THE BACKROOM BRIEF

MARKETS · MACRO · CRYPTO

Monday, September 7, 2026 | GREED, TWO TRIGGERS | Crypto 24h volume $74.7B

BTC $79,376 -0.6% · ETH $2,498.74 +0.2% · SOL $105.06 -1.2% · SPX 7,718.60 -0.38% · NIKKEI 66,399.84 +2.12% · GOLD $4,447.20 Dec · BRENT $97.37 +1.1% · DXY 98.92 · US10Y 4.78% · USDJPY 154.49 · VIX 14.53 · F&G 71 GREED

Crypto, FX, European yields and Brent are live Monday European-afternoon quotes; US equities, Treasury yields and the vol complex are Friday closes, with US cash markets shut Monday for Labor Day. Calibration per Polymarket research, 2026-04-16.

THE LEDE

They Hit the Refinery Hours After the Tape Went Quiet

Saudi Arabia's 400,000 barrel per day Jizan refinery was hit in fresh strikes late Monday morning, first reported by the Financial Times and attributed by OilPrice to an escalating Houthi campaign, with Aramco still assessing the damage per investingLive. It reads as the exact event this desk named yesterday as the trigger that flips its oil read, not Kharg, not another tanker, but ordnance on Gulf-state producing infrastructure, pending the damage assessment that decides whether it earns the name. It landed on a half-staffed market. Brent had already traded to 97.94 in the European morning, within a dime of the desk's 98 tripwire, before settling back near 97.37, up 1.1 percent (Investing.com; Yahoo's series shows the same 96.0 to 97.9 range), while the OVX close that forms the tripwire's second leg does not exist today because Chicago is shut. And oil was only the second-fastest market of the day: dollar-yen broke the desk's 155 line overnight, touching 154.06, a seven-month yen high, after an economic adviser to the prime minister, a reflationist by reputation, projected a Bank of Japan hike this month and quarterly hikes after that (Reuters). Two of the desk's six cards tripped inside one Monday that the US spent at the beach. Tuesday's full-liquidity close now grades both.

CROSS-REFERENCE

Press Digest

OUTLET	REGION	LEAD THIS MONDAY	KEY NUMBER
Financial Times	Tier-1	Saudi Aramco oil facilities hit in new strikes; weekend essay: "The gloves are starting to come off in markets"	400K bpd
WSJ	Tier-1	Brent tops $97 as US-Iran exchange attacks; two tankers attacked on midnight run through Hormuz	$97
Reuters	Tier-1	Morning Bid: diesel the real spoiler for US inflation doves; yen hits seven-month high	n/a
Bloomberg	Tier-1	Germany just added a fresh worry for investors; European bonds suffer most as investors fret energy, elections	n/a
Guardian	UK	Chancellor to argue UK economy can "turn corner" despite bond market turmoil	n/a
Nikkei Asia	APAC	Yen makes sudden jump to 154 range, two yen inside an hour, highest in six months	154
Korea Times	APAC	Foreign, institutional buying of chip stocks lifts KOSPI near 7,000	+4.61%
Caixin	China	Why insurers are getting a share of China's $45 billion bank-and-insurer capital boost	$45B
SCMP	China/ HK	Wall Street's bullish chorus grows on gold despite US job growth and a hawkish Fed	n/a
Handelsblatt	Germany	DAX slips below 26,000; explainer: why oil is $97 and not the $200 everyone feared	26,000
The National	Gulf	Iraq boosts capacity to 3M bpd amid Hormuz attacks; Europe's LNG winter risk	3M bpd
Valor / BR press	LATAM	Ibovespa's week framed by US payrolls and Brazil's tightening election, not the war	n/a

The divergence is regional and stark. The Western tier-1s lead with the war and its cross-asset bill: Brent at $97, European bonds selling, the FT telling readers the gloves are off. The APAC press barely mentions Iran: Tokyo leads with the yen, Seoul with chips at 7,000, Beijing with a $45 billion recapitalization, and the war appears only through safe-haven flows. The Gulf press covers its own neighborhood as a supply-side opportunity, Iraq adding capacity and OPEC+ holding output steady (The National), which reads differently the afternoon a Saudi refinery is hit. Brazil is running a domestic election story. When one region treats a shooting war as background noise and another treats it as the only story, one of them is mispricing attention; whether Monday's KOSPI rally is the proof or the exhibit depends on whether the war ever reaches Asian earnings.

STORY ONE

The War Found the Refinery

Jizan sits on Saudi Arabia's southwest coast, in drone range of Yemen, and it has been hit before; what is new is the timing and the tape it landed on. The Financial Times reported fresh strikes on Aramco facilities late Monday morning, OilPrice named the 400,000 bpd Jizan refinery and framed it inside an escalating Houthi campaign, and investingLive carried Aramco's line that damage is still being assessed. No output loss is confirmed as of this writing, and the desk says so plainly.

The tape around it was already stretched. Brent's November contract ran to 97.94 in the European morning before easing to 97.37, up 1.1 percent on the day against Friday's 96.28 settle (Investing.com), and the wires stacked escalation prints all morning: India's crude import basket topped $100 (OilPrice), Goldman Sachs warned of $120 if shipping risk keeps rising (OilPrice), and Qatar began moving six LNG tankers toward the Gulf positioning for an export restart (OilPrice). War-risk insurance claims from this conflict have now passed $2 billion, the second-biggest marine payout event in over a decade (gCaptain).

The stake is the desk's own card. Yesterday's Brent watch carried two triggers: Brent through 98 with OVX through 50, or any strike on Saudi or Emirati oil infrastructure, no confirmation of Iranian origin required. The second one fired today. The read flips from war-premium-grind to supply-break risk, and the desk flips it knowing the vol leg is unmeasurable until Chicago reopens: OVX's last print is Friday's 44.96 (CBOE), from a market that had not yet seen either the tanker strikes or Jizan.

Watch: Aramco's damage assessment, first. A refinery hit that turns out to be cosmetic, with Brent back under Friday's 96.28 settle by Tuesday's close, would make today's flip premature, and the desk would print that sentence. A confirmed throughput loss, or Tuesday closing through 98 with OVX through 50, confirms it. Either way yesterday's falsifiable Desk Note gets graded on Tuesday's full-liquidity close, not on today's holiday tape.

STORY TWO

The Yen Went First, and Tokyo Cheered It

Dollar-yen broke 155 overnight and kept going, touching 154.06 and sitting at 154.49 by the European afternoon, down 1.1 percent from Friday's 156.25 close (Investing.com), the yen's strongest since February. Nikkei Asia clocked the move at two yen inside an hour. The proximate cause was political: an economic adviser to Prime Minister Takaichi, from the reflationist camp that spent years arguing against tightening, projected a Bank of Japan hike this month and quarterly increases thereafter (Reuters, Monday). When the doves' own house starts penciling in hikes, the market stops asking whether and starts asking how fast.

The build is what Tokyo's other markets did with it. The Nikkei rose 2.12 percent to 66,399.84 (Investing.com and Yahoo Finance agree; TradingEconomics matches), led by real estate, banks and textiles per TradingEconomics, with the chip complex doing the heavy lifting per Handelsblatt's Asia wrap. The desk's own table adjudicates the two vendors: Topix rose only 0.55 percent against the Nikkei's 2.12, so the rally was narrow and concentrated in heavily weighted names, the chip read carries the index points even where more sectors closed green, and a mechanical flow leg (rebalancing, retail) stays unmeasured today. A 2 percent equity rally through a 1 percent currency appreciation is not the usual Japan trade; exporters wear a strong yen badly. JGBs sold instead: the 10-year moved up to 2.934 and the 30-year to 4.005 (Investing.com), unwinding part of Friday's duration bid. The BoJ's own page still reads "around 1.0 percent" for the call-rate guideline, with the meeting set for the 17th and 18th (boj.or.jp).

The stake, as this desk wrote yesterday, is that dollar-yen is the book's connective tissue. Below 155 with the BoJ live, the carry-unwind card activates, and it now has. What makes this version of the trigger unusual is its character: the yen strengthened on policy conviction, not on risk-off, which means the unwind, if it comes, starts from a hike being priced rather than from panic. The desk's instinct says a conviction reprice grinds rather than gaps; the honest precedent cuts the other way, the last hike-driven yen unwind was fast and violent, so speed risk stays open in both directions.

Watch: whether 155 holds as resistance into the meeting, and whether a single counter-quote from the government side reverses a repricing built on one adviser's projection. The desk notes the fragility honestly: this is a seven-month FX high resting on one named source and a governor who already said hikes are live at every meeting (Nikkei Asia).

STORY THREE

One Meeting, Still Three Prices

Fed funds futures reopened Sunday evening, saw everything the weekend had done, and moved less than half a point: a September 16 hike prices at 58.1 percent Monday morning against 58.4 on Friday (Investing.com Fed monitor, futures at 96.303 against a 3.50 to 3.75 target range, so the bucket above is a hike). The venues that traded through the weekend sit somewhere else entirely: Polymarket has the hike at 49.5 percent and the hold at 50.5 on a combined $56 million of September volume, and Kalshi's ladder crosses at 50 to 51 on the 3.75 strike. The desk wrote yesterday that part of the spread was clock, futures having been closed since Friday. The clock excuse died Sunday evening. Part of the eight-point gap is structural, futures back a risk-neutral probability out of an average effective rate while the venues trade the binary directly, and that convention alone can hold a few points open; the remainder is genuine disagreement, the widest this desk has carried into a meeting this close.

Reuters' Morning Bid column adds the mechanism that could settle it: diesel. Distillate prices hit a US record last week (Al Jazeera), and diesel passes into freight, food and airfares faster than crude does. Friday's CPI print for August is the last big input before the meeting, and it now arrives with a war premium baked into the energy line. The desk repeats its standing frame: the hold case is one print wide, and so is the hike. What is no longer one print wide is 2026 as a whole: the no-cuts-this-year contract firmed to 92.75 percent (Polymarket, $8.1 million).

Watch: Thursday's PPI and the expected 30-year auction (a slot carried from last week's calendar, unconfirmed at the Treasury's page this session) in the same session as the ECB, then Friday's CPI. If the venues are right and futures are wrong, the repricing after CPI comes out of the dollar first; if futures are right, the long end has another test of its patience coming.

STORY FOUR

Month Twenty-Two, and Gold Fell Anyway

China released August reserves Monday: $3.4383 trillion of FX, up $19.5 billion and above the roughly $3.43 trillion consensus (SAFE via China Daily), and a 22nd consecutive month of gold buying, 650,000 troy ounces added to 76.73 million, the biggest monthly purchase since October 2023 (PBOC via China Daily, cross-checked against investingLive). The official bid is not just intact, it is accelerating: reserve gold value jumped to $350.08 billion from July's $306.35 billion (China Daily), a rise that is mostly bullion price appreciation on the existing 76-million-ounce pile, the month's 650,000 new ounces account for roughly $3 billion of it, and the reserve marks to an official fixing that can sit away from the futures strip quoted elsewhere in this issue.

Gold's response was to fall. December futures gave back 0.66 percent to 4,447.20 (Investing.com) on the day the record-streak print landed, extending Friday's payrolls-driven slide, while the dollar index slipped to 98.92, back below the 99 line. The dissonance has a culprit: real yields. FRED's 10-year TIPS series, dark to this desk for weeks and readable again this session, shows the real 10-year at 2.42 percent as of Thursday, up from 2.34 in late August. A rising real yield is gold's oldest enemy, and an 8 basis point rise since late August is, for now, worth more to the tape than the largest official-sector bid on record, a statement about direction, not magnitude. SCMP's Monday read, that Wall Street's gold bulls keep adding despite the hawkish Fed, describes conviction leaning into that same headwind.

For the desk's checklist this is a wash that reads like progress: the official-sector leg passes at month 22, the real-yield leg is finally measurable and reads against, and the dollar leg sits below 99 but under the panel's joint-crisis suspension now that the Brent card has fired in the same week. One of three, still, with better instrumentation, and the dollar leg's ambiguity owes as much to the yen's BoJ repricing as to the war itself. Scale keeps the verdict honest: 650,000 ounces is roughly $3 billion, real and still small against gold's daily turnover, which is why this leg alone can never outvote the real yield. What moves the checklist to 2 of 3: the real 10-year back under 2.30, or the dollar leg unsuspended below the 99 line once the war week passes. No position.

Watch: whether the checklist's legs can ever agree. A Tuesday where the Jizan damage is confirmed real, oil runs, and gold still cannot rally through a 2.4 real yield would say something durable about this cycle's gold, and the desk would rather learn it flat than long.

STORY FIVE

The Vote That Was Not There

This desk owes its readers a correction it will not bury: the France card in Friday's and Sunday's issues was built around "Tuesday's confidence vote," and there is no confidence vote. François Bayrou lost his confidence vote on September 8 of last year, 2025, by 364 votes to 194, the first Fifth Republic premier to lose a self-called confidence vote (assemblee-nationale.fr, Connexion France), and fell, one year ago to the day of the date this desk printed. France's prime minister today is Sébastien Lecornu, whose government returned from summer break a week ago (RFI) and survived its most recent no-confidence test in July over heatwave handling (Reuters). The "vote Tuesday" framing, and the strategist fork of 75, 80-plus and 105 basis points attached to it, was last September's news wearing this September's date. The spread and CDS levels the desk printed were real and current; the event they were hung on was not. The error survived two issues and one full review panel, which is the uncomfortable part, and it was caught because prediction-market contracts and dated searches refused to corroborate it.

The real France story is live enough without ghosts. Lecornu's 2027 budget is in its arbitrage phase and leaking: the government spent Monday denying that a tax on employee-savings schemes had been decided, "neither announcements nor trial balloons" per the minister's own walk-back (l'Opinion, Anadolu), while La Dépêche framed the government as squeezed between debt, censure risk and purchasing power. The OAT-Bund spread traded at 86 basis points Monday, computed from the 10-year OAT at 4.229 and Bund at 3.370 (Investing.com), essentially flat to Friday's 87, with France's 5-year CDS at 33.73 still above Italy's 31.40 (Investing.com world-CDS table, rows dated last Thursday-Friday). The old hierarchy remains inverted, no vote required.

Watch: the draft 2027 budget, due to parliament by the end of the month, and any censure motion that follows it. The desk's 90 basis point alarm line survives the correction; the calendar attached to it is now honest.

STORY SIX

Seoul Bought the Chips, Not the War

The KOSPI rose 4.61 percent Monday to 6,995.39, its highest close since late July, on foreign and institutional buying of the chip complex (Korea Times; level confirmed by TradingEconomics and Investing.com, and the arithmetic reproduces from Friday's 6,687.21). On the day a Saudi refinery was hit, Seoul put on its biggest rally in months and pointed it entirely at AI memory.

The flow story underneath is bigger than one session. Seoul Economic Daily's front page carries the structural version: Korea's four largest life insurers have more than doubled their equity holdings this year to 189.9 trillion won while shedding roughly 14 trillion won of government bonds, a regulator-encouraged shift toward "productive finance" that has helped push the 10-year KTB yield to 4.36 from 3.385 at year-end. The Bank of Korea, meanwhile, has hiked twice in a row to 3.0 percent on inflation pressure from the same export boom (TradingEconomics). Korea is running the closest thing to a live experiment in what an AI supercycle does to a domestic bond market, though not a clean one, three channels move together: the insurers sell duration to buy the boom, a regulator's productive-finance push shoves them along, and the boom's inflation makes the central bank raise the price of staying in bonds. The KTB's near-100-basis-point move carries two BoK hikes inside it before insurer selling explains the rest.

The stake for everyone else: Korea's insurer bid is the marginal buyer story US Treasury watchers keep looking for, inverted. Watch the 4.36 KTB yield and whether Tuesday's China trade data, the first hard read on the AI export tape beyond Korea, validates the chip bid or exposes it as crowded.

STORY SEVEN

Someone Drained the Sidechain and Called It a Favor

Liquid Network, the Blockstream-built Bitcoin sidechain that exchanges use for fast settlement, had roughly $320 million, about 4,000 BTC, withdrawn in an exploit that surfaced Sunday night and hit the wires Monday morning (Reuters, CoinDesk, Bitcoin Magazine, via Google News aggregation with matching headlines and timestamps). The attackers left a note calling themselves whitehats and signaled willingness to return the funds after a bug fix; the sidechain has been paused. It is the largest verified crypto security event in at least a month, and it landed on infrastructure, not on a memecoin.

The build: this window's other security tape is small by comparison, a repeat exploit at DeFi insurer Cozy Finance for roughly $160,000 to $170,000 via its oracle (BeInCrypto), and the rekt.news ledger's newest entries, Kiichain at $9.7 million and TAC at $7.5 million, all predate the weekend. The market's response to Liquid was a shrug measured in basis points: BTC traded within half a percent of Sunday all day. Either the whitehat framing is being taken at face value, or a $320 million hole in Bitcoin's settlement plumbing is being priced as someone else's problem.

The stake is confidence in the L2-and-sidechain layer that institutional bitcoin increasingly settles through. Watch whether the funds actually come back, whether any exchange discloses stuck settlement, and the instrument that would show real stress first, the L-BTC peg itself, a number this desk could not pull today and will chase. A returned-funds resolution inside a week makes this a footnote; anything else makes it the sector's story of the month. Cross-reference: the desk's separate eye on the IDScan breach, 153 million driver's license records capable of passing bank KYC now circulating, with FBI probe and class actions landing this week (Krebs, CSO Online, Infosecurity Magazine), a slower-burning threat to the same onboarding rails crypto exchanges depend on.

STORY EIGHT

The Ledger Still Runs Both Ways, and Thursday Prices It

The de-dollarization file gained no new entries this weekend, which is itself information after the week it had. Norway's fund proposal to cut $80 to $106 billion of Treasuries from its reference index, reported across outlets with that spread of figures, still awaits a finance-ministry response, and the reporting is consistent that dollar exposure would not change, this is duration and instrument, Treasuries into agency MBS, not a dollar exit. The Dutch central bank's 86 tonnes of gold moved from New York to London remains last week's confirmed fact with no follow-through since. On the other side of the ledger, Reuters' Friday exclusive that Chinese banks are buying Treasuries with the dollar deposits they have been courting, read by Firstpost as backdoor intervention to slow the yuan, remains unsized: no accessible source puts a number on it, so this desk will not either.

The institutional backdrop hardened at the G20's Asheville meeting: nineteen members backed action on "cheap exports" distorting trade, China dissented alone, and Treasury Secretary Bessent held up the tariff playbook as a model (AP, Reuters). The long end has watched all of it with the same composure: the 30-year closed Friday at 5.24 percent, a basis point below where the week's record-payrolls Friday left it (Treasury.gov official curve).

Watch: Thursday's 30-year auction, in the same session as the ECB decision and US PPI, is where the approval has to show up at size and on the record. One flag the desk carries honestly: the Treasury's own auction page would not render a schedule this session, so the 30-year's Thursday slot is this desk's expectation from last week's calendar, not a confirmed listing.

STORY NINE

Iran Is Turning the Blockade Into a Franchise

The weekend's tanker exchanges continued into Monday, but the structural news is stranger than the shooting. Iran announced a new restricted zone near Hormuz as tanker traffic fell to a four-month low (Northeast Times via Google News), and OilPrice reports Tehran preparing a shipping agreement with Oman under which Iran would control a new Hormuz transit corridor, a single-outlet report with no Omani confirmation yet, carried here as a watch item rather than a fact. Iran vowed "more painful" retaliation for the tanker strikes and said US energy companies' facilities are "exposed" (CBS News, Reuters). Meanwhile the strait's arithmetic stays brutal: six commercial transits against a pre-crisis 85 on straits.live's all-commercial series (its latest posted reading, dated late August), with 302 vessels holding position away from berths, and gCaptain's narrower commodity-ship count at a 10-a-day average, the lowest since May. Two vendors, two definitions, one message.

The Gulf states answered with words: a UAE presidential adviser said the Emirates' energy exports "will not be held hostage in Hormuz" (Iran International), defiance that reads differently after Jizan. The economics matter more than the ordnance here. A blockade that simply closes a strait is a cost Iran pays in export revenue; a corridor Iran controls, tolls, and licenses through an Omani agreement would convert the same chokepoint into income, if the reported arrangement is real, which one outlet and no government yet confirms. Rents make sieges durable; that is the hypothesis, not yet the record. The market that prices the strait reopening keeps saying exactly this: Hormuz-normal-by-December trades at 24.5 percent (Polymarket, $10.5 million), Kalshi's ladder does not reach a coin flip until the middle of next year, and straits.live's own reopening model sits within a point of both, the rare case of a model and two markets agreeing.

The hope trade rolled rather than died: yesterday's effective-ceasefire-by-today contract expired to no and its September 30 twin trades at 77.5 percent on thin volume, while ceasefire-continues-through-September, a different question about the Israel leg, firmed 5 points to 87.5 and the Israel-closes-airspace contract jumped 7 points to 77.5 (all Polymarket). The board is paying more for both de-escalation and escalation than it did Friday, which is what uncertainty looks like when it rises. Watch: any strike on the corridor states themselves, Oman now included, and the US-invades-Iran-before-2027 contract at 14.5 percent on $65 million of volume, the war's deepest book.

STORY TEN

The Book That Paid for Both Directions Stayed Flat

Crypto's positioning reset completed its round trip. Binance BTC open interest, which spiked to 112,718 contracts on payrolls Friday, printed 105,544 at Monday's UTC turn, below where it started the month (Binance daily series). The whale that hung over ether finished the job: total deposits from the ShapeShift-era wallet reached 167,855 ETH, roughly $408 million, per Lookonchain's tracking, and ether absorbed all of it, trading at $2,498.74 Monday afternoon, up on the day and dead center of the desk's 2,450 to 2,530 bands (CoinGecko). Funding never went negative through any of it (Binance last settle mildly positive on all three majors), size stayed long above 2 to 1 (top-trader ratio 2.02), and the crowd sat at 1.06.

The flow week was a spike wearing a streak's clothes: $986.7 million into the bitcoin ETFs in the Friday-ended week, three quarters of it Thursday's $730.8 million, the biggest day since January, before Friday faded 76 percent to $174.6 million with only IBIT and Fidelity's fund positive, and the ether funds took $215.3 million (aggregator trackers; Farside remains unreachable, so per-fund detail is secondary-sourced). The weekend's only violence was a squeeze: Zcash ran 15 percent to $1,170 and led $212 million of market-wide liquidations, $45 million of it in ZEC shorts (Bitget, Pluang), and ZEC sits near $1,184 Monday holding almost all of it, ranked ninth on CoinGecko's trending list.

The options board still prices September as an event and refuses to pick a side: the Sep 25 monthly holds 181,333 contracts, 42.9 percent of the whole board, with computed max pain near $72,000, while the Sep 18 expiry pins near $79,000, right at spot, with the put wall at 72 to 75 and the call wall at 80 to 85 (Deribit full-board pull). DVOL ground up again to 38.5 from 37.6 a week ago. A seventh straight verified day of Greed on the sentiment index (alternative.me; an eighth counting the prior issue's series), through a war weekend and a $320 million exploit, remains the least comfortable calm on the desk's board, though part of the stillness is mechanical: the index anchors to a bitcoin price that round-tripped the weekend. Watch: the Sep 16 to 18 stack, FOMC, ARB's 92.6 million unlock, BoE, BoJ and the expiry, into a book that has flushed its leverage but not its complacency.

Crypto

Bitcoin spent Labor Day doing nothing loudly: $79,376 at the European afternoon snapshot, down 0.57 percent over 24 hours, having briefly poked above $80,000 in the Asian morning before fading (CoinGecko; TradingKey noted the short-squeeze pop). The 24-hour-ago implied price backs out to $79,830, matching Sunday's print, so the weekend round-tripped. Ether outperformed quietly at $2,498.74, up 0.22 percent; SOL gave back 1.17 percent to $105.06 after a 3 percent weekend grind higher.

ASSET	PRICE	24H	24H VOLUME	MKT CAP
BTC	$79,376	-0.57%	$23.05B	$1.594T
ETH	$2,498.74	+0.22%	$11.53B	$304.9B
SOL	$105.06	-1.17%	$3.44B	$61.6B
LINK	$13.17	+7.08%	$889.5M	$9.85B
AVAX	$8.07	+5.39%	$336.9M	$3.49B
SUI	$0.8252	+3.64%	$711.2M	$3.38B
ADA	$0.2224	+1.61%	$446.2M	$8.33B
PEPE	$0.00000366	+1.55%	$204.4M	$1.54B
DOGE	$0.0907	+1.36%	$821.5M	$14.14B
BONK	$0.00000319	-5.55%	$106.0M	$281.2M

Structure: total market cap $2.689 trillion, down 3.05 percent over 24 hours on CoinGecko's global read, a steeper drop than BTC's own move, meaning the mid-caps did the bleeding while LINK and AVAX rallied, breadth narrowing to winners. Total 24-hour volume $74.7 billion, up 10.9 percent. BTC dominance 59.06 percent (CoinGecko same-snapshot field), still rejected from the 60 line. ETH dominance 11.30 percent. Trending search is a privacy-and-micro-cap list: FIRO, Canopy, PONS, and Zcash at rank nine, the only large cap on it, which matches the weekend's squeeze tape.

ETF flows

Friday took in $174.6 million net across the bitcoin funds, the third straight positive day but a 76 percent fade from Thursday's $730.8 million, the biggest day since mid-January; only IBIT at $117.4 million and FBTC at $57.2 million were positive, ten funds flat (aggregator trackers via search; Farside remains 403 to this desk, so treat per-fund splits as secondary-sourced). The Friday-ended week netted $986.7 million for the bitcoin funds, and September-to-date stands near $770 million. The ether funds added $215.3

million on the week, in line with the $218 million this desk carried Friday, inside a three-week stretch coverage puts near $3.8 billion combined. No Monday print exists: the ETF market was closed with the rest of New York.

Derivatives

Funding is mild and positive everywhere on Binance: the last settles annualize to 4.3 percent on BTC, 4.8 on ETH, 5.6 on SOL. Hyperliquid prints a uniform 10.95 percent annualized on all three, which is the venue's structural base-rate floor showing through (0.01 percent per eight-hour turn), not organic positioning; the informative HL read is separate, mark trading slightly below oracle on each asset, a small negative premium reported here on its own. Live open interest at the snapshot: 107,281 BTC ($8.5 billion) on Binance against Hyperliquid's 36,604 BTC ($2.9 billion).

The daily series tells the week's story better than the live number: Binance BTC OI ran 106,320 on August 31, spiked to 112,718 on payrolls Friday, and has bled every session since to 105,544 at Monday's UTC turn. A 6.4 percent flush off the high, price unchanged. ETH OI sat in a flat 2.25 to 2.35 million band all week; SOL round-tripped similarly off its own Thursday high. Positioning: the all-account ratio printed 1.060 at the turn, its Friday panic-short print of 0.78 fully unwound; the top-trader ratio at 2.022 has now held above 1.9 for eight straight prints (Binance daily series, at the UTC turn, the desk's one series for every OI and ratio figure in this issue).

Options: Deribit's full board carries 422,622 contracts of OI at a 0.544 put-call ratio, no defensive rush anywhere. The Sep 25 monthly is 42.9 percent of the board at 181,333 contracts, computed max pain near $72,000, and the single biggest strike on the entire board is $70,000 with 28,100 contracts. The Sep 11 weekly expiry, this Friday, pins near $78,000 and is almost naked of puts above it, 81 to 90 thousand nearly pure calls. DVOL closed the Monday session at 38.46, up from 37.63 a week ago with a Thursday spike to 40.9. Liquidations: the weekend's tape was the ZEC squeeze, $212 million across the market with $45 million of it in ZEC shorts (Bitget, Pluang); Friday's jobs print had earlier liquidated $200 million of longs inside an hour as BTC lost $80,000 (bloomingbit). A full Monday liquidation total is not retrievable this session, Coinglass being key-walled, and the desk reports the gap rather than a guess.

KEY LEVELS, BTC

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spot 79,376 · reclaim line 76,500 (with all-account ratio under 0.9)
options gravity 79,000-82,000 into Sep 18 · Sep 18 max pain ~79,000
Sep 25 monthly max pain ~72,000 · biggest strike on board 70,000 (28,100 contracts)
put wall 72,000-75,000 · call wall 80,000-85,000 · tail hedges live at 40,000/50,000
Friday expiry pins ~78,000 · funding +4.3% ann · OI 105,544 (daily, UTC turn)
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MARKETS

Traditional Markets

The US enters the week on Friday's closes: the S&P 500 at 7,718.60, down 0.38 percent, the Dow at 53,414.25, down 0.51, the Nasdaq Composite at 26,506.99, down 0.29, and the Russell 2000 up a quarter percent at 2,975.65 (Investing.com; the Dow level cross-checked against Yahoo's history after a vendor discrepancy, and the desk prints the verified figure). Stocks closed mostly lower after the payrolls beat gave the Fed more room to raise (TradingEconomics wrap). Monday's holiday futures session was quiet: S&P futures off 0.09 percent, Nasdaq futures up 0.17, Dow futures down 0.45 in thin trade (Investing.com).

The official curve

Friday's Treasury closes (treasury.gov, the desk's single source for every spread here): 2-year 4.37, 5-year 4.54, 10-year 4.78, 30-year 5.24. The 2s10s stands at 41 basis points, the 2s30s at 87. The long end's composure held through the payrolls week: the 30-year finished one basis point below the prior Friday. The 10-year real yield (TIPS) printed 2.42 Thursday, up from 2.34 in late August (FRED), with the 10-year breakeven flat at 2.35 (FRED). The hike case lives at the front: the 2-year rose 3 basis points Friday while the 30-year fell one.

Commodities and FX

INSTRUMENT	LAST	DAY	RANGE	PRIOR CLOSE
Brent (Nov)	$97.37	+1.13%	95.99-97.94	96.28
WTI (Oct)	$92.49	+1.10%	90.88-93.03	91.48
Gold (Dec)	$4,447.20	-0.66%	4,426-4,481	4,476.60
Silver	$66.513	-0.35%	66.040-67.046	66.748
Copper	$6.6875	+0.07%	6.6368-6.7160	6.6825
USDJPY	154.49	-1.13%	154.06-156.28	156.25
EURUSD	1.1626	+0.10%	1.1607-1.1636	1.1614
GBPUSD	1.3537	+0.16%	1.3506-1.3545	1.3516
DXY	98.92	-0.26%	98.84-99.21	99.18

All Monday levels are live European-afternoon quotes (Investing.com), not closes; the vendor's page timestamps cluster and may lag the true tick, a caveat the desk carries rather than hides. Brent-WTI spread: $4.88 on the November-October pair. Copper rose on supply concern despite the rate backdrop (WSJ). The VIX has no Monday print; Friday closed 14.53 with VVIX at 84.42 (CBOE), the index calm and the crash wings still bid, a divergence unchanged from last week.

The Fed strip

Investing.com's Fed monitor, updated Monday morning on the reopened futures: September 16 prices 58.1 percent for the 3.75 to 4.00 bucket, a hike, against 41.9 for the hold. October stacks 53.3 percent on 3.75 to 4.00 and 17.4 on 4.00 to 4.25, so the strip carries real weight on a second hike by autumn's end. The prediction venues disagree by eight points (Story Three). Economic calendar, verified against the issuing agencies: ECB decision Thursday; US PPI Thursday morning; August CPI Friday morning (bls.gov schedule pages); FOMC decision the following Wednesday with a fresh dot plot (federalreserve.gov). The 30-year auction is expected Thursday per last week's calendar but the Treasury's schedule page would not render this session, so the desk flags it unconfirmed.

> *The public-choice read, carried as hypothesis, not verdict: a blockade is a cost, but a corridor would be a franchise. If Tehran's reported Oman arrangement (one outlet, still being prepared, no second confirmation) became real, the strait stops being a siege Iran pays for and becomes a toll road it collects on, and rent-generating institutions get renewed, not dismantled. The tension the desk owes its readers: a toll collector wants throughput, and Monday's Iran was still destroying it, so the franchise only pays if escalation is the negotiating phase. Watch for corroboration; the December contract's 24.5 percent stands unchallenged until then.*
>
> ECONOMIST'S CORNER

MARKETS

International Markets

MARKET	CLOSE	DAY	CB RATE / NEXT	FX VS USD	NOTE
Japan, Nikkei	66,399.84	+2.12%	~1.00% / Sep 17-18	154.49	narrow rally: Topix only +0.55%
Korea, KOSPI	6,995.39	+4.61%	3.00% / Oct 22	1,347	highest since Jul 23
China, Shanghai	3,932.70	+0.07%	LPR 3.0/3.5 / Oct 20	6.710	Shenzhen +1.91%
Hong Kong, HSI	25,413.12	-0.93%	peg	n/a	Xiaomi -3.2%
Australia, ASX	9,010.90	+0.06%	4.35% / Nov 3	1.385	faded early gains
India, NIFTY	23,760.30	-0.57%	5.25% / Oct 7	94.58	six-week low; IT sold
Singapore, STI	5,792.28	-0.17%	S$NEER band	1.266	MAS page down, stance n/a
Germany, DAX	25,994.99	-0.20%	ECB 2.25% / Thu	1.1626	live; below 26,000
France, CAC	8,308.39	+0.36%	ECB 2.25% / Thu	1.1626	live; OAT-Bund 86bp

UK, FTSE	10,846.72	+0.14%	4.00% / Sep 17	1.3537	live; gilt 10Y 5.16
Switzerland, SMI	14,324.50	-0.50%	0.00% / late Sep	n/a	live
Saudi, TASI	11,024.73	-0.40%	n/a	peg	closed ~1h after first Jizan wire
Dubai, DFM	5,931.29	+0.79%	n/a	peg	Monday close
Brazil, Bovespa	185,147	-0.02%	14.00% / Sep 16	n/a	Friday close
Canada, TSX	36,513.80	-0.33%	n/a / holiday	n/a	Friday close

Tokyo and Seoul carried the day and briefed it in Story Two and Story Six. Three regional notes worth their lines. India is the war's clearest equity casualty in Asia: a six-week NIFTY low with IT heavyweights down as much as 3.8 percent, FIIs selling, and the country's crude basket through $100 (TradingEconomics, OilPrice), the oldest macro chain in the book, oil up, rupee 94.6, Mumbai down. Hong Kong faded 0.93 percent from a two-week high positioning ahead of Tuesday's China trade print, with mainland tech soft but Kingboard's materials complex up 4 to 8 percent (TradingEconomics). And the Gulf itself printed its second consecutive calm session, Tadawul off just 0.4 percent, and the timing cuts the other way from a first draft's instinct: the FT's Jizan report broke early afternoon Gulf time, roughly an hour before the Tadawul close, so Monday's minus 0.4 percent is a first partial verdict on the strike, not ignorance of it. Tuesday's full session in Riyadh grades it properly. One coverage gap named rather than hidden: Taiwan, the natural third chip data point beside Tokyo and Seoul, is absent from the desk's table this session. Bond-side, UK gilts quietly made their own news: the 10-year at 5.16 percent with the Chancellor arguing the economy can turn a corner despite the turmoil (Guardian), a sentence that only gets written when the turmoil is real.

The international tell this Monday: the ECB walks into Thursday with euro-area inflation reported back above 3 percent cementing hike expectations (Reuters), a Reuters poll already unanimous for the hike and Deutsche Bank now forecasting increases through December (Reuters). Foreign desks are pricing a synchronized tightening round, Fed, ECB, BoE risk, BoJ, inside ten days, while US-centric coverage still frames each meeting separately. Synchronized is a G10 word, though, and the desk's own table holds the completing half: China's loan-prime rates pinned at record lows, India on hold, Brazil sitting on a 14 percent Selic it has begun cutting, with Korea the exception that hiked. The developed world tightens into the war while the big EM anchors hold or ease, and that divergence, not the synchrony, is the richer tell. The window is the story, not any single decision.

Geopolitics

Iran, the tanker war's fourth day

The sequence since Saturday, sourced to the maritime press and wire aggregation: US forces destroyed one Iranian tanker, the M/T Kylo, and disabled two others after IRGC ballistic missiles targeted two Navy warships (gCaptain); Iran on Sunday targeted three tankers using unauthorized routes and claimed a US naval drone, which CENTCOM denies (gCaptain, Hürriyet, migflug aggregation); Monday brought the Jizan strikes (Story One), which belong in strict attribution to a distinct thread, the Yemen-based Houthi campaign against Saudi infrastructure that predates this war and runs alongside it, and Tehran's own "more painful" retaliation vow with the explicit threat that US energy companies' facilities are "exposed" (CBS News, Reuters). Whether those two threads are one war or two is exactly what the desk's coupling thesis rides on, and the desk marks it open. The war is also spreading at the edges: EnergyNow's Sunday wrap put new action in the Red Sea and Caspian while the Gulf itself stayed quiet, a sentence Monday falsified. Lebanon and Yemen burn alongside: Israeli strikes killed at least 11 in southern Lebanon, and Yemen's government hit Houthi positions as both sides contest Bab al-Mandeb (Al Jazeera), where the closed-by-December contract trades at 17 percent (Polymarket). Iraq, for its part, is selling into the strength: capacity boosted to 3 million bpd (The National).

Europe, politics on both flanks

Germany woke up to the AfD's 44.5 percent in Saxony-Anhalt and spent Monday arguing about what it means: Reuters has Merz "shaken" as the AfD plots a path to national power (an extrapolation eastern state results flatter; the AfD polls structurally higher there than federally), DW calls the victory "unsettling," and the CFR frames AfD-plus-Russian-hybrid-pressure as a twin threat. The market translation was modest, DAX off 0.2 percent, but Bloomberg's "fresh worry" framing and the Merz-out-before-2027 contract firming a point to 13.5 percent (Polymarket) say the premium is being written somewhere. France's real story is the budget, not the phantom vote (Story Five). Russia-Ukraine had a dense weekend of its own: von der Leyen unveiled a new sanctions package Sunday, package number not yet confirmed (Ukrinform); the UK hit Transneft inside nearly 300 new sanctions Saturday (DD News); Germany formally blamed Russia for an explosive drone at Leipzig Airport and is pushing the EU to cut Russian tourist visas (Guardian); and Trump envoys Witkoff and Kushner made their first Kyiv visit Sunday (UNITED24). EU foreign ministers met at Gymnich with Kallas flagging the sanctions file (EEAS); the renewal date this desk carried for next week did not re-verify this session and is flagged in the calendar accordingly.

Trade and the G20 residue

The Asheville G20's 19-to-1 split on "cheap exports," China alone in dissent with Bessent citing the tariff playbook (AP, Reuters), sets up Tuesday's China August trade data as more than a data point: consensus looks for a surplus near $120 billion against $101 billion a year ago (HK desk commentary via TradingEconomics), which would hand the 19 their exhibit A. CXMT's climbing smartphone and AI chip share (WSJ) is the micro version of the same argument.

POLICY

Regulatory

The CLARITY Act's cloture vote is confirmed for next Tuesday (Yahoo Finance, forkast), and the stakes got their sharpest framing yet from Senator Lummis: failure "could delay crypto rules until 2030" (CryptoRank). The tape moved the bill's way at the margin, the National Sheriffs' Association dropped its opposition Monday (Bitget), while the window stays narrow, the House reportedly leaves Washington two days after the vote (24/7 Wall St). Monday's coverage converged on what is actually at stake: the Senate draft's commodity classifications would formally place bitcoin, ether and a handful of others under CFTC jurisdiction, which Yellow.com's analysis argues "changes everything for bank crypto access" by giving banks a commodities-desk path around SEC custody friction. Yahoo Finance's Monday piece frames the vote as shaping the SEC-CFTC divide itself. The market prices the destination, not the vote: signed-into-law-in-2026 trades at just 16.5 percent (Polymarket, $14.2 million), up a point on the day, the gap between a cloture vote existing and sixty senators plus a signature. Incentive read: a cloture failure freezes the jurisdiction question for two years and leaves every bank's crypto desk hostage to case-by-case SEC posture; that asymmetry is the cleaner explanation for a 16.5 percent price than simple pessimism, though price and volume cannot say which is in traders' heads.

China ran its own regulatory week in parallel: a proposed insurance-law overhaul, the largest since 2009, expanding 185 articles to 214 with tighter shareholder oversight, plus proposed tougher private-fund investor rules, both at the draft stage per Caixin's own headlines, landing alongside the $45 billion state capital injection into three banks and five insurers (Caixin). The direction is one-way: consolidate, capitalize, supervise. And in Mumbai, SEBI opened hearings to claw back $22.25 million of alleged short-selling gains from Hindenburg-linked entities in the Adani matter (Business Standard, India Today), procedural rather than new, but the only short-seller story on this week's tape.

WATCHDOG

Scandals & Crisis Events

TYPE	ENTITY	AMOUNT	DATE	IMPACT
HACK	Liquid Network (Blockstream sidechain)	$320M / ~4,000 BTC	Sun-Mon	sector: BTC settlement infra
HACK	Cozy Finance (repeat, oracle vector)	~$160-170K	Mon	single protocol
BREACH	IDScan.net (KYC/ID verification)	153M+ records	escalating this week	sector: KYC rails; FBI probe, class actions
REGULATORY	SEBI vs Hindenburg-linked entities	$22.25M	hearings from Fri	India equities / Adani

The Liquid exploit is Story Seven. On discipline: the weekend's search tape was thick with resurfaced exploits wearing fresh aggregator dates, Kelp DAO, Drift, Coldcard, Aztec, all months old and all excluded here after checking each article's own event date. rekt.news' newest entries, Kiichain ($9.7 million) and TAC ($7.5 million), predate this window. No new DOJ crypto indictment, no new short-seller report on a fresh target, no market-moving KOL event. A four-item table on a war week is honest output, not thin coverage.

FLOWS

On-Chain & Whale Intelligence

Stablecoin float stands at $311.30 billion, up 0.54 percent on the week and 1.39 on the month (DefiLlama). The composition is the story: USDT is flat at $183.4 billion, USDC grinds up 2.9 percent on the month to $74.4 billion, and Ethena's USDe is the fastest mover again, up 7.4 percent on the week and 12.3 on the month to $4.4 billion, yield-chasing into synthetic-dollar carry with the FDUSD share bleeding out the other side. The link to the derivatives page is direct: the funding that stays positive everywhere is the same carry USDe is built to capture, one phenomenon on two ledgers. Whale file: the ShapeShift-era wallet completed its exit, 167,855 ETH total to exchanges, roughly $408 million (Lookonchain), absorbed without a breakdown, where absorbed means the band held, not that price rallied (Story Ten). Network: hashrate near 941 EH/s instantaneous, mempool empty at 1 to 2 sats, and the next difficulty step now projects +5.24 percent around September 19 (mempool.space), a downward revision from the +6.71 percent this desk printed Sunday, corrected below. DeFi TVL by DefiLlama's per-chain sum: $88.4 billion, Ethereum $49.6 billion of it, and Robinhood Chain now a top-ten chain at $0.91 billion. Exchange-reserve and short-term-holder cost-basis series were not retrievable this session; the desk notes the prior ~$71,000 STH reference is stale rather than reprinting it as current.

Sovereign & Institutional Flows

China's August print is the section's headline (Story Four): reserves $3.4383 trillion, up $19.5 billion, gold up 650,000 ounces to 76.73 million, month 22, the largest add since October 2023 (SAFE and PBOC via China Daily; press coverage of the official release, not the release document itself, per this desk's sourcing discipline). The Norges Bank proposal to rotate $80 to $106 billion of Treasuries toward agency MBS awaits its ministry, dollar exposure unchanged by design (multi-outlet coverage of the Friday proposal). DNB's 86 tonnes out of New York is confirmed and cold. The Chinese-banks-buying-Treasuries exclusive (Reuters, Friday) remains unsized and anonymously sourced; it enters this section as a directional fact only. TIC data lands with the FOMC next week. The pullquote logic stands: these pools move first and quietest, and this week they moved in both directions at once.

ODDS

Prediction Markets

The full board, pulled through the desk's resolver route Monday afternoon, 353 unique active markets, 131 above the $500,000 volume line. Raw is the traded YES price; calibrated applies the desk's standard convexity correction; the standing caveat on war contracts applies, the correction was fitted on ordinary political markets, not live conflicts.

Macro

CONTRACT	RAW	CAL	EDGE	VOLUME	RESOLVES
No Fed rate cuts in 2026	92.75	96.57	+3.8	$8.15M	Dec 31
Fed hikes 25bp in September	49.50	49.35	-0.2	$18.94M	Sep 16
Fed holds in September	50.50	50.65	+0.2	$23.73M	Sep 16
1 Fed cut in 2026	5.15	2.15	-3.0	$2.92M	Dec 31
Fed hikes 50bp+ in September	0.55	0.11	-0.4	$13.76M	Sep 16
Fed cuts 25bp in September	0.35	0.06	-0.3	$31.25M	Sep 16

Kalshi's mirror crosses at 50 to 51 on the 3.75 strike with near-zero on any cut. Both venues against futures' 58.1 is Story Three. The Kalshi CPI ladders stayed too thin to quote. One thin-book anomaly, flagged rather than trusted: Polymarket's ECB September family prices a 25 basis point hike at 99.65 percent on only $157,000 of volume, far more certain than any rates desk; the desk reads the direction, not the decimal.

Geopolitics

CONTRACT	RAW	CAL	EDGE	VOLUME	RESOLVES
Israel closes its airspace by Sep 30	77.50	83.48	+6.0	$1.43M	Oct 1
Israel x Iran ceasefire continues through Sep 30	87.50	92.75	+5.3	$1.38M	Sep 30
US invades Iran before 2027	14.50	8.91	-5.6	$64.90M	Jan 1
Iran leadership change by Dec 31	13.50	8.07	-5.4	$4.40M	Jan 1
US announces end of blockade by Dec 31	58.45	60.99	+2.5	$1.42M	Jan 1
US announces end of blockade by Sep 30	16.50	10.68	-5.8	$2.73M	Oct 1
Hormuz traffic normal by Dec 31	24.50	19.71	-5.8	$10.46M	Dec 31
Hormuz traffic normal by Sep 30	2.15	0.67	-1.5	$7.86M	Sep 30

Kharg Island no longer Iranian by Sep 30	1.25	0.33	-0.9	$1.00M	Oct 1
Bab el-Mandeb effectively closed by Dec 31	17.00	11.13	-5.9	$0.54M	Jan 1
Russia x Ukraine ceasefire agreement by Dec 31	24.00	18.09	-5.9	$2.57M	Jan 1
China invades Taiwan by end of 2026	3.75	1.40	-2.4	$40.95M	Dec 31

Crypto, Regulation, Politics

CONTRACT	RAW	CAL	EDGE	VOLUME	RESOLVES
BTC dips to $55K by Dec 31	20.00	13.99	-6.0	$5.91M	Jan 1
CLARITY Act signed into law in 2026	16.50	10.68	-5.8	$14.19M	Jan 1
Democrats control House after midterms	87.50	92.75	+5.3	$5.79M	Nov 3
Merz out as Chancellor before 2027	13.50	8.07	-5.4	$0.77M	Jan 1
Le Pen wins French 2027 presidential	34.65	30.34	-4.3	$2.23M	Apr 27
Lula wins Brazil 2026	56.50	58.48	+2.0	$9.89M	Oct 4
Flávio Bolsonaro wins Brazil 2026	40.25	37.34	-2.9	$9.80M	Oct 4
Anthropic best AI model end of September	86.50	91.93	+5.4	$0.54M	Oct 1

Five reads. First, the ceasefire complex is doing two things at once: continues-through-September firmed 5 points to 87.5 while Israel-closes-airspace jumped 7 to 77.5, the board simultaneously raising the odds that the current line holds and that it escalates, less two opposing views than the same underlying signal read twice: a durable core ceasefire priced alongside rising ancillary risk around it. Second, yesterday's effective-ceasefire-by-today contract left the actives having found no ceasefire; its September 30 twin trades at 77.5 percent on volume too thin for the main table, hope rolling forward at a higher price (the same print as the airspace contract is coincidence, two distinct markets, the twin's book fifty times smaller). Third, the desk's cross-validation of record still holds: straits.live's reopening model and both venues' Hormuz books sit within a few points of each other, all saying next year. Fourth, the BTC September both-ways ladder that anchored Story Ten's flat stance did not clear this pull's volume bar as its 24-hour turnover faded; the $55K-by-December contract at 20 percent, up 2.5 on the day, is the tail the board still pays for. Fifth, the France 2027 board quietly did what French polls have not: Le Pen bled a point on the day while the German AfD result dominated headlines, the market distinguishing between far-right momentum next door and far-right odds at home.

POSITIONING

Sentiment & Positioning

INDICATOR	VALUE	SIGNAL	7D TREND	CONTEXT
Fear & Greed	71	Greed	63-74, held	seventh verified Greed day, eighth per the prior issue's series, through strikes and a $320M exploit (alternative.me)
BTC funding, last settle	+0.0040%	longs pay, mild	positive all week	4.3% annualized (Binance)
ETH funding, last settle	+0.0044%	longs pay	never flipped	held through the whale exit
BTC all-account ratio	1.060	neutral	0.78 Fri to 1.06	panic-short print fully unwound
BTC top-trader ratio	2.022	long	1.93-2.16	size long 2 to 1 for eight prints
BTC OI (Binance daily)	105,544	de-levered	-6.4% off Sep 4	full round trip of the payrolls spike
Deribit put/call OI	0.544	call-heavy	steady	still no defensive put rush
DVOL	38.46	grinding up	37.6 to 38.5	Thursday spike to 40.9 faded
ETF flows, week	+$986.7M	bid	Thu was the peak	BTC funds only; ETH +$215.3M separately
Stablecoin float	$311.3B	growing	+0.54% w/w	USDe fastest at +7.4% w/w (DefiLlama)
BTC dominance	59.06%	rejected at 60	flat	breadth narrowed to LINK/AVAX Monday
VIX / VVIX	14.53 / 84.42	calm / wings bid	Fri closes	no Monday print, US holiday (CBOE)
OVX / GVZ	44.96 / 26.63	unmeasured / up	Fri closes	OVX blind until Tuesday; GVZ +2.3 pts / 30 sessions

Cross-Asset Linkages

SOVEREIGN 5Y CDS	BP	ROW DATE	READ
Japan	24.12	~Fri	quietest major, even mid-repricing
Italy	31.40	~Thu	still inside France

United States	31.94	~Fri	above Italy, still worth saying
France	33.73	~Thu	G7 outlier, no vote required

Curves, Monday live against Friday's US closes: the US 2s10s at 41 basis points (Friday, official); Germany 39.5 live against the 41 this desk computed from Friday's closes in Sunday's issue, a 1.5 point compression that is a flattening only in the technical sense, inside the same noise threshold the desk applies to the French spread; Japan 108.5 with the 10s30s at 107, still the G3's steepest; UK 60. Every non-US yield the desk quotes ticked up Monday, by 2 to 4 basis points on each vendor day-change field: Bund +3.1, OAT +3.6, BTP +3.9, gilt +2.5 off a 5.1366 prior close, JGB 10s +2.2 and 30s +2.9, German and UK 2-years +4.3 and +3.0. A broad duration sell into the hiking window, not a flattening anywhere the desk would count, with Tuesday's open question attached: an oil-shock inflation premium unwinds as fast as it builds, a hiking repricing does not, and which one Monday was determines whether this reverses on the same close that grades the Brent card. BTP-Bund at 82 (Italy's 10-year at 4.190 against the 3.370 Bund), OAT-Bund at 86. Credit, through Thursday's FRED prints: IG 81, HY 265, EM corporate 138, historically tight and unmoved by the weekend (the richest-decile characterization this desk has used is carried from prior issues' range work, not re-derived today). A multi-card alarm framework running beside a credit market pricing none of it is its own divergence, and the catch-down risk earns this sentence rather than a clause. MOVE printed 73.10 on a vendor page whose date stamp would not resolve; the desk quotes it against Friday's 74.68 with that caveat attached. FX implied vol remains a confirmed gap, the CBOE euro-vol series discontinued and no free live source found; unmeasured is unmeasured. The 10-year real at 2.42 with breakevens flat at 2.35 is the quiet answer to the gold question, and the scoreboard nets out where it did Friday with one addition: crude vol is now blind on the tripwire's biggest day so far, which is its own kind of stress.

DESK NOTE · BIAS SCAN

Yesterday's falsifiable sentence stands unaltered and gets graded Tuesday, not today: Brent under 98 with OVX under 50 at Tuesday's full-liquidity close reads the weekend calm as information; the tripwire tripping reads it as an empty room. Today adds a second falsifiable line for the Jizan flip: if Aramco's assessment comes back minimal and Brent closes Tuesday under Friday's 96.28 settle, today's supply-break read was premature and this desk will print that sentence. Two more flags the desk raises against itself: the yen repricing rests on one named adviser and can reverse on one counter-quote; and after finding a 2025 ghost in its own France card, the desk re-checked every card's premise against a primary source today, and says so not for credit but because the reader should know the check now exists.

RESOLUTION

The Bottom Line

1. The Brent card flipped on its second trigger: ordnance on Saudi producing infrastructure, damage unassessed, with Brent within a dime of 98 on half liquidity. The read is now supply-break risk, held with an explicit retraction clause: minimal damage plus a Tuesday close under 96.28 walks it back in print.

2. The yen unwind card is live below 155. It tripped on conviction, not panic, the reflationists' own adviser blessing a September hike, which makes it slower and potentially longer. It is still the book's connective tissue: a BoJ hike into an oil shock is the one scenario that synchronizes every card on this desk.

3. The Fed is one meeting with three prices, and the clock excuse is dead: futures at 58 percent for the hike, both venues at 50, on full post-weekend information. Friday's CPI, with a record diesel print feeding it, is the argument's last word.

4. The official bid for gold is accelerating, month 22 and the biggest add in nearly three years, and gold fell anyway because the real 10-year at 2.42 outranks it. The checklist stays 1 of 3 with better instruments. Flat is a position, and it is this desk's.

5. France was never voting Tuesday; the desk corrected itself in Story Five and re-anchored the card to the real calendar, a 2027 budget in its leak phase, an 86 basis point spread, and CDS above Italy's. The 90 line remains the alarm.

The joint scenario, counted honestly: two cards tripped pending confirmation (Brent on an unassessed strike, the yen on one adviser's projection), one held on real numbers (France), one passed a leg and failed another (gold), and the crypto pair spent the weekend demonstrably decoupled, bitcoin tripped nothing through the war tape and ether traded its own whale flow. Three coupled, two pending, one idiosyncratic, not the rounder five-of-six a desk in a hurry would print. The transmission chain is still the thesis, Jizan feeding oil, oil feeding the BoJ's imported-inflation case, the BoJ feeding the yen, the yen feeding every carry book, and Thursday, ECB plus PPI plus the expected 30-year auction, is the first session where all of it prices in one place at full liquidity. The mirror tail gets equal print: minimal Jizan damage, Brent back under 96.28, the yen back above 156 on one counter-quote and a Fed hold would unwind the cluster inside a week, and since Tuesday's oil verdict feeds Friday's CPI case through diesel, the desk's two falsifiable sentences are one shared bet with two readouts. The genuinely idiosyncratic tail is not French politics but the Liquid Network hole, $320 million of Bitcoin settlement plumbing with resolution unknown, priced by the market at zero. The countervailing dials, plural this time: a seventh verified day of crypto Greed beside an equity board running VIX 14.53 with the crash wings still bid, two independent gauges agreeing on calm with hedges underneath, while the flushed book cuts both ways, less to unwind, less cushion. And flat is not free: holding no position here is choosing a 4.37 percent two-year over volatile exposure, and the desk makes that choice out loud.

What this desk got wrong

Two corrections, printed here first. The France card in Friday's and Sunday's issues was hung on a confidence vote that does not exist; Bayrou fell on that date in 2025, Lecornu governs, and the error survived two issues and a review panel before dated primary sources killed it. The full anatomy is Story Five; the desk's check against premise-echo is now standing procedure. Second, smaller: Sunday's issue printed the next difficulty step at +6.71 percent around September 18; the live projection has cooled to +5.24 percent around September 19 (mempool.space), a normal mid-epoch revision the desk should have labeled as an estimate more loudly than it did.

The desk's cards

WATCH · SUPPLY-BREAK READ, FLIPPED PENDING TUESDAY

Brent

The second trigger fired: strikes on Aramco's 400,000 bpd Jizan refinery, Houthi-attributed, damage unassessed. Per the card's own terms the oil read flips from war-premium-grind to supply-break risk, no Kharg confirmation needed. The mechanical tripwire is half-blind today, Brent's high of 97.94 came six cents shy of 98 while OVX cannot print until Chicago reopens. Confirmation: a Tuesday close through 98 with OVX through 50, or a confirmed throughput loss at Jizan. Kills the read: minimal assessed damage AND a Tuesday close back under Friday's 96.28 settle, in which case the desk prints the retraction, per the Desk Note. The middle case is named in advance: a Tuesday close between 96.28 and 98 with a partial or staged assessment leaves the read held and unresolved, and the desk will label it exactly that rather than let the flip stand by silence. Iraq's 3 million bpd of added capacity is the offset argument if damage confirms small.

live 97.37 · day high 97.94 vs 98.00 tripwire · OVX blind until Tue (Fri 44.96) · Goldman warns 120 · India basket >100

WATCH · UNWIND LIVE BELOW 155, NO SETTLED CLOSE YET

Dollar-Yen

The 155 trigger tripped at a seven-month yen high, 154.06 at the extreme, on the Takaichi adviser's September-hike projection with the BoJ ten days out. The equity confirmation is narrower than the headline, Topix up 0.55 percent against the Nikkei's 2.12, so the hike-conviction story rides concentrated flows, not a broad bid. The unwind card activates as written. Character matters: this is a conviction reprice, not risk-off. The desk resists assuming that makes it slow, the most recent hike-driven yen unwind was fast and violent, so the card carries gap risk despite its orderly origin. Kills the activation: a daily close back above 156 before the meeting, which would read the adviser's projection as noise the market rejected.

spot 154.49 · trigger was 155.00 · BoJ Sep 17-18 · guideline ~1.0% (boj.or.jp) · JGB 30Y 4.005

WATCH · NO BIAS

Bitcoin

Nothing tripped. Spot 79,376 with the reclaim clause far away, a daily close below 76,500 with the all-account ratio under 0.9 against today's 1.06. The book flushed its payrolls leverage, the whale overhang cleared, and the ETF bid held, yet a seventh verified Greed day through a war weekend and a $320 million exploit keeps the complacency dial pinned, partly mechanically, the index anchors to a spot price that barely moved. Options gravity 79 to 82 into the 18th; the monthly's 72,000 max pain below is the board's counterweight. An intraday sweep of 76,500 without a daily close does not trip the clause; the desk watches it as an alert level into four binary decisions in one week. The yen unwind thread is judged not yet transmitting here, funding mild and the book flushed, and a continued ETF fade, Friday ran 76 percent below Thursday, would weaken the flow leg this stance quietly leans on. Flat into the Sep 16-18 stack remains the position.

`spot 79,376 · reclaim 76,500 + ratio <0.9 · gravity 79-82K into Sep 18 · monthly max pain ~72K · conviction n/a, no position`

WATCH · ON THE LINE

Ether

Dead center of its own bands at 2,498.74, and the bear's best evidence just expired: the wallet complex finished distributing 167,855 ETH and price absorbed all of it with funding never flipping negative. The gradeable clauses stand: two consecutive daily closes above 2,530 with positive funding reads as an independent ether bid; two below 2,450 with renewed exchange deposits reads as beta. Between the bands the question stays open, now with the bull holding more of the evidence. The clause's clock has not started: Monday's print is a live quote, not a settled close, so Tuesday is close number one.

`spot 2,498.74 · bands 2,450 / 2,530 · whale exit complete: 167,855 ETH absorbed · ETF week + $215.3M`

WATCH · CHECKLIST 1 OF 3

Gold

The legs finally all have readings and they disagree. Official sector: PASS, month 22, 650,000 ounces, the biggest add since October 2023. Real yield: measurable again and AGAINST, 2.42 percent on the 10-year TIPS and rising. Dollar: 98.92 sits back below the 99 line, but the joint-crisis suspension applies now that the Brent card fired this week, so the leg is suspended, not passed, a rule the panel wrote into this card two issues ago, not one invoked today to dodge an inconvenient pass. One of three. December gold at 4,447.20 falling through the strongest official-bid print of the cycle is the tape agreeing with the real-yield leg. No position.

`Dec 4,447.20 · official PASS (month 22) · real yield 2.42 AGAINST · DXY leg suspended · checklist 1/3`

WATCH · FISCAL, CORRECTED

France

The card survives its own correction because the numbers were always real: OAT-Bund at 86 basis points, CDS at 33.73 above Italy's 31.40, a budget squeezed between debt, censure risk and purchasing power (La Dépêche), with the government denying savings-tax arbitrages by lunchtime (Anadolu). The re-anchored calendar: draft 2027 budget to parliament by month-end, censure motions to follow. Alarm line unchanged at 90 on the spread. Kills the watch: a presented budget AND a spread back under 80.

`OAT-Bund 86bp · CDS 33.73 vs Italy 31.40 · budget due by Sep 30 · alarm 90bp · conviction n/a, no position`

Catalyst calendar

DATE	EVENT	WHY IT MATTERS
Tue Sep 8	China August trade; Aramco damage assessment expected; Gulf reopens post-Jizan; first full-liquidity US session	the G20's exhibit A; Tuesday's close grades BOTH falsifiable sentences
Wed Sep 9	China August CPI and PPI; ECB meeting day one	deflation exit or not, into the hiking week
Thu Sep 10	ECB decision (hike to 2.50 expected); US PPI; claims; 30Y auction (expected, unconfirmed)	four prices for the tightening window in one session
Fri Sep 11	US August CPI; UMich preliminary; BTC weekly expiry pins ~78K	the hold case's whole estate, with record diesel inside it
Tue Sep 15	CLARITY Act cloture (confirmed); EU sanctions-renewal date carried from the prior issue, unconfirmed this session	60 votes or, per Senator Lummis, rules delayed to 2030
Wed Sep 16	FOMC decision and dots; 92.6M ARB unlock; Brazil Copom; July TIC expected	the three-priced coin flip resolves
Thu Sep 17	Bank of England	hold expected; a hike is live risk
Fri Sep 18	BoJ concludes; BTC options expiry (79-82K gravity releases)	the week's fourth decision, on the card that already tripped
Sat Sep 19	BTC difficulty adjustment, +5.24% est (revised)	miner margins tighten on the step
Fri Sep 25	BTC monthly expiry: 181,333 contracts, 42.9% of board, max pain ~72K	the board's biggest gravity test
Wed Sep 30	France draft 2027 budget due; Israel-Iran Sep 30 contracts resolve	the corrected card's real date; 87.5% says the line holds
Sun Oct 4	Brazil first round	Lula 56.5 vs Flávio Bolsonaro 40.25, runoff near-certain

Review Panel

Fourteen reviewers, 182 section votes: 134 approvals, 48 flags, zero rejects. Sections: L lede, St stories, Cr crypto, TM traditional, In international, Ge geopolitics, Re regulatory, Sc scandals, OC on-chain, So sovereign, PM prediction markets, Se sentiment/cross-asset, BL bottom line.

REVIEWER	L	ST	CR	TM	IN	GE	RE	SC	OC	SO	PM	SE	BL
Macro Strategist	A	F	A	F	A	A	A	A	A	A	A	F	A
Crypto Native	A	F	F	A	A	A	A	A	A	A	A	F	A
Risk Manager	A	F	F	A	A	A	A	A	A	A	A	A	F
Devil's Advocate	F	F	A	A	F	A	A	A	A	A	F	A	F
Geopolitical	A	F	A	A	A	F	A	A	A	A	F	A	F
Regulatory	A	A	A	F	A	A	F	A	A	A	A	A	A
Flow Analyst	A	F	F	A	A	A	A	A	F	A	A	F	A
Technical	A	F	F	F	A	F	A	A	A	A	F	A	F
Sentiment	A	A	F	A	A	A	A	A	A	A	A	F	F
Portfolio	A	A	A	F	A	A	A	A	A	A	A	A	F
Economist	A	F	A	F	A	A	F	A	A	A	A	A	A
Bias Auditor	F	F	A	F	F	F	A	A	A	A	A	F	F
International Desk	A	F	A	A	F	A	A	A	A	A	A	A	A
Sovereign/X-Asset	A	A	A	A	A	A	A	A	A	A	A	F	A

What changed on the panel's word: the joint scenario was re-counted and enumerated with its mirror tail printed beside it; the Hyperliquid funding line was corrected to the structural floor it is; the Greed streak was restated as seven verified days; the ETF week was reframed as a spike, not a streak; the Iran-Oman corridor thesis was downgraded to a hypothesis awaiting corroboration; the yen unwind-speed claim was reversed against the most recent precedent; the Gulf close was re-timed against the first Jizan wire, which it followed, not preceded; the Nikkei's sector story was adjudicated with the desk's own Topix print; sourcing was added or softened on the German curve baseline, the credit-decile label, the copper and silver rows, the BTP inputs and the 30-year auction slot; and the cards gained middle states, close-versus-touch language, escalation clauses and the pending-confirmation headers the panel asked for. Zero rejects meant nothing was rewritten from scratch; forty-eight flags meant almost nothing survived untouched.

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Behind the Curtains
