THE BACKROOM BRIEF

BEGINNER EDITION

THURSDAY, SEPTEMBER 10, 2026

The plain-English version of today's market brief. No jargon, no charts, just what happened, what it means, and what the words mean.

What happened overnight

The single biggest thing that happened overnight is that a war and a central bank moved markets on the same day. Iran attacked ships near a key oil shipping route, and oil prices jumped hard. Hours later, Europe's central bank raised interest rates instead of holding them steady, because it now expects the war to keep pushing prices up for a long time. Those two events together are why so much else moved too: government borrowing costs, stock markets, and even gold.

Oil jumped almost 7 percent after Iran attacked ships near the Strait of Hormuz

Iran attacked ten ships near the Strait of Hormuz, a narrow stretch of water that a huge share of the world's oil sails through. This came right after the United States destroyed five Iranian tankers near Kharg Island. Brent crude, the main international oil price, settled at $108.19 on Thursday, up 6.90 percent on the day. That is a jump of more than 10 percent in just two trading days, up from $97.92 on Tuesday. Part of that new price is not really about oil at all. Shipping industry reporting puts seven to eight dollars of every barrel right now is the cost of insuring a ship against attack, not the cost of the oil itself.

Why care: oil is in nearly everything you buy, from the petrol in your car to the plastic in your groceries. When it jumps this fast, it tends to show up at the pump and in shop prices within weeks.

Europe's central bank raised rates, and called it obvious

The European Central Bank, which sets interest rates for the countries that use the euro, raised its rates by 0.25 percentage points on Thursday. That takes its deposit rate, the rate it pays banks to park money with it overnight, up to 2.50 percent. Every member of its board agreed. The bank's president, Christine Lagarde, called the decision a "no brainer".

Why care: this is a rate rise, not a rate cut. It makes borrowing, for a mortgage, a car loan, or a business loan, more expensive across the eurozone, on purpose, because the bank is trying to stop the oil price spike from turning into longer-lasting inflation, meaning prices that keep climbing.

Governments are paying more to borrow, almost everywhere

It was not just Europe. The interest rate, or yield, that the US government pays to borrow money for ten years rose to 4.95 percent. Germany's two-year borrowing rate rose by 0.182 percentage points in a single day. In Britain, the government's 30-year borrowing rate hit 5.948 percent, its highest level since 1998.

Why care: these government rates sit underneath mortgage rates, savings rates, and public budgets everywhere. When they rise this fast, in this many countries at once, borrowing money tends to get harder for everyone else soon after, not just governments.

US wholesale prices rose, but the job market is holding firm

In the United States, producer prices, what businesses charge each other before goods reach the shop shelf, rose 0.4 percent in August and 5.4 percent over the past year. At the same time, weekly jobless claims, a count of people newly asking for unemployment benefits, came in at 206,000, down 1,000 from the week before.

Why care: rising producer prices tend to feed into rising shop prices later. A steady job market removes one reason for the US Federal Reserve to go easy on interest rates, since it is not seeing people lose work.

US stocks fell for a fourth straight day, and gold fell too

The S&P 500, an index that tracks 500 of the largest US companies and is widely used as a gauge for the whole US stock market, closed at 7,592.12, down 0.58 percent. That is its fourth losing day in a row. Gold, which many people expect to rise during a war, instead fell 2.18 percent to $4,363.67. Silver fell 6.54 percent and copper fell 5.42 percent.

Why care: stocks falling as borrowing costs rise is a familiar pattern, since costlier money usually weighs on share prices. Gold falling despite a war is the surprising part. It suggests investors were focused more on higher interest rates making it costlier to hold gold, which pays no interest of its own, than on the war itself.

Crypto, explained simply

Bitcoin was trading at $77,246 late on Thursday. That is down 1.31 percent for the day, and down 2.34 percent from the $79,094 this brief printed yesterday. Ethereum was at $2,463.96, down a small 0.18 percent. Solana was at $100.02. Zoom out further and the picture gets worse. The whole crypto market lost 3.95 percent of its total value on the day, falling to $2.648 trillion. Every single one of the twelve coins this brief tracks closed lower.

Here is the odd part. Thursday was a huge day everywhere else. Oil prices jumped hard, and government bond markets around the world moved sharply too. Crypto barely reacted to any of it. This brief calls that pattern "decoupling," meaning crypto traded on its own logic instead of following the bigger financial world. This is the third week in a row that has happened.

Two nearby price levels, and a Friday deadline

Traders watch specific prices, called "levels," where they expect buying or selling to shift. Bitcoin sits almost exactly between two of them right now. One level is $76,500. Bitcoin is $746 above it. The other is $78,000. Bitcoin is $754 below it. Those two gaps are nearly equal, so bitcoin is sitting almost dead center between a floor traders watch and a ceiling traders watch.

The $78,000 level matters for a second reason. It is the "max pain" price for a batch of options contracts expiring on Friday. Options are side bets tied to a price and a date. Max pain is the price where the largest number of those bets expire worthless. It is not a prediction of where price will go next. It just marks where the most contracts lose value if price lands there at expiry.

Money left bitcoin funds, money entered ether funds

Investment funds that hold bitcoin for ordinary investors saw $120.2 million pulled out on Wednesday. That is the second straight day of withdrawals. Ether funds went the other way, taking in $34.75 million. But that inflow is misleading, because almost all of that money came from one company, not from a broad group of buyers.

Ether: small traders and big traders disagree

On ether, ordinary traders are the most bullish they have been in ten days. "Bullish" means betting the price will rise, also called going "long." Betting a price will fall is called going "short." The biggest traders, the ones who move real size, have done the opposite. They have been cutting their long bets for five straight days. The small crowd leans one way. The big money leans the other way. A split like that gets watched closely, because it rarely lasts.

There is also a fee called "funding," paid between traders depending on which side of a bet is more crowded. Right now shorts on ether are being paid to hold their position. That is a sign the long side has become unusually crowded.

Six watch lists, zero bets

The desk behind this brief keeps six running views on different markets: oil, currencies, bonds, gold, and crypto. Two of those six are about crypto, one on bitcoin and one on ether. All six right now carry a "watch" label only. That means the desk is not putting money behind any of them. It is waiting for specific prices or signals to move first, before it decides anything.

A correction about a correction

Yesterday this brief took back an earlier claim that a large group of ether holders had finished selling their coins. It pulled that claim after seeing reports that 450,000 ether had moved onto an exchange. Today, checking those reports more closely, the desk found a problem. The reports were old articles, republished with new dates that made them look fresh. And the number "450,000" was never an amount of ether at all. It was a count of deposit addresses, meaning separate accounts that made a deposit, not a volume of coins.

So today the desk takes back yesterday's take-back. It does not reinstate the original claim either, because that claim still cannot be confirmed. The plain lesson is this: always check when a report was actually written, not just when it was posted. An old story wearing a new timestamp can look exactly like breaking news.

The bottom line

Iran and the US have been attacking each other's ships near the Strait of Hormuz, a key oil route. That pushed the price of oil up sharply, with Brent crude jumping 6.9 percent to $108.19 a barrel. The story has now turned into something bigger than oil: central banks worldwide are raising interest rates. They do that to fight inflation, meaning rising prices, but higher interest rates cannot make more oil appear. On Thursday the European Central Bank raised its key rate to 2.50 percent, calling the decision unanimous and easy to make. It warned that war-driven inflation could stay high for a long time. Bond yields jumped worldwide, stocks fell for a fourth day straight, and even gold and bitcoin dropped, even though wars usually push safe assets like gold higher. The brief also corrected five of its own mistakes today, including one where it had to take back an earlier correction.

The one thing to watch today: US inflation figures land on Friday, and the Federal Reserve decides on interest rates on Wednesday, September 16, with a rate rise now seen as about a 68 percent chance.

Word decoder

Barrel
The standard unit for measuring oil, equal to about 159 litres.

Basis point
One hundredth of one percent, so 100 basis points equal 1 percent.

Bond
A loan an investor makes to a government or company that pays interest.

Breakeven inflation
The rate of future inflation that bond prices show investors expect.

Central bank
The institution that sets a country's interest rates, like the ECB or the Fed.

Commodity
A raw material that is bought and sold, like oil, gold, or copper.

Conviction
How confident a trader or analyst is in a view, from weak to strong.

Decoupling
When an asset stops moving in line with things that usually drive it.

Deposit rate
The rate a central bank pays banks for parking money with it overnight.

Dominance

In crypto, the share of the whole market's value held by one coin.

Exchange-traded fund (ETF)
A fund that trades on a stock exchange like a share, often holding an asset such as bitcoin on investors' behalf.

Funding rate
In crypto futures, a regular payment made between traders betting on opposite sides of a bet.

Futures
A contract to buy or sell something at a set price on a set future date.

Gilt
A bond issued by the British government.

Hedge
A position taken to protect against a loss somewhere else.

Inflation
The rate at which everyday prices rise over time.

Interest rate
The cost of borrowing money, or the reward for lending it, shown as a percentage.

Long
Owning something, or betting that its price will rise.

Market capitalisation
The total value of an asset, found by multiplying its price by how many units exist.

Max pain
The price at which the most options contracts would expire worthless, hurting the most option holders.

Open interest
The number of futures or options contracts that are still open and not yet settled.

Options expiry
The date an options contract stops trading and gets settled at the current price.

Prediction market
A market where people trade on the outcome of real events, like elections or Fed decisions.

Producer prices
What it costs businesses to make goods, before those costs reach shoppers.

Real yield
A bond's interest rate after subtracting the inflation investors expect.

Short
Betting that a price will fall, usually by selling first and buying back later.

Sovereign
Relating to a national government, as in sovereign debt, which is money a country owes.

Spread
The gap between two related prices or interest rates, such as two countries' bond yields.

Volatility
How much and how fast a price swings up and down.

Yield
The annual return an investor gets from holding a bond, shown as a percentage of its price.

The numbers

Every figure from today's full brief, with one line of plain context each.

WHAT	LEVEL	CHANGE	WHAT IT MEANS
Brent crude oil	$108.19	+6.90%	The world's main oil price. Up 10.49% in two days on the war.
US crude oil	$102.91	+7.14%	The American oil price, usually a few dollars below Brent.
Bitcoin	$77,246	-1.31%	Barely moved on a huge day elsewhere. Third week of that.
Ethereum	$2,463.96	-0.18%	The second largest cryptocurrency. Almost flat.
Solana	$100.02	-2.38%	Another large cryptocurrency.
All crypto combined	$2.648tn	-3.95%	Fell more than the big coins, so smaller coins fell hardest.
S&P 500	7,592.12	-0.58%	The main US share index. A fourth straight daily fall.
Nasdaq Composite	26,081.73	-0.65%	The technology-heavy US index.
Dow Jones	52,064.46	-0.60%	The oldest US share index.
Germany, DAX	25,361.15	-0.84%	Lowest close since July, after the rate rise.
UK, FTSE 100	10,609.99	-0.56%	Britain's main share index.
Japan, Nikkei 225	65,270.95	+0.20%	One of only two big markets to rise.
Brazil, Bovespa	188,269	+1.42%	Rose on an election poll, not on world news.
Gold	$4,363.67	-2.18%	Fell despite a war, which surprises most people.
Silver	$64.155	-6.54%	Fell even harder than gold.
Copper	$6.5153	-5.42%	Set a record on Wednesday, then reversed sharply.
US 10-year borrowing cost	4.95%	+0.12pp	What the US government pays to borrow for ten years.
US 30-year borrowing cost	5.37%	+0.09pp	The same, for thirty years.
UK 30-year borrowing cost	5.948%	+0.08pp	Britain's highest since 1998.
German 2-year	3.230%	+0.18pp	Jumped most of all, because traders expect more rate rises.
ECB deposit rate	2.50%	+0.25pp	Raised today, unanimously, from 2.25%.
US producer prices	+5.4%	y/y	What factories charge. Rising fast, which worries the Fed.
US jobless claims	206,000	-1,000	People newly claiming unemployment. Still low.
Dollar index	99.068	+0.26%	The dollar against other big currencies.
Dollar to yen	154.33	+0.51%	The yen got weaker again.
Fear and greed	69	from 66	Crypto mood got greedier even as prices fell.
Oil volatility	60.76	+21.89%	How jumpy the oil market expects to be. It jumped a lot.
Share volatility, VIX	17.84	+8.38%	The same measure for shares. Up much less than oil.
Chance of a US rate rise	68.4%	from 48.7%	For September 16. It was a coin flip a week ago.
Bitcoin fund flows	-$120.2m	2nd day	Money leaving bitcoin investment funds.