, which puts the dollar and the front end, where the desk has no real-yield print, in charge of the metal.

4. The desk's Brent short is dead, killed at Monday's close above 91 and buried at Tuesday's 95.23. Its gold card has taken the first of two kill closes. Its bitcoin card never reached its

entry and its dollar-yen watch printed the first close above 160. One of four views is gone, one is a session from gone, and the two that survive survive because nothing tested them.

5. Korea's 68.7 percent export growth and 209 percent chip growth is the one bid in the world that did not care about Tuesday, and the KOSPI was the only major Asian index to rise. Concentration cuts both ways.

6. Crowd positioning in bitcoin is two-to-one long for an eighth day on Binance's top-trader series. Monday cut 297 million dollars of longs, per CoinGlass, and open interest with them on Binance and Bybit; Tuesday rebuilt the book larger, at the cheapest funding of the month, on the same session the ETFs took in 142 million. A crowd that reloads into a catalyst without paying for it has not been tested. It has been reset for the test.

7. The hurdle rose again. Cash pays 3.50 to 3.75 percent and the curve now prices 4.00 to 4.25 by December. Nothing in this brief at two-of-five conviction clears that for new capital, and the desk adds no new view into a live strike cycle and a payrolls print three sessions away. Counted honestly, what survives is one bet: the American rate path and the dollar, expressed through bitcoin, through a gold card one close from closed, and through a yen monitor that is the trigger for both. The Korean chip trade is the only theme on the page that is not on that axis, and the desk declines to card it at a 209 percent growth rate with no entry it can defend. Two gaps deserve a line. United States cash markets are closed on Monday for Labor Day inside a live strike cycle, so crypto and currencies will carry any weekend escalation alone for a session before rates and equities can respond. And below the bitcoin card's kill the desk has no current sourced level, because the only liquidation map its collectors found is an April snapshot.

What this desk got wrong

Four things, stated plainly. First, the Norges Bank bitcoin holding in Sunday's distributed copy was attributed to a document that does not contain it; the full correction is in the Sovereign Flows section above. Second, Sunday's read that bitcoin funding at 0.010 percent was "closer to becoming expensive" was wrong in direction within two sessions: funding fell to 0.0038 percent, the bottom of its range, and the long book got cheaper to hold rather than dearer. Third, the Brent short bias was built with a kill at 91 and a thesis that crude volatility falling into a live war was a fade; the war reasserted itself in the first session it could and the view lasted one trading day. The desk will not re-enter a Brent short on a bounce while Central Command is issuing strike statements. Fourth, the bitcoin card's second kill was built to catch a yen carry unwind, and the tape delivered the opposite combination, rising JGB yields with a weaker yen; the kill still stands as written because an intervention at 160 could still produce the snapback it was built for, but it does not cover a disorderly JGB selloff, and the desk has no tested level for that. It lists that exposure as unhedged rather than dress it up as a kill.

> **WATCH · BITCOIN · CONVICTION ●●○○○**
>
> Status ACTIVE · long bias only on a pullback into $74,500 to $76,500 · target $85,000 · kill: daily close below $73,000 · second kill: USD/JPY reversing below 155 within a week on rising JGB yields
>
> Spot at 77,473 has wicked into the top of the zone, Binance's 24-hour low was 76,368, but no daily close has printed inside it, so there is no position and no entry to defend; this is an analytical lean and has never been a live position. The zone is inherited from before a 21.6 percent month that never tested it,

and the desk states what would move it rather than call inertia discipline: a sourced liquidation or put cluster elsewhere. The one cluster the desk can source, the 75,000 put wall with 4,552 bitcoin of September open interest, sits inside the zone, which is why it stays. Two things Tuesday added. First, how the zone gets reached matters more than whether: a pullback driven by a forced flush of the reloaded long book is a different entry from an orderly retracement, and a second Monday-style deleveraging before Friday without a rebuild is the test of whether the zone is offered at all; the desk acts on the second kind and not the first. Second, the reward-to-risk is nominal: about 3.8 to one from the zone's midpoint to 85,000 against a 73,000 kill, but that kill sits about two percent under the zone's floor in an asset that moved 1.35 percent in the session just closed, so the stop trades tighter than the asset's own noise and any sizing has to reflect that. Long-term holders were last reported selling at a modest profit rather than capitulating, which is support underneath the zone rather than a reason to front-run it. The second kill did not trigger. It was built for a carry unwind and the tape is delivering fiscal dominance; it stays because an intervention at 160 could still produce the snapback it exists to catch, and the disorderly-JGB scenario it does not cover is logged in "what this desk got wrong" as an unhedged exposure. A laden-tanker loss or a confirmed mine strike in the strait suspends the entry regardless of level.

Kills the view: a daily close below 73,000, or dollar-yen below 155 inside a week on rising JGB yields. Research and commentary; an analytical lean, never a recommendation.

WATCH · GOLD · CONVICTION ●○○○○

Status FIRST KILL CLOSE HIT · Tuesday close $4,334.92 against a kill of two closes below $4,420 · nominal target $5,000 retained only until Wednesday's close

The view survives if and only if Wednesday closes above 4,420. The desk gives that little weight: gold fell 2.4 percent on a day of United States strikes on Iran, with the ten-year real yield flat, which means the hike path and the dollar priced the metal on Tuesday and the war did not. Central banks bought a record 289 tonnes in the second quarter and the People's Bank of China is on a 21-month streak, and none of it showed up in Tuesday's price. If Wednesday closes below 4,420 the card is closed with no replacement and no extension of the kill.

Kills the view: a second close below $4,420. Research and commentary; an analytical lean, never a recommendation.

SHORT BIAS · BRENT · KILLED BY EVENT

Kill was a price close above $91 · Monday 91.07 · Tuesday 95.23 · view closed, no replacement

The thesis was that crude volatility falling into a six-month war was a fade and that a bounce into 90 to 91 would fail. Monday closed through the kill and Tuesday added four dollars and a 9.4 percent rise in OVX. This was an analytical lean and never a live position, which is true of every card on this page; the view is closed, no capital was at risk, and the record shows a wrong call rather than a loss. The desk takes no new directional view on crude while a strike cycle is live. The only condition under which a short bias returns is a close back below 91 with OVX under 45 and no new Central Command statement for three sessions, and the desk does not expect to see that this week.

MONITOR · USD/JPY · NO BIAS

Status ACTIVE · first close above 160 at 160.164 · this is the trigger mechanism for the bitcoin card's second kill and the gold card's macro driver, and is listed as a monitor rather than a graded view for that reason

The yen has retraced more than half of its post-intervention gains from late July, per TradingEconomics' market note, and the ten-year JGB is at 3 percent for the first time since 1996 on the same vendor's read. The desk's analytical read of the tape is fiscal dominance: rising domestic yields across a near-parallel curve shift with a weakening currency. That is a description of mechanism and not a directional bias, for two reasons. An intervention at 160 cuts the other way inside a day, and the standard sequence is verbal warnings from the finance ministry before action, none of which the desk has logged this week, so the monitor is graduated: a verbal warning is the first rung, a rate check the second, an intervention the third. And part of Tuesday's dollar strength, 0.23 percent on the index, is plausibly safe-haven demand tied to the strikes rather than the yen's own weakness, so a ceasefire or an IAEA access agreement could unwind some of the move with no help from Tokyo. A confirmed intervention would create a tactical short bias measured in days; a September hike priced above even money would create a structural one. Neither exists yet, and the desk will not manufacture one at a round number.

What changes the monitor: a Ministry of Finance statement, a JGB ten-year print above 3.00, or a Bank of Japan hike priced above even money. Research and commentary; an analytical lean, never a recommendation.

Review Panel

Fourteen reviewers read the draft. 141 approvals, 35 flags, 6 rejections across thirteen sections. A denotes approve, F denotes flag, R denotes reject. The Press Digest vote is folded into the Lede column, the Regulatory vote into Geo, and On-Chain and Sovereign into Flows, taking the weaker vote in each case.

REVIEWER	LEDE	STORIES	CRYPTO	TRADFI	INTL	GEO	FLOWS	PRED	SENT	BL
Macro strategist	F	F	A	A	A	A	A	A	A	A
Crypto native	A	A	F	A	A	A	A	A	A	A
Risk manager	A	F	A	A	A	F	A	A	A	A
Devil's advocate	R	F	A	A	R	A	A	A	R	F
Geopolitical analyst	F	F	A	A	A	F	A	A	A	A
Regulatory expert	A	A	A	A	A	F	A	F	A	A
Institutional flow	A	R	A	A	A	A	A	A	R	F
Technical analyst	A	F	R	A	A	A	A	A	A	F
Sentiment analyst	F	A	F	A	A	A	A	A	F	A
Portfolio strategist	A	A	A	A	A	A	F	A	A	F
Economist	A	F	A	F	F	A	F	A	A	F
Bias auditor	F	F	A	F	F	A	A	A	A	F
International desk	A	A	A	A	F	A	A	A	A	A
Sovereign and cross-asset	A	A	A	A	A	A	F	A	F	A

Changes made after review. The lede's headline and story one no longer claim vindication: the reviewers who rejected the framing were right that two exogenous shocks landing in the window is weak evidence for the compression thesis, and a mean-reversion null and the possibility that crypto and emerging-market volatility are lagging rather than exempt were added. Story nine's central sentence was wrong and is corrected: open interest fell with Monday's liquidations and was rebuilt larger on Tuesday, which changes the read from an untested book to a reloaded one, and the same correction runs through the Sentiment section and the Bottom Line. The international tell was rewritten to separate the convergence in bonds from the divergence in equities and data. The rates-against-credit pullquote now states its one-sidedness, discloses that the American CDS print predates the strikes, and withdraws an over-read of gold volatility. The gold-and-real-yields reasoning was narrowed to the ten-year point, with the missing front-end real-rate print named. The Economist's Corner carries the Fed-spillover alternative and the ECB's 2008 and 2011 precedent. The ten-year yield change is quoted as a range across two vendor pages, and Bloomberg's 4.78 percent is marked intraday.

In the crypto section the market-capitalisation and volume discrepancy against an earlier collector snapshot is disclosed, and the max-pain inference was replaced with the barbell shape of the options book and the DVOL evidence. The bitcoin card now records that price wicked into the zone, cites the 75,000 put wall inside it as the evidence for keeping it, states the nominal reward-to-risk and that the kill trades tighter than the asset's own noise, distinguishes a forced flush from an orderly pullback, adds a geopolitical override, drops the promise to rewrite the second kill and instead logs the disorderly-JGB scenario as unhedged. Every card states that it is an analytical lean and was never a live position. The yen card is relabelled a monitor, with graduated intervention rungs and the safe-haven confound. The Bottom Line restates the surviving book as one bet, adds the

Labor Day gap risk and the absence of any sourced level below the kill, says why Korea is not carded, and adds a fourth item to what the desk got wrong. The regulatory section states its window, notes the CFTC order names no venue, labels the precedent claim as inference and links it to the CLARITY Act's jurisdictional split. The press digest corrects the New York Times lead and separates the two Gulf outlets. The Nikkei and ECB collector rejections are disclosed alongside the Russell one. The sovereign section opens with a scope caveat and its pullquote no longer lets a quarterly figure read as monthly. What did not change: the kill levels, the entry zone, and the four-card structure, each for the reasons now stated in the cards.