THE BACKROOM BRIEF

MARKETS · MACRO · CRYPTO

MONDAY, SEPTEMBER 14, 2026 | RISK-OFF | CRYPTO 24H VOLUME $61.9B

BTC $77,647 +0.48% · ETH $2,518.20 -0.04% · SOL $101.61 +0.19% · BRENT $106.90 +2.19% · WTI $102.30 +2.25% · S&P FUT 7,684.50 -0.55% · NDX FUT 29,303.50 -1.28% · NIKKEI 63,492.99 -0.81% · TOPIX 4,058.21 +0.74% · KOSPI 6,684.37 -3.26% · SOFTBANK ¥5,839 -10.72% · USDJPY 154.26 +0.47% · GOLD $4,370.10 -0.88% · US2Y 4.618% -2.6bp · US10Y 4.967% -0.8bp · US30Y 5.363% +0.9bp · DXY 99.401 +0.28% · VIX SEP FUT 17.17 +3.41% · OVX 58.92 Fri · F&G 57 GREED, from 61

Crypto, index futures, FX, commodities and government bond yields are live prints from the European morning on Monday. Tokyo, Seoul, Taipei and Sydney levels are Monday closing prints; Shanghai and Shenzhen are late-session prints; Hong Kong and Singapore were still trading. US and European cash equity levels are Friday 11 September closes, because neither market had opened. The VIX figure is the September future; the cash index has not traded since Friday. Brent and WTI are the ICE November 2026 and NYMEX October 2026 contracts. Daily changes are against Friday's close or settle except crypto, which is 24 hours. A correction to this desk's 13 September real-yield print appears in The Bottom Line. Calibration per Polymarket research, 2026-04-16.

THE LEDE

One Shock Made of Barrels, One Made of Promises

SoftBank Group closed Tokyo's session 10.72 percent lower at 5,839 yen, and at its worst it was down 13.18 percent, after the chief executive of Anthropic published a post on Saturday arguing that "we must slow the pace at which we improve the capabilities of AI models" (darioamodei.com; Tokyo prints via CNBC's quote service). Sam Altman agreed the same weekend and said OpenAI will not go public this year (NPR, CNBC, Reuters). SK Hynix fell 5.3 percent and Samsung Electronics 3.7 percent in early Seoul trade (Reuters), the KOSPI closed down 3.26 percent at 6,684.37, and Nasdaq 100 futures were off 1.28 percent against 0.55 percent for the S&P 500 contract.

The second shock is older and made of steel pipe. Oman postponed Monday's meeting on new Hormuz shipping routes and set no new date (L'Orient Today, NDTV Profit, Business Recorder), Saudi Arabia confirmed its East-West bypass pipeline is shut, and November Brent opened at 107.11 dollars, 2.39 percent above Friday's settle, touched 108.49 and traded at 106.90 in the European morning (ICE prices via CNBC). Polymarket's contract on an Iran-Oman Hormuz agreement by 30 September fell 25 points in a day to 17.5 percent.

Yesterday this desk framed the week as policy rates against the physical barrel. The barrel is still there, and worse. What arrived over the weekend is a second story that pulls partly the other way: oil raises inflation and also drains growth, while a slower build-out of artificial intelligence hits growth in the sector that has carried American earnings without adding to inflation. Together they look more like stagflation than like two forces that cancel. Fed funds futures still put 83.8 percent on a hike on Wednesday, down from 85.5 percent on Friday (investing.com Fed Rate Monitor, derived from CME futures). Two details keep the story honest. The broad Topix rose 0.74 percent on the same day the price-weighted Nikkei fell 0.81 percent, so in Japan the selling was concentrated in AI names, even though those names spanned four countries. And bitcoin, which trades through every weekend, was 77,647 dollars and up 0.48 percent on the day (CoinGecko), as if neither shock had happened.

CROSS-REFERENCE

Press Digest

What each outlet led with between Friday evening and the Asian close on Monday, from each outlet's own feed or front page.

OUTLET	REGION	LEAD STORY	KEY NUMBER
Bloomberg	US	Oil Jumps as Shutdown of Saudi Pipeline Deepens Energy Crisis; US Stock Futures Fall on AI Warning, Oil Gains	n/a
Financial Times	UK	Warsh and Trump on collision course as investors expect Fed to raise rates; Oil hits $108 after Gulf states postpone talks with Iran over Hormuz	$108
Wall Street Journal	US	Brent Prices May Remain Elevated in 4Q; The Fed Is Poised to Raise Interest Rates for the First Time in Years	n/a
New York Times	US		Diesel above $6

OUTLET	REGION	LEAD STORY	KEY NUMBER
		Oil Prices Jump on Energy Supply Worries; Anthropic C.E.O. Dario Amodei Calls for A.I. Slowdown	
Reuters	Global	Morning Bid: Shipping oil gets ever harder, costlier; AI-linked Asian stocks slump after top lab CEOs call for slowing down	SoftBank -13.2% intraday
The Economist	UK	World in Brief: Anthropic's boss issues a warning; Saudi Arabia shuts East-West pipeline	n/a
Nikkei Asia	Japan	BOJ and Fed face critical test as market pressure rises on rates; Tech stocks slump in Asia, driven by AI safety concerns	BOJ seen at 1.25%
South China Morning Post	Hong Kong	Chinese traders hold collective breath ahead of Xi-Trump meeting	n/a
Caixin Global	China	The Week Ahead: Federal Reserve Prepares for Critical Interest Rate Decision	n/a
China Daily	China	Xi says BRICS world's most influential platform for emerging markets cooperation	n/a
Business Times	Singapore	All eyes on US Fed chair Warsh as rate-hike fever spreads across G7 central banks	n/a
Economic Times	India	Gulf oil threatened anew as Houthis reach key island and pipeline is shut down	n/a
Korea Times	South Korea	No relief from inflation as Middle East clash lifts fuel prices to painful levels	n/a
Les Echos	France	Les houthistes prennent le contrôle du détroit stratégique de Bab el-Mandeb	€6bn pension effort
Gulf News	UAE	Hormuz choked, Red Sea threatened: How will oil get through?	n/a
The National	UAE	Trump says Iran 'probably' responsible for the attack on Saudi Arabia's East-West pipeline	Bab al-Mandab traffic halves
Arabian Business	UAE	Iran-backed Houthis reach strategic Red Sea island as Saudi oil route comes under threat	n/a
Valor Econômico	Brazil	FT: Rejeição ao 'trumpismo' gera raro consenso na cúpula do Brics	n/a

Three stories lead almost everywhere: the Saudi pipeline and the barrel above 100 dollars, a Federal Reserve hike that the FT, Bloomberg, the WSJ and Singapore's Business Times all treat as settled, and the Houthi advance at the mouth of the Red Sea. The divergence is in how the AI story is filed. Reuters, Nikkei Asia and Bloomberg file it under markets. The Economist puts it at the top of its world briefing, beside the pipeline. CNBC's weekend framing is sceptical of motive, headlining that Anthropic "walks tightrope to Nasdaq, pushing for a slowdown while pursuing $2 trillion valuation", and a Forbes opinion column argues Amodei "doth protest too much". China Daily and the SCMP lead with neither shock, and with Xi Jinping's diplomacy instead. Handelsblatt and the FAZ could not be read cleanly this morning.

THE WEEK

What Moved and Why

1. The pace of the frontier became a price

Dario Amodei's post, titled "We Must Pace the Frontier", did three things a market can read. It asked the industry to slow capability gains. It warned that "in 6-12 months such a swarm could be capable of taking over the entire internet", meaning coordinated autonomous agents. And it committed Anthropic to letting outside evaluators work inside the company, saying "Anthropic is unilaterally committing to this step now" (darioamodei.com). The plan runs in three steps: embedded evaluators, then democratic coordination, then global coordination. Altman replied "I agree with Dario that we need to pace the frontier" and Elon Musk wrote "Dario is right" (both as reported by ABC News). Altman then said OpenAI's listing is off for 2026 (NPR and CNBC on Saturday).

The first market to price it was Tokyo. SoftBank, which Reuters describes as an OpenAI investor, closed at 5,839 yen, down 10.72 percent, after a low of 5,678. Reuters logged an early 9.8 percent drop in memory maker Kioxia and 3.7 percent off Tokyo Electron. Early in Seoul's session SK Hynix was down 5.3 percent and Samsung Electronics 3.7 percent; in Taipei TSMC closed 1.24 percent lower at 2,380 Taiwan dollars. Mainland names fell too: CXMT 2.7 percent, SMIC 1.4 percent, optical-module maker Zhongji Innolight 4.1 percent, and Chinese model developers Minimax and Z.ai 5.4 percent and as much as 10.5 percent (Reuters). "Selling pressure is likely to hit AI and semiconductor-related stocks in Tokyo following a series of weekend comments," Sony Financial Group's Takayuki Miyajima told Reuters before the open.

The index arithmetic tells you how narrow it was. The Nikkei 225 is price-weighted and heavy in SoftBank, Tokyo Electron and Advantest; it fell 0.81 percent after being down 2.01 percent at the low. The Topix weights by market value across the whole exchange and rose 0.74 percent. That 1.55-point gap is the AI complex, isolated. US futures show the same split: Nasdaq 100 down 1.28 percent, S&P 500 down 0.55 percent, Dow down 0.12 percent (CME contracts via CNBC).

The stake is the difference between demand today and the expected rate of spending tomorrow. Nothing in Monday's data says chips stopped selling. South Korea's exports rose 83 percent year on year in the first ten days of September to about 35 billion dollars, on semiconductors (Yonhap, Korea Times, JoongAng Daily), and Tencent-backed chipmaker Enflame nearly tripled on its Shanghai debut on Friday (Reuters, SCMP). What moved was the discount rate on the future: if the two leading labs slow the cadence of new frontier models, the marginal order for high-bandwidth memory arrives later. This desk has not measured how far these names had run into the weekend, so Saturday's post may have triggered a pullback that positioning had already prepared rather than caused all of it. The skeptical reads matter here too, and they should apply to both companies. CNBC's framing points at a company arguing for restraint while its own public listing is priced by Polymarket at 85.5 percent before 2027. OpenAI agreed within hours and shelved its own listing, and this desk found no published scepticism of that motive in the coverage it read, although slowing the frontier constrains competitors as well as the company that proposes it. Separately, and the FT reports that China's spy agency is warning of AI risk to national security, which is the competitive dilemma Amodei himself names: "A Chinese lead in AI would pose grave danger for the United States and world."

Watch. The US cash open. If Nasdaq 100 futures still trail the S&P by more than half a point at Monday's close, the de-rating has crossed the Pacific. Watch also for Google DeepMind, which has not matched the evaluator commitment in the coverage this desk has read, and for any hyperscaler that restates capital spending plans. A slowdown that only two labs sign is a price cut for everyone who does not.

2. Oman postponed, and the gap opened above the zone

The meeting that was meant to agree new entry and exit lanes for Hormuz did not happen. Oman postponed it on Monday with no new date (L'Orient Today, NDTV Profit, Business Recorder, Hindustan Times), and the Financial Times ran it under "Oil hits $108 after Gulf states postpone talks with Iran over Hormuz". Iran's foreign minister said any deal with Oman would not by itself reopen the strait, and that a US return to its commitments is the key condition, as relayed by regional outlets.

November Brent opened at 107.11 dollars against Friday's 104.61 settle, reached 108.49, and was 106.90 in the European morning, up 2.19 percent. October WTI was 102.30, up 2.25 percent, leaving Brent 4.60 dollars over WTI (ICE and NYMEX via CNBC). The physical facts under that print come from gCaptain's reporting on Sunday: the East-West line normally moves about 4 million barrels a day, roughly 4 percent of world supply; the Yanbu terminal at its western end holds about 35 million barrels, five to seven days of exports without the pipe; Saudi output was 6.2 million barrels a day in August against 10.9 million in February; repair estimates run from a partial restart within days to five or six weeks. Central Command says 101 commercial vessels have now been redirected under the US blockade of Iran (Report.az, Middle East Eye). EnergyNow describes Hormuz as close to a standstill, while also reporting three ships leaving by a new route along Oman's coast. Tanker rates to India are up 150 percent (Hindustan Times) and US diesel is above six dollars a gallon nationally for the first time (gCaptain).

The prediction market moved harder than the barrel. "Iran-Oman Hormuz Agreement by September 30?" fell 25 points to 17.5 percent, and the October contract 17 points to 39.0 percent. "US announces end of Iranian blockade by September 30, 2026?" fell 6.5 points to 13.0 percent. "Strait of Hormuz traffic returns to normal by December 31?" sits at 17.5 percent (Polymarket, prices this morning).

The stake is on this desk's own card. Yesterday's long bias on Brent carried a 100 to 104 dollar zone and a warning that the zone was gap-exposed. The gap came, upward, and the zone never traded. At 106.90 the distance to the 118 target is 11.10 dollars and the distance to the 96 kill level is 10.90, which is reward to risk of about one to one. The view is intact; the card as written no longer pays for its risk.

Watch. A new Oman date that carries Saudi agreement to the route geometry, which would kill the bias. On the other side, loadings at Yanbu, because a terminal with a week of stock and no pipe is a countdown.

3. The second chokepoint changed hands

The Houthis now hold the mouth of the Red Sea. Al Jazeera ran "Red Sea nations watch as Houthis seize Bab al-Mandeb strait" on Sunday, and Gulf News reported the capture of Mocha and Perim island "in 36 hours", with "100 US advisers, no air cover". The National reported ship traffic through Bab al-Mandab has halved. The group also claimed a missile and drone attack on Saudi Arabia's Sharurah base, reported by multiple outlets without independent confirmation, and Yemen's government says 500 of its soldiers were killed, a casualty figure this desk cannot verify (Eurasia Review).

The geography is what turns this into a price. With the East-West pipeline shut, Saudi crude that does leave from Yanbu on the Red Sea still has to pass Bab al-Mandab to reach Asian buyers. The bypass for Hormuz and the chokepoint the Houthis now hold are the same route. The Economist's read is that the advance "gives Iran new leverage", and Al Majalla reports Egypt's Red Sea position is exposed by it.

Polymarket prices "Bab el-Mandeb Strait effectively closed by September 30?" at 5.3 percent and the December contract at 20.5 percent, both of which calibrate lower. The crowd is treating a group that just took the strait's two anchoring positions as unlikely to close it.

Watch. The first strike on a tanker loaded at Yanbu. That would close the only working bypass without anyone announcing a closure, and the 5.3 percent Polymarket contract would not resolve on it.

4. Wednesday's hike is priced, and its chair is arguing with the president

Fed funds futures put 83.8 percent on a quarter-point hike to 3.75 to 4.00 percent on Wednesday, against 85.5 percent on Friday and 58.7 percent a week ago. October carries 40.4 percent on a second hike and December 24.0 percent on a range of 4.25 to 4.50 percent (investing.com Fed Rate Monitor, derived from CME futures). The probability-weighted midpoint for Wednesday is 3.8345 percent, 21.0 basis points above today's 3.625. Prediction venues sit a few points lower: Polymarket's hike contract trades at 79.5 percent and Kalshi's at 77 to 78 cents. Run through the calibration, Polymarket's 79.5 becomes 85.5, almost exactly where futures stood on Friday.

The press agrees on the decision and splits on the politics. The FT and Bloomberg both lead with Chair Kevin Warsh on a collision course with Donald Trump, the SCMP reports Trump saying the US should have the world's lowest interest rate, and Reuters reports Goldman Sachs and JPMorgan both expect a September hike. Bloomberg adds a separate warning that a 5 percent Treasury yield is raising new risks for markets and the economy.

Monday's bond tape shows the AI story reaching rates. The two-year Treasury was 4.618 percent, 2.6 basis points below CNBC's Friday close, while the thirty-year rose 0.9 to 5.363 (CNBC benchmark quotes, compared within that source). It is a small move, inside a normal morning's range, and the thirty-year's small rise does not fit a pure growth scare, but the direction at the front end fits a market trimming the later hikes more than the first one. Friday's official curve closed 2s10s at 33 basis points and 20s30s at minus 3 (US Treasury).

Watch. Wednesday morning brings August retail sales and import prices before the decision (Census Bureau, Bureau of Labor Statistics). The Summary of Economic Projections is the event: if the dots keep a second hike after two weekend growth shocks, the two-year gives back Monday's rally.

5. Seoul took both shocks at once

The KOSPI opened 3.14 percent lower at 6,692.61, touched 6,654.82, and closed down 3.26 percent at 6,684.37, while the won weakened to 1,346.77 per dollar (CNBC). Seoul Economic Daily framed it as "Korea Faces Triple Shock as Bond Yields Top 4%, Oil Passes $100"; Reuters put SK Hynix and Samsung in its AI-selloff story. Both are right, and that is the point.

South Korea imports almost all of its crude and exports the memory that artificial intelligence runs on. Monday hit the import bill and the export story on the same session. The export story itself was strong four days ago: the first ten days of September came in up 83 percent on chips (Yonhap). The selling on Monday was institutional: foreign and institutional investors sold a net 4.46 trillion won of Korean shares (bloomingbit), and Maeil Business reports foreigners sold about 4 trillion won of Samsung Electronics alone. Banks went the other way, with Woori Financial up 4.6 percent (Seoul Economic Daily), which is what a market does when it expects higher rates for longer. The Bank of Korea raised its base rate to 3.00 percent on 27 August (bok.or.kr).

The stake is that Korea is the cleanest place to see which shock is bigger. If the index keeps falling while oil eases, AI is the driver. If it recovers while Brent holds 107 (ICE), the oil read was overdone, and the KOSPI's close via CNBC is the baseline for that test.

Watch. The next ten-day export tally, and whether SK Hynix recovers before the Federal Reserve decides.

6. The yen long is paying for oil

Dollar-yen traded at 154.26 on Monday, up 0.47 percent from Friday's 153.54, and printed a session high of 154.29 (CNBC). Nikkei Asia reports the Bank of Japan is expected to raise its policy rate to 1.25 percent on Friday. Yesterday this desk flagged that speculators had turned net long yen for the first time since February, and called that the most crowded expression of the week.

A widely expected hike has not supported the yen, and the reason is the barrel. Japan pays for its oil in dollars, and a 2 percent jump in Brent widens the import bill before any rate differential narrows. The government curve is also doing something unusual for a hiking week: the thirty-year JGB closed Friday at 4.024 percent and the forty-year at 4.027, and the two-to-ten spread steepened 6.3 basis points on the week to 114.3, while Germany's flattened 7.0 to 39.0 after the European Central Bank's hike (Ministry of Finance, Bundesbank).

The stake is that a crowded long losing money before its own event tends to be reduced before the event, which can push the yen weaker into a hike that should strengthen it.

Watch. Friday's decision and, more telling, the guidance on the pace after it. A delivered hike with soft language would complete the squeeze on the long.

7. CLARITY got its rewrite before the vote

Senate Republicans released what they call the final text of the Digital Asset Market Clarity Act on Sunday, and The Block's headline on Monday reads "Senate Republicans release 'final' Clarity Act draft as Trump accepts most ethics provisions". Crypto trade press puts the draft at 635 pages with 126 changes requested by Democratic negotiators. The cloture vote is Tuesday, 15 September. It needs 60 votes; Republicans hold 53 seats, so seven Democrats or independents are needed if every Republican votes yes. 24/7 Wall St puts the number at nine without an explanation this desk could find; the card below uses seven, the figure that follows if every Republican votes yes.

Polymarket's "Clarity Act (H.R.3633) signed into law in 2026?" rose 6.5 points in a day to 30.0 percent, from the 22.5 percent this desk printed yesterday, on 932,000 dollars of volume in 24 hours.

The stake is on this desk's card. Yesterday's watch said the vote would fail and that seven Democratic crossovers would kill the view, most likely because the text had been rewritten over the weekend, and it told readers to watch for an amendment before Tuesday. The rewrite has now arrived. The crossovers have not been named. The route to the kill condition is open, so the conviction behind a failure call comes down on the card below.

Watch. Named Democratic crossovers before Tuesday's roll call. The ethics concession is the change most likely to move a vote, so statements from the Democrats who negotiated those provisions are the tell.

8. Bitcoin sat through both shocks, and its retail traders kept adding

Bitcoin traded at 77,647 dollars on Monday morning, up 0.48 percent in 24 hours, with ether at 2,518.20 and Solana at 101.61 (CoinGecko). Against yesterday's issue that is 1.19 percent higher for bitcoin, 1.46 percent for ether and 1.81 percent for Solana, across a weekend in which the heads of Anthropic and OpenAI asked the industry to slow down and oil gapped higher. The Fear and Greed index slipped to 57 from 61 (alternative.me).

Positioning did move. Binance's all-account long-to-short ratio for bitcoin rose from 1.0602 a week ago to 1.6631 today, up 56.9 percent, and its top-trader position ratio rose from 2.0219 to 2.3265 (Binance futures data). On Bybit the bitcoin account ratio rose seven sessions in a row, 1.180 to 1.548. In ether the split that this desk flagged yesterday widened: retail accounts at 2.9825 against top traders at 1.2287. Hyperliquid's total open interest rose 2.55 percent to 10.30 billion dollars (Hyperliquid API).

The fund data point the other way from the retail book. US spot bitcoin funds lost 462.7 million dollars across the four sessions to Friday, while ether funds took in 197.1 million, 216.4 million of it on Friday alone (SoSoValue). CME's September bitcoin future trades at an annualised 7.96 percent over the Hyperliquid oracle price, and the ether future at 14.48 percent (CME prices via CNBC), a richer premium for ether than its perpetual funding pays.

The stake is that crypto has not yet faced the US cash session that will price the AI story in American stocks. A retail book that got longer through a weekend of risk-off headlines is the exposed side if Monday's Nasdaq open confirms the futures.

Watch. Polymarket's Monday contracts price bitcoin above 76,000 at 96.5 percent and above 78,000 at 33.5 percent. The Deribit weekly expiry on Friday has its max pain at 78,000, 0.45 percent above spot; the monthly on 25 September sits at 72,000, 7.27 percent below.

DIGITAL ASSETS

Crypto

Bitcoin at 77,647 dollars is 1.19 percent above yesterday's issue and 38.5 percent below the 126,295 dollar peak on the CME contract in October 2025 (CoinGecko; CME high via CNBC). The move over the weekend was a grind higher on Saturday, when short liquidations drove ether above 2,600 dollars (Analytics Insight, KuCoin), followed by a give-back on Sunday that left ether at 2,518.20. Every major coin sits inside a 1.4 percent band on the day. CoinGecko's aggregate market-cap change read minus 2.33 percent on a first pull and minus 2.46 percent on a second, at 2.643 trillion dollars, even though no top-14 asset fell more than 1.4 percent; this desk treats that aggregate change as a vendor artefact and does not read it as a move.

Prices, live Monday European morning

COIN	PRICE	24H	24H VOLUME	MARKET CAP
Bitcoin	$77,628	+0.46%	$20.06B	$1.559T
Ether	$2,516.25	-0.20%	$11.29B	$307.18B
Solana	$101.46	-0.08%	$2.35B	$59.55B
XRP	$1.38	+1.24%	$1.53B	$86.93B
BNB	$723.51	-0.06%	$829.3M	$96.34B
Hyperliquid	$79.81	+0.89%	$719.8M	$17.75B
Dogecoin	$0.084364	-0.43%	$486.4M	$13.15B
Tron	$0.339601	-0.02%	$353.3M	$32.24B
Sui	$0.724759	+0.17%	$352.8M	$2.97B
Chainlink	$11.43	-0.66%	$323.9M	$8.55B
Cardano	$0.20866	+0.37%	$273.5M	$7.83B
Avalanche	$7.42	-0.22%	$180.7M	$3.29B
Pepe	$0.00000345	-0.63%	$167.2M	$1.449B
Bonk	$0.00000276	-1.37%	$21.9M	$243.2M

CoinGecko simple price, a first pull early in the European morning; the ticker carries a second pull minutes later (BTC 77,647, ETH 2,518.20, SOL 101.61).

Market structure: total capitalisation 2.643 trillion dollars against 24-hour volume of 61.9 billion, bitcoin dominance 58.85 percent and ether 11.59 (CoinGecko global, second pull; the first read 61.8 billion, 58.84 and 11.60). The trending list reads STONK, LIT, TAO, LSK, PONS, BTW, PRL, ZEC, FIL and CASHCAT. Bittensor's TAO, a token tied to a decentralised AI network, is on the list despite the AI story, and Zcash holds 547.6 million dollars of Hyperliquid open interest, fourth on the venue (Hyperliquid API). Lisk rose more than

700 percent in a day on an 11-fold rise in futures volume by bloomingbit's count, and 500 percent by Yahoo Finance's, before crashing, which is the kind of move that belongs in a liquidation log rather than a thesis.

US spot fund flows

DATE	BITCOIN FUNDS NET	BITCOIN NET ASSETS	ETHER FUNDS NET	ETHER NET ASSETS
Fri 11 Sep	-$13.29M	$97.58B	+$216.41M	$16.31B
Thu 10 Sep	-$282.56M	$97.49B	-$29.76M	$15.60B
Wed 9 Sep	-$120.24M	$99.33B	+$34.75M	$15.69B
Tue 8 Sep	-$46.65M	$99.52B	-$24.29M	$15.72B
Fri 4 Sep	+$174.60M	$101.25B	+$26.46M	$15.57B
Thu 3 Sep	+$730.87M	$103.34B	+$141.39M	$15.92B
Wed 2 Sep	+$101.15M	$97.22B	-$48.08M	$15.00B

Bitcoin funds lost 462,733,254 dollars across the four sessions of last week and ether funds gained 197,111,698 (desk sums of SoSoValue's daily series). Cumulative net inflow to the bitcoin funds reads 55.155 billion dollars on one SoSoValue endpoint and 55.176 billion on the other, a 21.4 million dollar gap this desk prints rather than resolves; the ether endpoints agree at 13.390 billion. The funds hold 1,261,736 bitcoin, 6.28 percent of supply by value, and 6,442,902 ether, 5.28 percent. Friday by fund: BlackRock's IBIT lost 19.23 million while Morgan Stanley's MSBT took 3.76 million and VanEck's HODL 2.18 million; in ether, BlackRock's ETHA took 148.82 million, Bitwise's ETHW 29.09 million, BlackRock's ETHB 18.32 million and Fidelity's FETH 11.40 million. US funds report after the close, so Monday's reaction to the AI story is not in these numbers.

Derivatives

VENUE AND ASSET	LATEST FUNDING, ANNUALISED	7-DAY AVERAGE	OPEN INTEREST
Binance BTC	7.84%	6.07%	106,738 BTC live
Binance ETH	5.77%	2.68%	2,329,258 ETH live
Binance SOL	-1.03%	0.08%	7,891,264 SOL live
Bybit BTC / ETH / SOL	9.83% / 10.95% / 4.13%	n/a	$4.14B / $1.98B / $0.59B
OKX BTC / ETH / SOL	6.51% / 5.57% / 5.09%	n/a	$2.17B / $1.61B / $0.27B
Hyperliquid BTC / ETH / SOL	10.95% each	floor	$2.83B / $2.56B / $0.53B
CME Sep BTC / ETH basis	7.96% / 14.48%	n/a	15,886 / 27,149 contracts

Bitcoin funding on Binance rose from 3.93 percent annualised on Friday afternoon to 7.84 percent on Monday, with two dips along the way. Ether's flipped to minus 5.02 percent for one print on Sunday and back to 5.77. Solana's has been negative for three prints, but has narrowed from the minus 4.76 percent this desk printed yesterday to minus 1.03 (Binance funding history). Hyperliquid's 10.95 percent across BTC, ETH and SOL is the venue's structural floor rate, and 153 of its 234 markets sit on it, so its funding carries no directional signal for most assets today; the outlier is Monero at minus 37.35 percent, which means shorts are paying longs heavily to stay short, a crowded short after a Saturday rally (Hyperliquid API; CoinMarketCap on the rally). Binance daily open interest in bitcoin was 104,897 contracts on Monday against 106,859 on Friday, while ether rose from 2,257,360 to 2,319,328 (Binance open interest history, daily series).

Long-short ratios, Binance daily

DATE	BTC ALL ACCOUNTS	BTC TOP TRADERS	ETH ALL ACCOUNTS	ETH TOP TRADERS	SOL ALL ACCOUNTS	SOL TOP TRADERS
Mon 7 Sep	1.0602	2.0219	2.2510	1.7541	1.9762	2.4647
Wed 9 Sep	1.2952	2.1312	2.3102	1.6463	2.0731	2.4591
Fri 11 Sep	1.6008	2.1224	2.7355	1.2932	2.2446	2.0958
Sun 13 Sep	1.6539	2.2324	2.7779	1.2695	2.3146	2.0471
Mon 14 Sep	1.6631	2.3265	2.9825	1.2287	2.3478	2.0137

Within bitcoin, both books got longer again. Within ether and Solana the split this desk flagged yesterday widened on Monday: retail ether rose from 2.7779 to 2.9825 while top traders cut from 1.2695 to 1.2287, and Solana retail rose from 2.3146 to 2.3478 while its top traders cut from 2.0471 to 2.0137. Bybit's bitcoin account ratio rose in each of seven sessions, 1.180 to 1.548 (Bybit API).

Liquidations

No primary liquidation feed was reachable this morning, so these are dated press reports and should be read as such. Saturday: 668 million dollars of positions liquidated as ether rose 8 percent (finance.biggo.com), and 197 million as bitcoin climbed above 76,000

(Yellow.com). Sunday: a 13,600-bitcoin leverage flush (Cryptonews.net), roughly 1.05 billion dollars at the prices of the weekend. A Stocktwits piece headlined 1.6 billion dollars wiped out references a 69,000 dollar bitcoin price that does not match this weekend's range, so this desk leaves its number out.

Options, Deribit

EXPIRY	CALLS	PUTS	PUT/CALL	NOTIONAL	MAX PAIN	LARGEST STRIKES BY OPEN INTEREST
BTC Fri 18 Sep	9,453.0	7,946.7	0.8407	$1.35B	78,000	72,000; 82,000; 74,000; 75,000; 83,000
BTC Fri 25 Sep	121,849.8	63,063.8	0.5176	$14.35B	72,000	70,000; 85,000; 90,000; 80,000; 78,000
BTC Fri 25 Dec	72,251.4	41,197.0	0.5702	$8.91B	72,000	80,000; 60,000; 100,000; 120,000; 40,000
ETH Fri 18 Sep	84,054	33,677	0.4007	$296.1M	2,500	2,800; 2,700; 2,550; 2,200; 2,600
ETH Fri 25 Sep	474,790	274,183	0.5775	$1.89B	2,200	3,000; 2,000; 2,100; 2,600; 1,900
ETH Fri 25 Dec	367,023	140,471	0.3827	$1.29B	2,200	3,200; 2,200; 2,500; 3,500; 2,000

Across all expiries Deribit holds 415,266 bitcoin option contracts, 32.2 billion dollars of notional at a put-call ratio of 0.5579, and 1,804,637 ether contracts, 4.54 billion dollars at 0.5218. Max pain is computed by this desk from per-strike open interest as the settlement price that minimises what option holders collect. The monthly on 25 September holds 44.5 percent of all bitcoin option contracts, which is why its 72,000 pin matters more than the weekly's 78,000. Deribit's volatility index for bitcoin closed its last full day at 38.89 and read 37.83 on the current candle; ether's closed at 54.29 and read 54.42 (Deribit DVOL). On Thursday 10 September bitcoin's DVOL fell from 40.24 to 36.75 in a session, the largest one-day drop in the eight days shown, and it has not recovered to 40 since.

KEY LEVELS, BITCOIN AND ETHER

BTC spot 77,647 · CME Sep contract today: low 76,375, high 77,925
Deribit max pain: 78,000 weekly (18 Sep, +0.45%) · 72,000 monthly (25 Sep, -7.27%)
Largest 25 Sep strikes: 70,000 (20,413 contracts) · 85,000 (10,020) · 90,000 (9,781) · 80,000 (8,410) · 78,000 (8,007)
Largest 18 Sep strikes: 72,000 (2,414) · 82,000 (1,833) · 74,000 (1,583)
Polymarket Monday ladder: above 76,000 at 96.5% · above 78,000 at 33.5% · above 80,000 at 3.1%
Polymarket September: reach 85,000 at 23.5% · dip to 62,500 at 4.4% · dip to 60,000 at 2.5%
ETH spot 2,518.20 · max pain 2,500 weekly, 2,200 monthly · largest 25 Sep strikes 3,000 and 2,000
Hyperliquid BTC book: asks 2.9 times bids inside 0.025 percent of mid, a thin top-of-book reading only

RATES AND RISK

Traditional Markets

The S&P 500 closed Friday at 7,656.98, up 0.86 percent, on the day August consumer prices rose 3.4 percent and made a hike more likely; the Wall Street Journal's headline was "U.S. Stocks Gain as Inflation Figure Boosts Odds of Rate Hike". Monday's futures have taken that back and more in technology: markets rewarded certainty about the Federal Reserve on Friday, and on Monday they are pricing uncertainty about artificial intelligence.

US EQUITIES	FRIDAY CLOSE	FRIDAY	MONDAY FUTURES (DEC)	FUTURES CHANGE
S&P 500	7,656.98	+0.86%	7,684.50	-0.55%
Nasdaq Composite / Nasdaq 100 future	26,333.04	+0.96%	29,303.50	-1.28%
Dow Jones Industrial Average	52,573.29	+0.98%	52,938.00	-0.12%
Russell 2000	2,903.94	+0.45%	n/a	n/a

Closes and futures via CNBC's quote service. Futures changes are against each contract's own prior settle.

Treasuries: the official curve, and the real curve behind it

DATE	3M	2Y	5Y	10Y	20Y	30Y	10Y REAL	10Y BREAKEVEN
Tue 8 Sep	3.94	4.39	4.57	4.80	5.26	5.25	2.43	2.37
Wed 9 Sep	3.95	4.43	4.61	4.83	5.28	5.28	2.46	2.37
Thu 10 Sep	4.00	4.56	4.75	4.95	5.39	5.37	2.55	2.40
Fri 11 Sep	4.07	4.63	4.78	4.96	5.38	5.35	2.60	2.36

US Treasury daily par yield curve and daily par real yield curve. Breakeven is nominal minus real at ten years, computed by this desk.

Monday's live benchmark yields come from a different source, CNBC: 4.618 percent at two years, 4.967 at ten and 5.363 at thirty, against CNBC's own Friday closes of 4.644, 4.975 and 5.354. CNBC's benchmark quotes sit up to 1.5 basis points away from Treasury's par curve, so every Monday change in this brief is measured within CNBC's series, never against the table above.

The ten-year real yield rose 17 basis points in three sessions, from 2.43 on Tuesday to 2.60 on Friday, while the breakeven went 2.37, 2.37, 2.40, 2.36. The front end did most of the work: the two-year rose 24 basis points from Tuesday to Friday against 10 for the thirty-year. Federal Reserve Economic Data had not posted Friday's real-yield or breakeven values when pulled; its Thursday prints agree with Treasury's (DFII10 2.55, T10YIE 2.40). The five-year real yield was 2.38 on Friday and the thirty-year real 3.07 (US Treasury real curve).

TREASURY AUCTIONS SINCE 8 SEP	HIGH YIELD	BID TO COVER	SIZE	DEALERS	DIRECT	INDIRECT
3-year note, Tue 8 Sep	4.474%	2.72	$58.0B	10.9%	26.9%	62.1%
10-year reopening, Wed 9 Sep	4.834%	2.71	$39.0B	4.3%	16.5%	79.2%
30-year reopening, Thu 10 Sep	5.308%	2.61	$22.0B	2.2%	18.3%	79.5%

TreasuryDirect auction results; award shares computed by this desk from the dollar amounts accepted. This week: 20-year bond reopening, 13 billion dollars, Tuesday; 10-year TIPS reopening, 19 billion dollars, Thursday (TreasuryDirect).

Commodities and currencies, Monday European morning

INSTRUMENT	LAST	CHANGE	FRIDAY	SESSION RANGE
Brent, ICE Nov 26	106.90	+2.19%	104.61	106.11 to 108.49
WTI, NYMEX Oct 26	102.30	+2.25%	100.05	101.59 to 103.60
Natural gas, NYMEX Oct 26	2.886	+1.94%	2.831	n/a
Gold, COMEX Dec 26	4,370.10	-0.88%	4,408.90	4,360.50 to 4,396.80
Silver, COMEX Dec 26	64.305	-1.35%	65.188	64.00 to 64.98
Copper, COMEX Dec 26	6.466	-1.25%	6.548	6.45 to 6.5525
Dollar index	99.401	+0.28%	99.122	99.073 to 99.453
EUR/USD	1.1558	-0.34%	1.1598	1.1552 to 1.1599
USD/JPY	154.26	+0.47%	153.54	153.38 to 154.29
GBP/USD	1.3499	-0.14%	1.3518	1.3487 to 1.3528
USD/CHF	0.8186	+0.31%	0.8161	n/a

CNBC quote service. Brent-WTI 4.60 dollars. Gold-silver ratio 67.96.

Oil up and every metal down is the pattern this desk described on 10 September, when the barrel spiked while gold, silver and copper fell because real rates were rising. Monday is the same shape without a new real-yield print to explain it: Treasury publishes Monday's real curve after the US close, but the dollar rose 0.28 percent and copper fell 1.25 percent. HSBC raised its 2026 Brent forecast to 90 dollars from 80 (oilprice.com), a sign of how far sell-side forecasts lag a 107 dollar spot price.

Volatility

INDEX	FRI 11 SEP	THU 10 SEP	TUE 8 SEP
VIX	15.84	17.84	15.72
VIX9D	14.47	17.70	14.81
VIX3M	18.60	19.73	18.39
OVX (crude oil)	58.92	60.76	48.59
GVZ (gold)	25.68	28.48	27.26
VVIX / SKEW	91.28 / 154.49	n/a	n/a
VIX September future, Monday live	17.17	prior settle 16.60	n/a

Cboe daily index history, holiday rows removed; VIX future via CNBC.

The cash VIX has not traded since Friday, but its September future has: 17.17, up 3.41 percent, 1.33 points above Friday's cash close. That future spans Wednesday's Federal Reserve decision, so it is the first live read on whether the nine-day complacency this desk flagged yesterday survives the weekend. Crude oil volatility at 58.92 runs 3.72 times equity volatility.

The Federal Reserve, priced three ways

MEETING	OUTCOME	FUTURES NOW	FRIDAY	WEEK AGO	POLYMARKET RAW / CALIBRATED	KALSHI
Wed 16 Sep	Hold 3.50 to 3.75	16.2%	14.5%	41.3%	20.5% / 14.5%	21 to 22c
Wed 16 Sep	Hike to 3.75 to 4.00	83.8%	85.5%	58.7%	79.5% / 85.5%	77 to 78c
Wed 16 Sep	Hike 50 or more	n/a	n/a	n/a	0.7% / 0.1%	1 to 2c
Wed 28 Oct	3.75 to 4.00	51.2%	49.6%	54.3%	n/a	n/a
Wed 28 Oct	4.00 to 4.25	40.4%	43.2%	14.8%	36.5% / 32.6% (Oct hike)	37 to 38c
Wed 9 Dec	4.00 to 4.25	46.8%	47.3%	35.4%	n/a	n/a
Wed 9 Dec	4.25 to 4.50	24.0%	27.4%	7.7%	n/a	n/a

Futures: investing.com Fed Rate Monitor, derived from CME 30-day fed funds futures. Polymarket and Kalshi pulled directly. Target range 3.50 to 3.75, effective rate 3.63 on 108 billion dollars, SOFR 3.62 on 2,921 billion, Thursday 10 September (New York Fed).

Futures trimmed the second and third hikes on Monday: October's move to 4.00 to 4.25 fell to 40.4 percent from 43.2, and December's top bucket to 24.0 from 27.4. Polymarket's October hike contract fell a point. Polymarket prices "Fed rate hike in 2026?" at 89.0 percent and "US recession by end of 2026?" at 8.5 percent, up 2 points on the day.

This week's data

No major US release lands Monday. Wednesday brings August retail sales and August import prices ahead of the decision (Census Bureau release calendar, Bureau of Labor Statistics schedule). Thursday carries the Philadelphia Fed survey, housing starts and weekly jobless claims, and Friday industrial production (Kiplinger's calendar; this desk did not confirm those three against the agencies). Consensus figures that two calendars agree on were not available this morning, and this desk does not print single-vendor forecasts.

> *The Schelling read: a voluntary slowdown in a capability race is an arms-control problem, where each side gains from racing if the other holds back, and restraint survives only when it can be verified. Amodei's first step, outside evaluators inside the labs, is a verification mechanism, which is the right instrument. His own post names China as the party with no reason to accept it, so the market priced restraint that cannot be verified across the border that matters, and marked down the suppliers whose order books depend on the pace of spending while the broad Topix rose. That is a bet on credibility, and a bet on credibility can reverse in a single earnings call.*
>
> ECONOMIST'S CORNER · GAME THEORY, ARMS CONTROL

GLOBAL

International Markets

Asia-Pacific, Monday

MARKET	INDEX	CHANGE	POLICY RATE	FX VS USD	MACRO AND PRESS
Japan	Nikkei 63,492.99	-0.81%	BOJ around 1.0%, decision Fri 18 Sep	154.26	Nikkei Asia: BOJ expected to hike to 1.25%
Japan broad	Topix 4,058.21	+0.74%	JGB 10Y 2.987%, 30Y 4.024% (Fri)	n/a	SoftBank -10.72%
South Korea	KOSPI 6,684.37	-3.26%	BOK 3.00%, hiked 27 Aug	1,346.77	Exports +83% in first ten days of Sept (Yonhap)
Taiwan	Taiex 45,862.52	-0.70%	n/a	31.715	TSMC -1.24%
Hong Kong, trading	Hang Seng 24,893.37	+0.35%	HKMA base rate 4.00%	7.8428	SCMP: traders await Xi-Trump meeting
China, late session	Shanghai 3,884.94	-0.08%	LPR 3.00% 1Y, 3.50% 5Y	CNH 6.707	Shenzhen -0.64%; Enflame +179% on Friday debut (SCMP)
Australia	ASX 200 8,749.90	+0.10%	RBA 4.35%	AUD 0.7140	n/a
Singapore, trading	STI 5,712.48	+0.29%	MAS site unavailable	1.2694	Business Times: rate-hike fever across G7
India	Nifty n/a Monday	n/a	RBI repo 5.25%	n/a	August CPI due Monday, Reuters poll sees 20-month high

Index and FX prints via CNBC's quote service, taken after each market's close where closed; policy rates from boj.or.jp, bok.or.kr, rba.gov.au, rbi.org.in; PBOC loan prime rates per FXStreet's August report; JGB yields from Japan's Ministry of Finance.

Japan is the market to read first, because it split in two (closing prints via CNBC). The price-weighted Nikkei lost 0.81 percent after falling as far as 62,726.18, dragged by SoftBank and the chip-equipment names, while the value-weighted Topix finished up 0.74 percent. The Topix gives banks and exporters far more weight than the Nikkei does, and exporters with dollar revenue gain from a yen at 154.

Korea is where both shocks landed on the same index. Seoul Economic Daily attributes the fall to oil above 100 dollars and Korean bond yields above 4 percent; Reuters attributes the chip leg to the AI call. The won's 0.40 percent slide fits both readings.

China barely moved, and that is informative. Shanghai was almost flat in the afternoon session and Hong Kong rose, even though mainland AI names such as SMIC, CXMT and Minimax fell (Reuters). Caixin's lead on retail investors draining offshore quotas to buy US technology stocks suggests where mainland money has been positioned, and the SCMP says the market is waiting on a Xi-Trump meeting.

Cross-regional thread: an oil importer that exports chips (Korea) fell hardest, an oil importer with a split index (Japan) was flat on the broad measure, and the region's commodity exporter (Australia) and financial hubs (Hong Kong, Singapore) rose. The AI shock is concentrated by company, and the oil shock by trade balance.

Europe, the Americas and the Gulf

MARKET	INDEX, LAST CLOSE	CHANGE	POLICY RATE	10Y YIELD, LIVE	PRESS AND MACRO
Germany	DAX 25,568.56 (Fri)	+0.82%	ECB deposit 2.50%, effective Wed 16 Sep	3.521%	Handelsblatt: Commerzbank takeover battle
United Kingdom	FTSE 100 10,650.44 (Fri)	+0.39%	BoE 3.75%, decision Thu 17 Sep	5.378%	30-year gilt 5.936%
France	CAC 40 8,179.77 (Fri)	n/a	ECB	4.473%	Les Echos: 6 billion euro pension effort to close budget
Italy	FTSE MIB 52,512.03 (Fri)	+1.36%	ECB	4.400%	BTP-Bund 87.9bp
Switzerland	SMI 13,775.27 (Fri)	n/a	SNB 0%	0.556%	n/a
Brazil	Bovespa 187,206.89 (Fri)	-0.56%	Selic 14.00%	n/a	USD/BRL 5.1277; Valor leads with judicial politics
Canada	TSX 35,697.49 (Fri)	+0.54%	BoC 2.25%, next Wed 28 Oct	n/a	USD/CAD 1.3874
Mexico	IPC 63,924.77 (Fri)	-0.28%	Banxico n/a	n/a	USD/MXN 17.0015
Saudi Arabia	TASI 10,864 (Sun)	-1.30%	n/a, dollar peg	n/a	East-West pipeline confirmed shut
Dubai	DFM 5,958.30 (Mon, trading)	+0.29%	n/a, dollar peg	n/a	The National: Trump says Iran "probably" behind pipeline attack

Indices, yields and FX via CNBC; the DAX's Friday change as printed in this desk's 13 September issue, because CNBC's feed carried no Friday change; ECB from ecb.europa.eu; BoE from bankofengland.co.uk; Selic from the Banco Central do Brasil API; Bank of Canada from bankofcanada.ca; SNB per Reuters; TASI per Arab News and Investing.com.

Europe's bond market opened Monday with the periphery widening (benchmark yields via CNBC). France's ten-year spread over Bunds is 95.1 basis points against 94.5 on Friday, and Italy's 87.9 against 85.2, with the Italian ten-year up 4.6 basis points in early European trade. Gilts are the weak spot in core markets again: the ten-year rose 3.1 basis points to 5.378 percent ahead of Thursday's decision. The Bundesbank's own par curve put the German ten-year at 3.56 percent on Friday, up 16 basis points in a week, a separate series from the benchmark quote above.

The Gulf is pricing the pipeline in its own currency. Saudi Arabia's main index fell 1.30 percent on Sunday (Arab News, Investing.com), its first session after the attack on the pipeline, while Dubai rose on Monday morning (CNBC).

Sweden voted on Sunday and the result is not settled; that story sits under Geopolitics.

> *US coverage will call Monday an Asian selloff. The broad Japanese market rose. The heaviest losses were in memory makers, Kioxia, SK Hynix and Samsung, while TSMC, which makes logic chips, lost 1.24 percent, and Taiwan, which imports oil just as Korea does, fell 0.70. Korea fell hardest because its index is built around memory, and memory is where the market put the AI call.*
>
> THE INTERNATIONAL TELL · REUTERS, CNBC

CONFLICT

Geopolitics

Iran, Hormuz and the tanker war

The weekend added strikes to the talks' postponement. Central Command reported a third straight night of US strikes on Iran (as reported by WXLV) and released video of an earlier series against five Iranian crude tankers (Canadian Press). An Iranian cargo vessel was struck near Qeshm island (France 24), the crew of a vessel attacked in Hormuz was evacuated (gCaptain), and a sailor is missing after a Gulf tanker attack (Shafaq News). The United States narrowed the time windows in which it provides air defence to tankers crossing the strait after a surge in Iranian attacks (gCaptain). Donald Trump said Iran was "probably" responsible for the pipeline attack (The National), the UAE urged restraint in calls with Saudi Arabia and Iraq (Türkiye Today), and South Korea's government said the short-term supply impact on Korea is limited (Korea Herald). Central Command's commander said he is "not concerned at all" about US munitions stockpiles (The Hill).

The shipping market is pricing a long disruption. EnergyNow reports hundreds of ships at anchor inside the Gulf and liquefied natural gas floating storage rising, and The Guardian published satellite images of the pipeline damage. An AzerNews report blames an IRGC-linked cell for the drone attack; no government has confirmed that attribution in the material this desk has seen.

Russia and Ukraine

A Russian drone struck a train near Yahodyn, close to Ukraine's border with Poland, shortly after Boris Johnson and senior European officials had left the station (BBC, Sky News). The Institute for the Study of War assessed that the strike "may have been directed against European targets", Poland and Ukraine called it an escalation (AP), and Polish Prime Minister Donald Tusk warned of "very intensive actions" from Russia in the months ahead (Kyiv Independent). Trump publicly told Ukraine to stop striking Russian refineries, citing a global diesel shortage (gCaptain). The diesel numbers behind that demand: the US national average above six dollars a gallon, California above eight on Friday, and West Coast diesel stocks at their lowest seasonal level since 1998 (gCaptain). Polymarket prices a Russia-Ukraine ceasefire by 31 December at 13.5 percent and a NATO-Russia military clash by the same date at 20.5 percent, up 2 points.

Sweden votes for a change of government, probably

Sunday's election left Magdalena Andersson's centre-left bloc ahead on the preliminary count, but the margin depends on whose count you read. The Local's live reporting of Election Authority figures had the left at 175 seats to 174 with 5,964 of 6,626 districts counted; Al Jazeera, citing the same authority, had 176 to 173 with 94.4 percent of votes counted. The Social Democrats took 28.0 percent, the Moderates 19.9 and the Sweden Democrats 17.6, a loss of ground for the far right that the Times of Israel and SBS both headlined. Postal and overseas votes are counted on Wednesday, with the final result that day (The Local). Polymarket prices Andersson as the next prime minister at 90.5 percent, up 25 points, and Ulf Kristersson at 9.5 percent. Kristersson said it "remains an open question who will govern Sweden" (Al Jazeera).

United States and China

No new tariff or export-control action landed inside the window. The SCMP's lead is Chinese traders waiting on a Xi-Trump meeting, and Polymarket prices a Xi visit to the United States before 2027 at 94.0 percent. Trump dismissed a report that China supplied intelligence to Iran (Tempo.co), ASML denied a US suspicion that one of its advanced machines was smuggled into China (Startup Fortune), and the FT reports that China's spy agency is warning of AI risk to national security.

Artificial intelligence and the war

On Friday, before Amodei's post, gCaptain reported that Anthropic said an Iran-linked threat actor had used its Claude model to compile targeting material on US naval forces, including personnel rosters, ship and aircraft transponder identifiers and research into vulnerabilities in maritime satellite terminals. Anthropic banned the account and shared the intelligence with authorities, according to that account. This desk has not read the underlying report. It matters for the week's other story because it is the first time the AI safety argument and the Iran war appear in the same piece of evidence.

Elsewhere

A candidate backed by Japan's prime minister won Okinawa's governorship (Al Jazeera, New York Times). North Korea fired multiple short-range ballistic missiles toward the East Sea, according to South Korea's Joint Chiefs of Staff (Korea Times). Protests broke out across Syria over fuel price increases (Al Jazeera). Polymarket prices "Will the U.S. invade Iran before 2027?" at 16.5 percent on 66.0 million dollars of volume, and "Iran leadership change by December 31?" at 15.5 percent.

POLICY

Regulatory

CLARITY Act: rewritten, vote Tuesday

The Digital Asset Market Clarity Act, H.R. 3633, faces a cloture vote on Tuesday 15 September after Senate Republicans released a final text on Sunday that crypto trade press puts at 635 pages with 126 changes requested by Democrats, and in which, per The Block, Trump accepted most of the ethics provisions. Status: proposed, procedural vote pending. The arithmetic is 60 votes against 53 Republican seats. Polymarket's contract on the bill being signed in 2026 trades at 30.0 percent, calibrating to 24.8, up 6.5 points in a day on 932,000 dollars of 24-hour volume.

Incentive structure. An ethics concession accepted by the president lowers the political cost of a yes vote for a Democrat more than a technical market-structure change could, because it answers an objection voters can see. The cost of that concession falls on whoever the ethics rules bind, and the final text is the place to check who that is before the vote. The unintended consequence to watch is venue choice. If cloture fails again, activity that was waiting for a US framework keeps moving to offshore venues and to prediction markets, which regulators are now examining for a different reason.

Prediction markets under examination

Wired reported on Friday that the US government opened three previously unreported investigations into Polymarket trades, covering markets on Biden pardons, an Iran-related contract and Google search rankings. Status: reported investigations, not public enforcement. The CFTC's own press room shows no release naming traders in those matters (cftc.gov, checked through 11 September); its most recent related action is an order of 28 August requiring Gabriel Perez, a former White House teleprompter operator, to pay about 172,000 dollars for insider trading on Kalshi contracts that resolve on whether a word is mentioned (cftc.gov; NBC News, CryptoRank on the venue). In Europe, the Financial Times reports ESMA warning that prediction markets are "rife with insider trading". Citadel Securities urged the SEC to keep oversight of equity-linked event contracts, according to trade-press accounts of its letter.

This desk uses Polymarket prices throughout the brief, and the probe covers an Iran-related contract. The Iran and Hormuz odds printed here are crowd prices on a venue under investigation for exactly that category, and they should be read as such.

Nothing new

The SEC's press-release feed carried no crypto-specific release after Friday; its latest item was a joint US-UK readout on central counterparty resolution (sec.gov). No new MiCA or FCA crypto action surfaced in the window.

RISK EVENTS

Scandals and Crisis Events

No new systemic event in the window. The largest open case is still Blockstream's Liquid sidechain, where 598.5 bitcoin, about 47 million dollars, remains missing after Blockstream refused a ransom demand on 11 September (The Block); there is no development since this desk's last issue.

TYPE	ENTITY	AMOUNT	EVENT DATE	SCOPE AND STATUS
HACK	XPR Network, proton.swaps	$9M	13 to 14 Sep	Swap contract accepted negative values and the pool was drained (Yellow.com, AMBCrypto). Single protocol, fresh.
HACK	Polymarket user wallets	$2.9M	10 Sep	A subset of user wallets drained; Polymarket says users will be refunded (CoinMarketCap). Single platform, and the same venue under investigation above.
RECOVERY	Cronos, Tectonic exploit	$111.2M recovered	Reported 12 Sep	Recovered by rewinding 10,961 blocks, with about 9.1 million dollars still missing (The Crypto Times, NewsBytes). The original exploit date is not pinned down. A chain rewind is its own governance story.
RUG	$LAPTOP memecoin	about $1M extracted	11 to 13 Sep	Token linked by name to Hunter Biden fell about 98 percent within a day, with one wallet alleged to have extracted about a million dollars; Biden denies running or profiting from it (New York Post, Business Insider).
REGULATORY	CoinDCX, India	$44M prior hack	FIR reported 13 Sep	Fraud complaint filed over an earlier hack (Yellow.com). The underlying hack predates the window.

Cross-link: two of the five items touch the prediction-market story. A 2.9 million dollar wallet drain at a venue whose Iran contracts are under investigation is small money and large reputational exposure, and it arrives the week Polymarket's Fed and Hormuz odds are being quoted everywhere.

FLOWS

On-Chain and Whale Intelligence

Stablecoins

ASSET	SUPPLY NOW	7-DAY CHANGE	30-DAY CHANGE
Tether (USDT)	$183.34B	+$20.2M	+$192.7M
USD Coin (USDC)	$74.30B	-$395.8M	+$2.27B
Sky USDS	$6.71B	+$110.7M	+$43.2M
Dai	$4.79B	-$26.9M	+$8.5M
Ethena USDe	$4.60B	+$229.1M	+$639.1M
PayPal USD	$2.76B	-$149.4M	+$7.6M
Ripple USD	$2.42B	+$15.7M	+$706.5M
First Digital USD	$0.33B	-$4.6M	-$21.9M
All stablecoins	$312.08B	+$790.9M	+$4.80B

DefiLlama stablecoins API.

The float grew 790.9 million dollars in a week (DefiLlama) while bitcoin funds lost 462.7 million (SoSoValue), which puts new dollar liquidity on-chain rather than in the US wrapper. The composition is the story: USDe, Ethena's synthetic dollar that earns its yield from perpetual funding, grew 5.24 percent in a week and 16.14 percent in a month, and it grows when funding is positive. Ripple's RLUSD is up 41.17 percent in a month. Tether's share of the float slipped to 58.75 percent from 59.61 a month ago, USD Coin's rose to 23.81 from 23.44.

Miners and the network

Hashrate is 943.2 exahashes a second at a difficulty of 127.45 trillion, and the next adjustment, due around 18 September, is estimated at plus 4.55 percent after plus 1.31 last time (mempool.space). Over the past week Foundry USA found 26.0 percent of blocks, AntPool 18.6 and F2Pool 13.3. The listed miners that re-rated this year on AI hosting contracts, named by 24/7 Wall St and Stocktwits as Hut 8, Cipher and TeraWulf, trade in US hours and have not yet priced Saturday's post. If the AI slowdown story holds through the US session, it reaches bitcoin through them before it reaches the price.

Holders, whales and ether staking

Bitcoin's market-value-to-realised-value ratio was 1.4997 on 7 September, the latest free print, down from 1.5417 on 3 September (bitcoin-data.com); newer values sit behind a subscription. Ether's validator entry queue holds 1,783,270 ether with an estimated wait of 30 days and 23 hours, and the exit queue is empty (validatorqueue.com, citing beaconcha.in), which is sustained staking demand with no one waiting to leave.

Whale reports this weekend are single-source and are printed as reports. Pluang and AMBCrypto both reported a 160 million dollar ether deposit to exchanges attributed to Wintermute, a market maker, so the "selling pressure" framing in one of those headlines is that outlet's interpretation. Bloomingbit reported a whale buying 1,075.6 bitcoin over four days at an average of 79,412 dollars, which would leave that buyer below water at today's price. Yellow.com's headline of a record 1.6 billion dollars of bitcoin leaving exchanges does not state the period, and this desk does not use it.

INSTITUTIONAL

Sovereign and Institutional Flows

China added 20 tonnes of gold in August

China's State Administration of Foreign Exchange reported gold reserves of 76.73 million troy ounces at the end of August against 76.08 million at the end of July, an addition of 650,000 ounces, or 20.22 tonnes, taking the total to 2,386.57 tonnes (SAFE reserve template filed 7 September; tonnes converted by this desk). July's addition was 19.91 tonnes. The gold was valued at 350.08 billion dollars against 306.35 billion a month earlier, so most of the 43.73 billion dollar rise is price. Foreign exchange reserves rose 19.55 billion dollars to 3,438.33 billion, and total reserve assets 63.28 billion to 3,854.89 billion.

That buying came through an August in which the ten-year real yield barely moved, 2.43 percent at the start of the month and 2.44 at the end (FRED DFII10), so it has not yet been tested by the September rise to 2.60. Gold's daily changes against the ten-year real yield over the last 30 sessions correlate at minus 0.36 (desk calculation from GLD and FRED DFII10), negative as theory expects but weak enough that official buying of this size can matter.

Who holds Treasuries

HOLDER	JUNE 2026	MAY 2026	CHANGE
Japan	$1,116.7B	$1,143.1B	-$26.4B
United Kingdom	$939.9B	$948.6B	-$8.7B
China, mainland	$633.4B	$659.3B	-$25.9B
Belgium	$482.5B	$472.0B	+$10.5B
Cayman Islands	$453.1B	$471.3B	-$18.2B
All foreign holders	$9,299.0B	$9,371.1B	-$72.1B
Of which official	$3,778.1B	$3,848.0B	-$69.9B

US Treasury TIC, major foreign holders. The July release is due in September; June is the latest published.

Foreign official holders cut 69.9 billion dollars in June, almost the entire foreign decline (US Treasury TIC). Japan and China cut 52.3 billion between them, but their rows in this table combine official and private investors, so that figure cannot be read as their central banks' share of the official cut. The official decline sits awkwardly beside September's 30-year auction, where indirect bidders took 79.5 percent (TreasuryDirect), a category that includes foreign central banks and also private funds bidding through dealers. One is a month-end stock in June and the other is a single September auction, so they measure different things; both are true.

Funds and multilaterals

Norway's sovereign fund returned 9.4 percent in the first half, a record 1,753 billion kroner half-year gain, presented on 12 August (nbim.no). Saudi Arabia's Public Investment Fund filed its second-quarter 13F on 14 August; per Argaam and Seeking Alpha, its US-listed book rose to 37.9 billion dollars led by a new 26.34 billion dollar SpaceX stake, a figure this desk has not checked against the filing itself. Temasek reported a record net portfolio value of 518 billion Singapore dollars at 31 March, per coverage of its annual review. Press coverage of World Gold Council data puts first-quarter central bank buying at 244 tonnes and a 2026 forecast of about 850 tonnes.

The IMF's most recent World Economic Outlook update was 8 July, and China Daily reports the Fund saying uncertainty remains high after six months of the US-Iran war. G20 finance ministers met in Asheville on 31 August and 1 September; the next finance-track meeting is 15 October in Bangkok, the week of the IMF and World Bank Annual Meetings there, 12 to 18 October. The BIS Quarterly Review for September has not been published.

> *The official sector is doing two different things with the same dollars. China's central bank bought 20 tonnes of gold in August, and foreign official holders cut 69.9 billion dollars of Treasuries in June. Neither moves a daily chart. Both change who is left holding US duration when the Federal Reserve hikes into an oil shock.*
>
> SOVEREIGN FLOWS · SAFE, US TREASURY TIC

ODDS

Prediction Markets

This desk scanned 800 open Polymarket markets, of which 262 carry more than 500,000 dollars of volume, and pulled Kalshi's Fed series directly. Calibrated probabilities use p to the power 1.31 over the sum of that and one minus p to the same power, which pushes prices away from 50 percent; edge is calibrated minus raw, in percentage points, and both are computed from unrounded prices. The exponent comes from research on political and macro markets. It fits the deep Fed contracts well and is least reliable on thin single-event war contracts, so treat calibrated values on the Hormuz and Bab el-Mandeb rows as rougher than on the Fed rows.

MARKET	RAW	CALIBRATED	EDGE	24H	TOTAL VOLUME	RESOLVES
Macro and Fed						
Fed hikes 25bp in September	79.5%	85.5%	+6.0	n/a	$30.48M	16 Sep
No change in September	20.5%	14.5%	-6.0	n/a	$39.39M	16 Sep
Fed rate hike in 2026	89.0%	93.9%	+4.9	+2.5	$9.22M	9 Dec
US recession by end of 2026	8.5%	4.3%	-4.2	+2.0	$1.75M	31 Jan
Fed hikes 25bp in October	36.5%	32.6%	-3.9	-1.0	$0.41M	28 Oct
No Fed cuts in 2026	93.5%	97.0%	+3.6	n/a	$8.30M	31 Dec
Crude oil new all-time high by 31 December	14.5%	8.9%	-5.6	n/a	$1.20M	31 Dec
Geopolitics						

MARKET	RAW	CALIBRATED	EDGE	24H	TOTAL VOLUME	RESOLVES
Iran-Oman Hormuz agreement by 30 September	17.5%	11.6%	-5.9	-25.0	$0.64M	30 Sep
Iran-Oman Hormuz agreement by 31 October	39.0%	35.8%	-3.2	-17.0	$0.14M	31 Oct
Hormuz traffic returns to normal by 31 December	17.5%	11.6%	-5.9	-2.0	$11.64M	31 Dec
US announces end of Iranian blockade by 30 September	13.0%	7.7%	-5.4	-6.5	$3.18M	30 Sep
US announces end of Iranian blockade by 31 December	60.3%	63.4%	+3.1	-5.5	$1.69M	31 Dec
US x Iran effective ceasefire by 30 September	94.5%	97.6%	+3.2	+3.0	$0.22M	30 Sep
Israel x Iran ceasefire continues through 30 September	91.5%	95.7%	+4.2	+3.0	$1.95M	30 Sep
Bab el-Mandeb effectively closed by 30 September	5.3%	2.3%	-3.1	+0.5	$2.94M	30 Sep
Bab el-Mandeb effectively closed by 31 December	20.5%	14.5%	-6.0	-1.0	$0.75M	31 Dec
US invades Iran before 2027	16.5%	10.7%	-5.8	n/a	$65.99M	31 Dec
NATO x Russia military clash by 31 December	20.5%	14.5%	-6.0	+2.0	$1.84M	31 Dec
Russia x Ukraine ceasefire by 31 December	13.5%	8.1%	-5.4	+1.0	$0.86M	31 Dec
China invades Taiwan by end of 2026	4.5%	1.8%	-2.7	+0.7	$41.36M	31 Dec
Regulation, AI and politics						
Clarity Act (H.R.3633) signed into law in 2026	30.0%	24.8%	-5.2	+6.5	$16.18M	31 Dec
Anthropic IPO before 2027	85.5%	91.1%	+5.6	n/a	$0.54M	31 Dec
OpenAI not IPO by 31 December 2026	94.3%	97.5%	+3.2	-3.1	$0.73M	31 Dec
Magdalena Andersson next Swedish prime minister	90.5%	95.0%	+4.5	+25.0	$1.57M	n/a
Democrats control the House after the midterms	86.5%	91.9%	+5.4	n/a	$6.31M	3 Nov
Democrats control the Senate after the midterms	52.5%	53.3%	+0.8	-1.0	$2.62M	3 Nov
Crypto						
Bitcoin reaches 85,000 in September	23.5%	17.6%	-5.9	n/a	$0.41M	30 Sep
Bitcoin reaches 85,000 by 31 December	62.5%	66.1%	+3.6	+1.5	$0.74M	31 Dec
Bitcoin dips to 45,000 by 31 December	8.5%	4.3%	-4.2	-1.0	$6.85M	31 Dec
Bitcoin reaches 110,000 by 31 December	9.5%	5.0%	-4.5	-2.5	$1.71M	31 Dec

Polymarket Gamma API, reached through DNS over HTTPS. Kalshi Fed series in Traditional Markets.

The largest edges on the board are the Fed pair at 6.0 points each. Polymarket's 79.5 percent on a September hike calibrates to 85.5, which is where futures closed Friday; the crowd is behind the futures by the size of its documented bias, and the calibration closes the gap almost exactly. It is a clean test of the formula.

The Hormuz agreement contract moved most on Polymarket, down 25 points, and it is thin at 640,000 dollars. The contract with money in it, "Strait of Hormuz traffic returns to normal by December 31?", holds 11.64 million dollars at 17.5 percent and fell only 2 points. Read the big move as a date that slipped and the deep market as a view that did not change.

Two contracts disagree with each other in a way that matters for oil. "US x Iran Effective Ceasefire by September 30?" trades at 94.5 percent, while "US announces end of Iranian blockade by September 30, 2026?" trades at 13.0. The crowd expects the shooting between the United States and Iran to pause and the blockade to stay, and it is the blockade and the tanker attacks that set Brent's premium. The ceasefire price is hard to square with Central Command's third straight night of strikes on Iran this weekend, and the ceasefire contract has only 216,000 dollars of volume against 3.18 million for the blockade contract, so this desk gives the blockade price more weight.

The Bab el-Mandeb pair at 5.3 percent for September and 20.5 for December is the market this desk would challenge. Its resolution depends on an effective closure, and the Houthis can raise the cost of passage without ever meeting that test.

POSITIONING

Sentiment and Positioning

INDICATOR	VALUE	SIGNAL	7-DAY TREND	CONTEXT
Fear and Greed	57	Greed	69, 66, 69, 56, 63, 61, 57	Lowest since Friday's 56 (alternative.me)
BTC funding, Binance	7.84%	Longs paying	7-day average 6.07%	Rose through the weekend while Fear and Greed fell
ETH funding, Binance	5.77%	Longs paying	7-day average 2.68%	One negative print Sunday

INDICATOR	VALUE	SIGNAL	7-DAY TREND	CONTEXT
SOL funding, Binance	-1.03%	Shorts paying	7-day average 0.08%	Narrowing from minus 4.76
Hyperliquid funding	10.95%	Floor	153 of 234 markets at floor	No directional signal
Spot bitcoin funds	-$462.7M	Outflow	Four straight outflow days	Monday not yet reported
Spot ether funds	+$197.1M	Inflow	Friday +$216.4M	8 of 11 ether funds traded below NAV last week
Bitcoin dominance	58.85%	Steady	n/a	Ether 11.59% (CoinGecko)
Stablecoin float	$312.08B	Growing	+$790.9M	USDe +5.24% in a week
BTC long-short, all accounts	1.6631	Retail long	1.0602 to 1.6631	Up 56.9% in a week (Binance)
BTC long-short, top traders	2.3265	Longer	2.0219 to 2.3265	Both books longer
ETH long-short, all vs top	2.9825 / 1.2287	Split	Retail up, top down	Widest gap in the week
SOL long-short, all vs top	2.3478 / 2.0137	Split	Retail up, top down	Same pattern as ether
Deribit put-call, BTC	0.5579	Call-heavy	n/a	Weekly expiry 0.8407
DVOL, BTC / ETH	37.83 / 54.42	Subdued	40.24 on 9 Sep	No recovery since Thursday's drop
CME basis, BTC / ETH	7.96% / 14.48%	Ether richer	n/a	Annualised, September contracts
ETH staking entry queue	1.78M ETH	Demand	Exit queue empty	About 31-day wait
BTC MVRV	1.4997	Mid-cycle	1.5417 on 3 Sep	7 Sep, latest free print

The ether fund discount figure is from this desk's 13 September issue.

The positioning read, from the Binance, Deribit and alternative.me figures above, is that crypto's retail book is long into a week with two risk-off stories and a hike, while the professional book in ether and Solana has been cutting for a week. Funding is positive but far from stretched, options are call-heavy, and implied volatility has not risen with any of it. That combination has two readings. One is a market that expects the US session to pass it by. The other is a crowd that is long, lightly hedged and has not yet been tested, and the leverage measures rising while the Fear and Greed index fell from 61 to 57 fits the second reading at least as well as the first.

> *Desk note on our own bias. The two-shock framing is tidy, and tidy is a warning. Korea's press blames oil and bond yields for the KOSPI's fall and Reuters blames the AI call; this desk cannot split the 3.26 percent between them, and Japan's broad index rose. Yesterday's warning about a single rate factor has not been fixed either. The AI story adds a second factor that hits two of today's views at once, nine-day volatility and the Nasdaq-S&P gap, and both cards are marked with that in mind. The tidiest paragraph in this issue is the game-theory reading in Traditional Markets, and it is the one this desk would revisit first if Tuesday's tape disagrees.*
>
> DESK NOTE

Cross-asset linkages

SOVEREIGN 5Y CDS, SAME QUOTES AS 13 SEP ISSUE	LEVEL, BP	DAILY CHANGE	QUOTE DATE
France	37.49	+2.51	10 Sep
China	34.79	+0.25	10 Sep
Italy	34.27	+1.55	10 Sep
United States	31.95	+0.01	10 Sep
Japan	23.09	-0.01	10 Sep
United Kingdom	18.71	+0.76	10 Sep
Spain	16.07	+0.26	10 Sep
Germany	7.23	+0.23	10 Sep
Turkey	221.52	+2.99	10 Sep
Brazil	111.28	-3.33	11 Sep
Mexico	80.05	-0.83	11 Sep

investing.com world CDS. Quotes are dated 10 and 11 September and are the same prints this desk used yesterday; no newer free quote exists.

CREDIT SPREAD, OPTION-ADJUSTED	10 SEP	9 SEP	90-DAY RANGE	POSITION IN RANGE
US investment grade	0.80%	0.81%	0.73 to 0.82	Near the top
US high yield	2.70%	2.71%	2.60 to 2.87	Middle

CREDIT SPREAD, OPTION-ADJUSTED	10 SEP	9 SEP	90-DAY RANGE	POSITION IN RANGE
US CCC and below	10.70%	10.64%	9.37 to 10.70	At the 90-day high
Emerging-market corporate	1.31%	1.35%	1.31 to 1.50	At the 90-day low

ICE BofA indices via FRED; 90-day ranges computed by this desk from 67 observations. No 11 September print exists on the free series yet.

Credit is split by quality. The weakest US borrowers are at their widest spread in 90 days while emerging-market corporates are at their tightest, and the middle of the US market barely moved. Credit ETFs agree with the direction of rates: between Wednesday and Friday LQD fell from 105.31 to 104.32, EMB from 94.17 to 93.34 and HYG from 78.98 to 78.60, while TLT steadied at 80.87 on Friday after falling to 80.78 (Nasdaq historical data).

CURVE, FRIDAY CLOSE (UK LIVE MONDAY)	2Y	10Y	30Y	2S10S	2S30S	2S10S ON THE WEEK
Germany (Bundesbank par curve)	3.17	3.56	3.99	39.0	82.0	-7.0
Japan (Ministry of Finance)	1.844	2.987	4.024	114.3	218.0	+6.3
United States (Treasury)	4.63	4.96	5.35	33	72	-8 vs Tue 8 Sep
United Kingdom (live Monday)	4.831	5.378	5.936	54.7	110.5	n/a

No curve is inverted at 2s10s. Germany and the United States flattened, Germany after the European Central Bank's hike and the US into its own, while Japan steepened ahead of the Bank of Japan's. Gold volatility closed Friday at 25.68, emerging-market equity volatility at 25.26 and Treasury bond volatility at 12.23 (Cboe). Foreign-exchange implied volatility has no free source, and this desk does not print a number for it.

> *Crude oil volatility runs at 3.72 times equity volatility, the lowest-rated US borrowers are at a 90-day spread high, and emerging-market corporates are at a 90-day low. Stress is concentrated in the two places an oil shock hits first, the barrel and the weakest balance sheets, and it has not reached the middle of the market. Monday's AI story is the first test of whether it spreads through equity volatility instead.*
>
> LINKAGE · CBOE, ICE BOFA VIA FRED

The Bottom Line

1. Two supply shocks meet the Federal Reserve on Wednesday. Oil adds inflation and drains growth, a slower AI build-out drains growth in the market's leading sector, and futures still price a hike at 83.8 percent. The combination reads more like stagflation than like offsetting forces.
2. The AI selloff was concentrated by company and spread across four countries. SoftBank fell 10.72 percent and the KOSPI 3.26 while Japan's broad Topix rose 0.74. This desk reads it as a repricing of the expected pace of spending, since current chip demand, Korea's exports up 83 percent, has not turned, but it cannot separate the AI shock from oil and yields in Korea's fall.
3. The Hormuz bypass and the Red Sea chokepoint are now the same route. Saudi crude that leaves from Yanbu for Asia passes Bab al-Mandab, which the Houthis now hold, and the prediction market still prices its closure this month at 5.3 percent.
4. Crypto has priced neither shock, and its retail book got longer through the weekend: Binance's bitcoin account ratio is up 56.9 percent in a week while professional traders in ether and Solana cut. Tuesday's CLARITY cloture vote, on a text rewritten over the weekend, lands on that book a day before the Fed.
5. The crowded long in the yen is losing before its own event, with dollar-yen at 154.26 four days before a Bank of Japan hike.

What this desk got wrong

One correction and two refinements to the 13 September issue.

Correction. The lede said the ten-year breakeven "fell four basis points on Friday to 2.36 percent while the ten-year real yield rose nine to 2.55", citing FRED. Treasury's own real yield curve shows the nine-point rise to 2.55 happened on Thursday 10 September. On Friday the real yield rose five points, to 2.60. The breakeven figure stands: nominal 4.96 minus real 2.60 gives 2.36 on Friday, down from 2.40 on Thursday. FRED had not posted Friday values for either series, so the Friday attribution was wrong at its source as well. The argument built on it, that the bond market repriced on real rates while inflation compensation fell, survives with smaller numbers.

Refinement. The same issue said investment-grade, high-yield and emerging-market corporate spreads all tightened and that credit "refused to confirm" the stress. That is true of those three tiers, but the CCC tier widened to 10.70 percent on 10 September, its highest in 90 days. The weakest borrowers did confirm it.

Refinement. The Brent card warned its 100 to 104 dollar zone was gap-exposed, and the gap came upward: November Brent opened at 107.11 (ICE via CNBC) and the zone never traded. A card whose entry cannot be reached should say what happens next, and that one did not. Today's card does.

Last issue's views, marked

13 SEP VIEW	STATUS	EVIDENCE
Watch, nine-day volatility	ACTIVE, UNDER PRESSURE	Cash VIX9D untraded since Friday's 14.47; September VIX future 17.17, up 3.41%. Kill level 18 not reached.
Long bias, Brent	ACTIVE, ZONE UNFILLED	Opened 107.11 above the 100 to 104 zone; 106.90 live. Kill 96 and target 118 untouched.
Watch, Japanese yen	ACTIVE, MOVING AS WARNED	Dollar-yen 154.26 from 153.54, against the crowded yen long.
Watch, CLARITY cloture fails	ROUTE TO KILL OPEN, KILL NOT MET	Kill was seven Democratic crossovers, likely via a weekend rewrite. Rewrite released Sunday with 126 Democratic changes; no crossovers named. Polymarket 30.0% from 22.5%. Conviction cut.
Watch, ether against bitcoin	ACTIVE, TEST NOT YET RUN	No fund prints since Friday. Ether-bitcoin 0.03243 from 0.03235.
Watch, US 20s30s	ACTIVE, UNCHANGED	Minus 3 basis points at Friday's close. Tuesday's 20-year reopening is the next test.

From the 10 September issue, the gold watch stays open. It was a three-part checklist with no position and one item met, and gold at 4,370.10 dollars, down 0.88 percent on Monday, has not met a second item this desk can confirm.

Trade views

On concentration. Yesterday's views leaned on one factor, the repricing of policy rates. Today adds a second, the de-rating of AI spending, and it is not independent of the first: a growth shock to technology changes how many hikes the Federal Reserve delivers. Two of the cards below, nine-day volatility and the Nasdaq-S&P gap, would both be wrong if the AI story fades at the US open, and they are marked down together for that reason. A third factor, oil, sits under both the Brent card and the yen card, which are one energy-shock view expressed twice, and the yen card is marked down for it.

WATCH · NASDAQ 100 AGAINST S&P 500 ●●●○○ 3/5

Did the AI de-rating cross the Pacific?

Nasdaq 100 future 29,303.50, -1.28% · S&P 500 future 7,684.50, -0.55% · Gap -0.73 percentage points
Confirms: gap wider than 0.50 percentage points at Monday's cash close · Kill: narrower than 0.20 percentage points · Window: Mon 14 Sep
Concentration: AI factor, shared with the volatility card, marked down 4 to 3

Asia priced the AI call company by company: SoftBank and Korea's memory makers fell hard, Japan's broad index rose (Reuters, CNBC). US futures show the same split, Nasdaq 100 down more than twice the S&P (CME contracts via CNBC). This is a new view, and it is set at three because one session of futures before the cash open is thin evidence and because Monday's US data calendar is empty, so there is nothing else to move the gap.

Kills the view. The gap closes to under 0.20 percentage points by the close. That would mean US investors read Saturday's post as a statement of intent from two companies rather than a change in spending. One caveat on the test: a fall in long yields would also narrow the gap, because technology is the longest-duration part of the index, so a narrowing on a day the ten-year falls sharply does not cleanly kill the view.

WATCH · NINE-DAY VOLATILITY (VIX9D) ●●●○○ 3/5

The cheap tenor meets two weekend shocks

Level 14.47 Friday · Trigger: holds under 15.00 into Wednesday · Kill: 18.00
Live read: September VIX future 17.17, up 3.41% · Structure Friday: 9D 14.47, 30D 15.84, 3M 18.60
Concentration: rate and AI factors, marked down 4 to 3

The view was that the tenor covering a projection-meeting Fed decision, a Bank of England decision and a Bank of Japan decision inside 72 hours was priced too cheaply. The weekend supplied two reasons for it to reprice and the future has already moved 1.33 points above Friday's cash close (Cboe; CFE future via CNBC). The view has not been proven right until the cash index trades, which is why the conviction is cut rather than raised. The future and the cash index are different instruments and do not move one for one, so the trigger and the kill on this card are both read on cash VIX9D only.

Kills the view. Nine-day volatility reclaims 18 before Wednesday. At that point the mispricing is gone and so is the asymmetry.

LONG BIAS · BRENT CRUDE ●●●○○ 3/5

View held, zone not chased

Reference 106.90 live, Nov 26 · Friday settle 104.61 · Session 106.11 to 108.49
Bias zone 100.00 to 104.00, unfilled · Target 118.00 to 120.00 · Kill 96.00, gap-exposed
Reward to risk from live: about 1.0 to 1 at 118, 1.2 to 1 at 120 · Status: view scored 3/5, not sized at current prices
Concentration: oil factor, shared with the yen card

Everything that supported the view got worse over the weekend: the Oman talks slipped (L'Orient Today, FT), the pipeline is confirmed shut (gCaptain), and the Houthis hold the Red Sea exit that Yanbu's crude has to pass (Al Jazeera, Gulf News). This desk is not raising the zone to meet the price. The case for acting anyway is probability rather than distance: the prediction market prices the kill-side catalysts low, an Iran-Oman agreement this month at 11.6 percent calibrated and an end to the blockade at 7.7, and a probability-weighted view could justify paying one for one. This desk holds to the zone because both of those numbers come from thin contracts on a venue under investigation. At 106.90 the card risks 10.90 dollars to make 11.10 at the bottom of the target and 13.10 at the top, and a bias that pays roughly one for one is an opinion without a setup. The zone stays where it was, and the card only offers an entry again if the barrel trades back into it. One more thing caps the target: if the AI slowdown is real, it also trims the power and industrial demand that a 118 dollar barrel assumes.

Kills the view. A new Oman date carrying Saudi agreement to the route geometry, or a US announcement ending the blockade, which Polymarket prices at 13.0 percent for September.

WATCH · JAPANESE YEN ●●○○○ 2/5

The crowded long is losing before the event

USD/JPY 154.26, +0.47% · Event: BOJ decision Fri 18 Sep · Consensus: hike to 1.25%
Positioning: speculators net long yen, first time since February (per the 13 Sep issue) · JGB 30Y 4.024%
Concentration: oil factor, shared with the Brent card, marked down 3 to 2

A delivered hike is the outcome that pays the yen long least, and oil at 107 widens Japan's dollar import bill before any rate gap narrows. The long lost money on Monday with the hike still four days away (dollar-yen via CNBC; BOJ expectations per Nikkei Asia). The view is that crowding resolves against the position, and Monday was a first installment.

Kills the view. Dollar-yen trades back below Friday's 153.54 close before the decision, or the Bank of Japan signals a faster path than one hike, which would reward the long rather than squeeze it. The oil mechanism on this card is not sized against carry flows, which are likely larger, so the card tracks the price and not the explanation.

WATCH · CLARITY ACT CLOTURE ●●○○○ 2/5

No longer calling failure

Vote Tue 15 Sep · Needed 60 · Republican seats 53 · Crossovers needed 7 if every Republican votes yes
Polymarket signed in 2026: 30.0%, +6.5 in 24h, from 22.5% in the last issue
Marked down 4 to 2 on yesterday's own kill condition

Yesterday this desk expected the vote to fail and named seven Democratic crossovers as the kill, most likely through a weekend rewrite. The rewrite arrived with 126 Democratic changes and a presidential concession on ethics. No senator has yet announced a changed vote in the coverage this desk has read, so the kill is not met, but the route to it is open and the view stands with its conviction stripped. This card now makes no directional call.

Kills the view. Fewer than three Democrats publicly commit to cloture before the roll call, which would restore the failure call; seven named Democratic yeses would reverse it.

WATCH · ETHER AGAINST BITCOIN ●●○○○ 2/5

Fund money and the futures curve agree; the professionals do not

ETH/BTC 0.03243 · ETH funds +$197.1M week vs BTC funds -$462.7M
CME basis ETH 14.48% vs BTC 7.96% · Binance ETH retail 2.9825 vs top traders 1.2287

Three measures favour ether: fund flows last week, a futures premium almost twice bitcoin's, and funding that makes the relative trade cheap to carry, with Binance charging 5.77 percent annualised on ether longs against 7.84 on bitcoin. One cuts against it: top traders in ether have been reducing longs for a week while retail adds. The falsification test set yesterday, two more sessions of ether inflow against bitcoin outflow, has not run, because US funds have not reported since Friday.

Kills the view. Combined Monday and Tuesday fund prints reverse the pattern, with ether funds net negative and bitcoin funds net positive across the two sessions. Also watch the retail side: Binance's ether account ratio of 2.9825 against 1.2287 for top traders is the most one-sided reading of the week.

WATCH · US 20S30S CURVE ●●○○○ 2/5

Tuesday's 20-year auction is the test

20s30s -3bp Friday · View: re-steepens toward zero · 20-year reopening $13B Tue 15 Sep
Anchor: 30-year reopening dealer takedown 2.2%, indirect 79.5% · Status: observation, not a position

The inversion at the long end looked like an index and duration-demand effect when the 30-year reopening cleared with the lowest dealer share in sixty days. Tuesday puts supply directly into the 20-year point that sits above the 30-year. A strong auction at the 20-year would weaken the inversion's anchor from the supply side. Two things muddy the test: foreign official holders were already cutting Treasuries in June (US Treasury TIC), and Tuesday also carries the CLARITY vote and a live oil shock, so a flight-to-quality bid could look like supply demand.

Kills the view. A 20-year reopening that clears with dealers taking more than 10 percent while the inversion deepens.

Catalyst calendar

DATE	EVENT	WHY IT MATTERS
Mon 14 Sep	US cash open	First US pricing of the AI slowdown call; Nasdaq 100 futures -1.28%
Mon 14 Sep	India August CPI	Reuters poll expects a 20-month high
Tue 15 Sep	CLARITY Act cloture vote	60 needed, 53 Republican seats, final text released Sunday
Tue 15 Sep	US 20-year bond reopening, $13B	Supply test for the 20s30s inversion
Wed 16 Sep	US August retail sales and import prices	Last data before the decision
Wed 16 Sep	FOMC decision and projections	83.8% priced for 25bp; October second hike at 40.4%
Wed 16 Sep	ECB rate changes take effect; Sweden counts postal and overseas votes	Deposit rate to 2.50%; final Riksdag result
Thu 17 Sep	Bank of England decision	Bank Rate 3.75%; ten-year gilt 5.378%
Thu 17 Sep	US 10-year TIPS reopening, $19B	Real-yield demand after a 17bp three-session rise
Fri 18 Sep	Bank of Japan decision	Consensus hike to 1.25%; yen long already losing
Fri 18 Sep	Deribit weekly expiry	17,400 bitcoin contracts, max pain 78,000
Around 18 Sep	Bitcoin difficulty adjustment	Estimated +4.55% (mempool.space)
Fri 25 Sep	Deribit monthly expiry	184,914 bitcoin contracts, 44.5% of the board, max pain 72,000
Wed 28 Oct	FOMC and Bank of Canada	October hike 40.4% priced; Bank of Canada at 2.25%
12 to 18 Oct	IMF and World Bank Annual Meetings, Bangkok	First Fund forecasts since the July update

Review Panel

Fourteen reviewers read the full draft against the collector data and a list of facts the editor fetched directly. They cast 151 approvals, 30 flags and 0 rejections across thirteen sections, with 1 abstention. Every reviewer report was read in full before publication, and every flag was checked against source before it changed a word.

REVIEWER	LEDE	STORIES	CRYPTO	TRADFI	INTL	GEO	REG	SCAND	CHAIN	SOV	ODDS	SENT	BL
Macro Strategist	A	A	A	F	A	A	A	A	A	A	A	F	A
Crypto Native	A	A	F	A	A	A	A	-	A	A	A	A	A
Risk Manager	A	A	A	F	A	A	A	A	A	A	A	A	F
Devil's Advocate	F	A	A	F	A	A	F	A	A	A	A	A	F
Geopolitical Analyst	A	F	A	A	A	F	A	A	A	A	A	A	A
Regulatory Expert	A	A	A	A	A	A	F	A	A	A	F	A	A
Institutional Flows	A	A	A	A	A	A	A	A	A	F	F	A	A
Technical Analyst	A	F	A	F	A	A	F	A	A	A	A	A	A
Sentiment Analyst	A	A	F	A	A	A	A	A	F	A	A	F	A
Portfolio Strategist	A	A	A	A	A	A	A	A	A	F	A	A	A
Economist	F	A	A	F	A	A	A	A	A	A	A	A	F
Bias Auditor	F	A	A	A	A	A	A	F	A	A	A	A	A
International Desk	A	A	A	A	F	A	A	A	A	A	A	A	A
Sovereign and Cross-Asset	A	A	A	A	A	A	A	A	A	F	A	F	A

A approve, F flag, R reject, dash abstain.

What changed because of the panel

The lede and the Bottom Line no longer call the AI selloff narrow; it was concentrated by company across four countries, and oil is now described as draining growth as well as adding inflation (Devil's Advocate, Economist, Bias Auditor). Monday's CNBC yield quotes were separated from Treasury's par curve after four reviewers showed the table made the ten-year look up while the ticker said down (Macro, Risk, Technical, Devil's Advocate). The Economist's Corner was relabelled from a coordination game to an arms-control problem, which is what its own argument described (Economist). The CLARITY card now states the prior issue's kill condition correctly, seven crossovers with a rewrite as the route, and the 7 and 9 vote counts are reconciled (Regulatory, Devil's Advocate, Geopolitical). The CFTC's Perez order is now placed on Kalshi, confirmed by the desk (Regulatory). Japan's and China's Treasury cuts are no longer read as official-sector cuts (Institutional Flows). August's real yield is described as flat (Sovereign). The international tell now separates memory from logic chips, answering the Taiwan objection (International). The yen card was marked down for sharing an oil factor with Brent, and the yen, Brent, Nasdaq and ether cards gained numeric or gap-exposed kill conditions (Portfolio, Risk, Technical). Scepticism of motive now applies to both AI companies, and the post is described as a possible trigger rather than the whole cause (Bias Auditor). Smaller fixes: the CoinGecko second pull is disclosed, Lisk's two sources are separated, Monero's negative funding is interpreted, the ceasefire contract is set against three nights of strikes, the calibration caveat on thin war contracts, the gold watch status, and the Fed midpoint rounding to 21.0 basis points.

The desk's own checks during review moved two more things: Enflame's Shanghai debut was dated to Friday, not Monday, and Asian index levels were updated to final closing prints.

Overruled after checking: Blockstream's ransom refusal stays dated 11 September, the date on The Block's report; the France-Bund spread stays at 95.1 basis points, which is exact from unrounded yields; the DAX's plus 0.82 percent is Friday's move as printed in the prior issue; and the ether-fund discount figure is sourced to the 13 September issue.

Behind the Curtains