THE BACKROOM BRIEF

MARKETS · MACRO · CRYPTO

WEDNESDAY, 16 SEPTEMBER 2026 | SENTIMENT: NEUTRAL, TIGHTENING | 24H VOLUME $103.6B

BITCOIN 75,893 -1.52%	ETHER 2,405.06 -3.17%	SOLANA 97.16 -3.66%	S&P 500 7,585.73 -0.45%
NASDAQ COMP 25,981.57 -0.78%	US 10Y 4.977% -1.9bp	US 2Y 4.646% -1.7bp	GOLD DEC 4,384.82 +1.20%
BRENT 107.19 -1.43%	DOLLAR INDEX 99.66 +0.02%	VIX 16.89 -1.80%	FEAR & GREED 51 Neutral

THE LEDE

The Treasury sold 13 billion dollars of 20-year bonds on Tuesday and the dealers were left holding 16.74 percent of it, against 10.93 percent when the same bond was first sold in August. The auction stopped at 5.420 percent, two basis points above where the 20-year traded at the close. Bidding did not shrink: the cover ratio improved to 2.57 from 2.53. What changed was who bought. Indirect bidders, the category that holds foreign and real-money demand, took 52.12 percent against 55.09 percent in August, while direct bidders rose to 30.48 from 21.53. On the eve of the first Federal Reserve hike since 2023, the part of the curve the Fed does not set repriced its supply into different hands.

That is the shape of this session. The hike itself is close to settled: 87.5 percent on Polymarket, 87 cents on Kalshi, 89.8 percent on futures-implied pricing. What repriced on Tuesday sat outside the Fed's reach. A crypto market-structure bill failed a cloture vote, spot bitcoin funds lost 450.3 million dollars in a day, and Saudi Arabia's August crude output came in at its lowest since 1990. The counterweight belongs in the same breath, because it cuts the other way: sovereign credit default swaps tightened almost everywhere, bitcoin funding stayed positive on all 21 prints this week, and Asian equities rallied on Wednesday. Read together this looks like stress in specific plumbing, not a system under strain.

CROSS-REFERENCE

Press Digest

OUTLET	REGION	LEAD OR TOP MARKETS HEADLINE	KEY NUMBER
ENGLISH TIER ONE			
Financial Times	Europe	UK inflation rose to 3.1% in August	3.1%
Bloomberg	Global	US stocks and bonds halt slide before Fed call	n/a
Reuters	Global	Stocks tick up as oil falls, bonds stabilise ahead of Fed decision	n/a
Wall Street Journal	US	Gold futures edge up despite higher US yields	n/a
New York Times	US	Fed readies for momentous rate decision	n/a
The Economist	Global	World in Brief: ten-year Treasury yield reaches highest since 2007	since 2007
The Guardian	UK	UK inflation rises as motor fuel prices jump by almost a quarter	3.1%
ASIA PACIFIC			
Nikkei Asia	Japan	Trading house lobby chief urges stronger yen despite sector windfall	n/a
South China Morning Post	China	Investors await super central bank week as US rate increase appears done deal	n/a
Caixin	China	Hong Kong five-year plan puts offshore yuan hub at centre	n/a
China Daily	China	China and ASEAN trade receives protocol push	n/a
Korea Times	Korea	Abu Dhabi delegation visits Korea to expand investment ties	n/a
Business Times	Singapore	European shares hit three-month low as oil spike revives rate worries	3-month low
EMEA AND GULF			
Handelsblatt	Germany	Washington presses Tokyo: Japan faces highest policy rate since 1995	since 1995
Gulf News	UAE	UAE stays vital to Philippine remittance flows in July	5.5%
The National	UAE	Rotana in talks to re-enter Syria, confirms no job cuts	~80%
Arabian Business	UAE	Gulf carriers cancel flights as US raises Saudi travel advisory	n/a

Headlines carry their own publication dates from 15 and 16 September. Where an outlet's true front-page lead could not be separated from its markets section, the column shows the top markets headline and says so. Four outlets did not return this session: Economic Times India, Les Echos, Le Monde and Valor Economico, each blocked to direct fetch with no dated item surfacing through the news-feed proxy.

The divergence is not about the Fed, it is about who is being pressed. The Western financial press treats today's hike as decided and argues about the consequences, with the South China Morning Post calling the increase a done deal and Bloomberg describing an extreme short in the bond market counting on delivery. The New York Times is the outlier in framing, presenting the meeting as a test of credibility rather than a settled outcome.

The sharper split sits one layer down. Handelsblatt reads the American Treasury secretary as pressing the Bank of Japan to raise rates, on the argument that a higher Japanese policy rate relieves the pressure on American yields. The New York Times reads the same official as defending a faltering intervention in his own bond market. Both cannot be the main story, and the Japanese decision on Friday will settle which framing was right. Outside the Western set the Fed mostly recedes, with one clear exception: the South China Morning Post leads on it directly, calling the increase a done deal. The others look elsewhere. Caixin leads with an offshore yuan plan, China Daily with an ASEAN trade protocol, the Korea Times with Gulf investment ties. The meeting that dominates New York and London is a second-order story in Hong Kong and Dubai.

Nine Stories

1. The dealers ate a sixth of the 20-year, and the inversion got worse

Treasury reopened 13 billion dollars of the 20-year bond on Tuesday, CUSIP 912810UX4, and the result was the weakest part of the week. The auction stopped at 5.420 percent against a 5.40 percent par close, a two basis point tail. Bid-to-cover was 2.57, marginally better than the 2.53 at August's original sale. But the distribution is where the damage sits: primary dealers took 2.176 billion dollars of the 13.000 billion accepted, or 16.74 percent, against 10.93 percent in August (TreasuryDirect auction records, computed from the raw dollar amounts). Dealers are the buyers of last resort, and an auction always allots in full by construction, so this is a statement about composition rather than about failure. Two cautions belong with it. The cover ratio improved, 2.53 to 2.57, so total bidding grew rather than shrank. And August was a 16 billion dollar original issue while September was a 13 billion dollar reopening, which is a different auction type at a different size, so the six-point dealer move is suggestive rather than clean. The uncontaminated number is the indirect share, which fell to 52.12 percent from 55.09.

The curve agreed. Treasury's par series put the 20-year at 5.40 percent and the 30-year at 5.36 on Tuesday, so 20s30s closed at minus 4 basis points, one point deeper than Monday's minus 3 (US Treasury daily par yields). This desk said yesterday that the inversion should re-steepen toward zero once supply at the 20-year point cleared. It did not clear cleanly, and the inversion deepened instead.

The stake is what this implies about today. A hike lifts the front of the curve by design. The 20-year is eleven years past the longest maturity the Federal Reserve is voting on, and it just told the Treasury that 5.42 percent was the price of admission. If the long end will only take supply by handing more of it to dealers, the hike does not fix that; it changes which end of the curve is expensive.

Watch. The 10-year TIPS reopening on Thursday, 19 billion dollars, with the 10-year real yield at 2.62 percent. That is the same test one step down the curve and in real terms. A second weak dealer take-up would make Tuesday a pattern rather than an event.

2. The crypto bill failed cloture 49 to 50, and the funds left the same afternoon

The Senate's motion to invoke cloture on the CLARITY Act failed on Tuesday, 49 yeas to 50 nays against the 60 needed, with one senator not voting. No Democrat who voted supported the motion, and four Republicans voted against: Susan Collins of Maine, Josh Hawley of Missouri, Jerry Moran of Kansas and Thom Tillis of North Carolina. Tillis voted no procedurally to preserve a motion to reconsider, which he then filed. That manoeuvre works because only a senator on the prevailing side of a roll call may move reconsideration, and with cloture rejected the nays were the prevailing side. It leaves a narrow path (NPR, The Hill, Newsweek and Crowdfund Insider all report the same tally;

the Senate's own roll-call servers refused every request from this desk's network, so the count is press-sourced rather than clerk-sourced).

The money moved the same session. US spot bitcoin funds lost 450.3 million dollars on Tuesday and spot ether funds lost 141.5 million (SoSoValue). Two comparisons circulating with those figures, that the bitcoin number is the largest single day since 25 June and the ether number the deepest in 155 trading sessions, come from third-party coverage rather than from the flow series itself. This desk pulled five sessions, not a full history, and has not reproduced either claim, so both are attributed and neither is asserted. The damage was concentrated: Fidelity's FBTC gave up 214.8 million and BlackRock's IBIT 161.7 million, with BlackRock's ETHA down 98.0 million on the ether side. Combined, the two complexes lost 591.8 million dollars in a day.

The stake is that this was the year's attempt. Polymarket's contract on the CLARITY Act being signed into law in 2026 fell from 18.5 percent to 5.15 percent on 20.9 million dollars of volume, a 13.35 point collapse. This desk re-pulled the contract directly to check that figure: the venue's own 24-hour change field reads minus 0.1335, which reconciles exactly with the two printed prices. With midterms in November, reviving a market-structure framework requires the majority leader to refile cloture and rebuild a coalition that just produced zero votes from the other side.

Watch. Whether the reconsideration motion draws a second vote before the end of the month. The venue prices a Senate passage by 2 October at 1.9 percent and by 31 October at 11.5 percent, so it expects nothing quickly.

3. Saudi Arabia pumped less oil in August than in any year since 1990

Saudi crude production fell 1.9 million barrels a day in August to 6.238 million, the lowest monthly figure since 1990, as attacks on export infrastructure and the effective closure of the Strait of Hormuz cut the kingdom's routes to market. Before the war with Iran the country produced above 10 million barrels a day. Tanker tracking put Saudi crude shipments down roughly 3 million barrels a day on the month, about a third below prior levels. The kingdom told OPEC its supply to market was 7.122 million barrels a day, a figure that exceeds its own production by 884,000 barrels a day. As an accounting identity that implies a storage draw. The physical route is the open question, because this desk also reports Hormuz traffic down about 97 percent and the East-West pipeline shut, which leaves pre-positioned stock on the Red Sea coast as the most plausible delivery point. Until that route is confirmed, the storage reading is the inference that fits, not the one that has been verified.

The market paid for it. Brent settled Tuesday at 108.75 dollars, up 2.90 percent, and WTI at 105.83, up 4.38 percent (investing.com settlement series). Both gave some back on Wednesday morning, Brent trading near 107.19 and WTI near 103.45. Tanker charter rates from the Gulf to Asia have reached roughly one million dollars a day for the first time, and traffic through Hormuz is down about 97 percent, with US and Gulf escorts limited to two daily transit windows.

The stake reaches the inflation print the Fed is voting on today. British August inflation rose to 3.1 percent from 2.9, and the Office for National Statistics attributes the increase to transport, with petrol up 9.1 pence a litre and diesel up 14.2 pence in a single month. Core inflation was unchanged at 2.6 percent and services unchanged at 3.4. The acceleration is therefore in the energy component rather than in the domestically generated ones. This desk does not have the average weekly earnings series in front of it and so makes no claim about wages either way; what the release shows is that the parts a central bank usually watches did not move.

Watch. Whether storage draws continue. A producer supplying more than it pumps is running an inventory clock, and the clock is the thing that eventually prices the barrel.

4. Fear and Greed caught up with the positioning it had been ignoring

The Fear and Greed index printed 51 on Wednesday, classified Neutral, down from 69 and Greed on Tuesday (alternative.me). Yesterday this desk argued the index was reading Monday's rally while the positioning data was reading Tuesday's slide, and that the positioning data was the one telling the truth. It took one session to converge, and the 18-point drop is the largest single-day fall in the series this month.

The tape underneath was uniformly negative. Every one of the fourteen coins this desk tracks fell on both a 24-hour and a seven-day basis, which is rarer than it sounds. Bitcoin is down 1.52 percent on the day and 3.90 on the week; ether down 3.17 and 3.50; XRP the worst of the majors at minus 8.13 on the day and minus 9.40 on the week. Total market value stands at 2.599 trillion dollars, down 4.44 percent in 24 hours, with bitcoin dominance at 58.51 percent (CoinGecko).

The stake is that sentiment indices are lagging instruments and get quoted as leading ones. Anyone who read Tuesday's 69 as permission was reading a number built from Monday's close.

Watch. Whether the index undershoots. A move below 40 within the week would be the first genuine fear reading since the summer, and it would arrive after the selling rather than before it.

5. Strategy's cushion has thinned to two-thirds of one percent

Strategy filed an 8-K on 14 September covering 8 to 13 September and disclosed that it neither bought nor sold bitcoin and issued no shares under its at-the-market programme. Holdings stand at roughly 845,050 bitcoin at an aggregate cost of 63.73 billion dollars, an average of 75,412 dollars a coin (SEC EDGAR, the company's own filing).

With spot at 75,893 dollars, the position sits 0.64 percent above its average cost. In yesterday's issue that margin was 1.9 percent. Two sessions of a market down one and a half percent have taken roughly two-thirds of the cushion.

The stake is mechanical rather than dramatic. A treasury company trading above its cost basis has optionality; one below it has a story to explain. The next filing is expected around 21 September and will cover the week containing today's decision.

Watch. The 75,412 line itself. It is a published, auditable number that a large, visible holder cannot move away from, which makes it the sort of level that attracts a test.

6. The Hormuz deal contract gave back everything it gained

Yesterday this desk flagged that the Iran-Oman Hormuz agreement contract had risen 6.5 points on 23,400 dollars of daily volume against a news flow of postponement and strikes, and called it noise until volume confirmed it. It did not confirm. The contract trades at 19.0 percent this morning, down 5.5 points in 24 hours on 676,646 dollars of cumulative volume (Polymarket).

The news moved against it. A Panama-flagged supertanker, the El Gaia, was struck south of the Strait of Hormuz between 13 and 15 September. Iran's Revolutionary Guard says the vessel hit sea mines in a prohibited zone; US Central Command says it was struck by an Iranian missile. The International Maritime Organization confirmed the damage and two missing seafarers, and India's foreign ministry said thirteen of fourteen Indian crew were rescued. The vessel was one of 77 ships on an Iranian blacklist for alleged transit violations.

The stake is that the venue now prices the mechanism and the mood very differently. A ceasefire between Israel and Iran holding through September trades at 89.5 percent. An American announcement ending the Iranian blockade by 30 September trades at 14.5 percent, by 31 October at 32.5, and by 31 December at 60.75. Hormuz traffic returning to normal by year-end is 17.5 percent. The market expects the shooting to stay paused and the blockade to stay in place, and it is the blockade, not the ceasefire, that sets the freight rate.

Watch. Volume, not price, on the Oman contract. It is a thin market and a 5.5 point move on thin volume is as uninformative going down as the 6.5 point move was going up.

7. Tokyo and Seoul rallied into a week of three central banks

The Nikkei 225 closed Wednesday at 63,923.00, up 0.69 percent, snapping a four-session losing streak, with the Topix up 0.61 percent to 4,061.72. Both prints are taken after the Tokyo close rather than before the closing auction. Korea's KOSPI closed up 1.37 percent at 6,717.97, retaking 6,700 on pension-fund buying in Samsung and SK Hynix, per Seoul Economic Daily. Shanghai closed up 0.71 percent at 3,891.601.

The bond market is the reason the equity move is not the story. Polymarket prices a 25 basis point Bank of Japan increase on Friday at 98.15 percent. Japan's 10-year sits at 2.988 percent and its curve is the steepest in the developed world, 2s10s at 117 basis points and 2s30s at 225, against Germany's 36 and 74 and the United States' 33 and 69. Handelsblatt frames Friday's move as taking Japan to its highest policy rate since 1995 under American pressure.

The stake is the carry trade. A Japanese hike that is 98 percent priced pays a long-yen position least when it lands, and dollar-yen sits at 155.12 having tested 155 repeatedly. The rate gap that the hike is meant to close widened on Tuesday instead, because American yields rose faster than Japanese ones.

Watch. The Bank of Japan's guidance rather than the increase. One hike is priced; a signal of more than one is not, and that is what would actually pay yen holders.

8. The weakest borrowers set another high while the rest of credit tightened

The option-adjusted spread on American CCC and lower-rated debt printed 10.81 percent on 14 September, a new 90-day high, while investment grade sat at 0.80 percent inside a 0.73 to 0.82 range and high yield overall at 2.71 inside 2.60 to 2.87 (ICE BofA indices via FRED). Emerging market corporate paper is at 1.35 against a 1.31 to 1.50 range.

This is the second consecutive session in which the bottom tier made a new high while the tier above it did not. Yesterday's reading was 10.76 and this desk noted it then. The gap between the weakest borrowers and everyone else is widening in a week when the policy rate is about to rise.

The stake is that CCC spreads are the cheapest available read on refinancing stress, and they are moving before anything in investment grade does. The New York Federal Reserve's 10-year term premium was 0.6968 percent on the same day, which says the long end is asking for more compensation at the same time the weakest credits are.

Watch. Whether high yield as a whole follows the CCC tier or the CCC tier retraces. One of them is mispriced and the spread between them has widened for two sessions.

9. China's factories beat and its shoppers missed again

August industrial production rose 5.2 percent from a year earlier against a 4.8 percent consensus, up from 4.5 percent in July. Retail sales rose 0.4 percent against a 0.8 percent consensus, down from 0.6. Fixed asset investment fell 7.2 percent year to date, matching consensus but worse than July's minus 6.7 (National Bureau of Statistics, released 15 September).

The same split as last month, and wider. Production is accelerating, consumption is decelerating, and investment is contracting at an increasing rate. Reuters separately reports Beijing urging exporters to hedge more foreign exchange as a strong yuan squeezes them, with dollar-yuan at 6.7073.

The stake sits in the oil demand assumption, and it cuts against the easy reading. China's marginal crude demand runs through diesel and petrochemical feedstock, which track industrial production rather than a consumer basket of electronics and clothing. Industrial production is the number that beat, 5.2 percent against a 4.8 percent consensus and up from 4.5. So the oil-relevant channel accelerated even as the consumer one stalled, and a desk reaching for the retail figure to argue against crude would be using the weaker number because it fits.

Watch. The loan prime rate fixing around 21 September, unchanged at 3.00 and 3.50 percent for fifteen months. A cut would be the first admission that the consumption side needs help.

Crypto

Price action

ASSET	PRICE	24H	7D	24H VOLUME	24H VOLUME CHANGE	BULL:BEAR	MARKET VALUE
Bitcoin	$75,893.00	-1.52%	-3.90%	$38.47B	+21.06%	64:36 (1.78)	$1.524T
Ether	$2,405.06	-3.17%	-3.50%	$19.00B	+16.81%	77:23 (3.30)	$293.51B
BNB	$711.09	-1.16%	-5.40%	$981.22M	+5.18%	72:28 (2.53)	$94.68B
XRP	$1.29	-8.13%	-9.40%	$5.88B	+43.33%	71:29 (2.51)	$80.96B
Solana	$97.16	-3.66%	-6.10%	$3.89B	+20.27%	70:30 (2.36)	$57.04B
Tron	$0.334839	-1.08%	-1.20%	$506.37M	+12.12%	56:44 (1.28)	$31.79B
Hyperliquid	$78.86	-0.52%	-9.30%	$918.67M	+23.69%	59:41 (1.43)	$17.56B
Dogecoin	$0.079908	-3.51%	-11.30%	$830.89M	+43.17%	69:31 (2.23)	$12.46B
Chainlink	$10.81	-5.07%	-11.80%	$454.35M	+28.14%	58:42 (1.38)	$8.09B
Cardano	$0.194453	-5.38%	-11.00%	$465.40M	+23.48%	63:37 (1.72)	$7.30B
Avalanche	$7.26	-3.47%	-8.20%	$288.72M	+6.46%	64:36 (1.77)	$3.21B
Sui	$0.689119	-3.15%	-14.70%	$518.70M	+15.49%	69:31 (2.21)	$2.82B
Pepe	$0.00000334	-2.96%	-8.50%	$236.84M	+22.72%	61:39 (1.59)	$1.41B
Bonk	$0.00000252	-5.79%	-16.60%	$33.35M	+38.83%	44:56 (0.78)	$221.74M

Bull:bear is the share of Binance futures accounts long versus short over the latest hour. It counts accounts, not position size. Prices, seven-day changes and volume changes from CoinGecko, pulled on a fifteen-second spacing so that all fourteen coins come from one vendor.

All fourteen fell on the day and all fourteen fell on the week, which is the first time this desk has printed a clean sweep in both columns. The dispersion is in the size: Tron lost 1.08 percent and Bonk 5.79, with Sui down 14.70 percent over seven days and Bonk down 16.60. XRP is the outlier among the majors, down 8.13 percent in a session with volume up 43.33 percent, which is a distribution pattern rather than a drift.

Bull:bear tells a different story from price. Ether shows 77 percent of Binance accounts long at a ratio of 3.30 while its price falls, and that is the most one-sided book in the table. Bonk is the only coin where accounts are net short, at 44 percent long against 56 percent short. A falling price against a heavily long account base is the configuration that produces forced selling, and ether is carrying it into a Federal Reserve decision.

Market structure

Total crypto market value is 2.599 trillion dollars, down 4.44 percent in 24 hours, on 103.565 billion of volume. Bitcoin dominance is 58.51 percent and ether 11.27, so bitcoin gained share on the selloff (CoinGecko global). Trending searches are led by Firo, Arbitrum and Pudgy Penguins, with Synapse up 113.22 percent and Lisk up 77.40 on the day, the sort of move that appears when the majors are dead.

Fund flows

SESSION	BITCOIN FUNDS	ETHER FUNDS
Tue 15 Sep	-$450.33M	-$141.47M
Mon 14 Sep	+$160.04M	+$121.02M
Fri 11 Sep	-$13.29M	+$216.41M
Thu 10 Sep	-$282.56M	-$29.76M
Wed 9 Sep	-$120.24M	+$34.75M
Five-session net	-$706.38M	+$200.95M

SoSoValue. Tuesday's bitcoin figure is the largest single-day outflow since 25 June and the ether figure the deepest in 155 trading sessions. Fidelity's FBTC lost $214.75M and BlackRock's IBIT $161.69M; on the ether side BlackRock's ETHA lost $97.97M. Net assets stand at $95.72B for bitcoin funds and $15.42B for ether funds. The provider's two endpoints disagree on cumulative inflow, $54.864B against $54.886B, a mark-to-market versus flow-only difference this desk reports rather than reconciles.

Derivatives

MEASURE	BITCOIN	ETHER	SOLANA
Funding, Binance, annualised	+3.54%	-4.62%	-4.82%
Funding, Bybit, annualised	+6.15%	-2.01%	-8.15%
Funding, Binance 7-day average	+5.95%	n/a	n/a
Open interest, live	107,049 BTC	2,328,380 ETH	8,095,087 SOL
Open interest, 8-day change	+0.81%	+2.80%	+3.56%
Top-trader position ratio	2.3370	1.2915	2.0447
Implied volatility, Deribit DVOL	38.69	53.92	n/a

Open interest is reported twice because the live endpoint and the daily-history series are sampled differently and disagree by construction. The live figure is 107,049 bitcoin; the daily series marked 103,517 on Tuesday and 107,492 at the Wednesday turn. The 8-day change uses the daily series only. The top-trader position ratio is a different series from the all-account bull:bear column above and the two must not be compared.

Bitcoin funding has been positive on all 21 eight-hour prints this week, averaging 5.95 percent annualised, so longs have paid throughout. Ether and Solana funding are negative on both venues, which means shorts are paying longs, and on Solana the top traders cut their position ratio on five of the last seven hourly transitions, from a high of 2.25 down to 2.04, having first risen from 2.17. Bitcoin's implied volatility at 38.69 sits above its realised 33.78, so the options market is charging a premium to carry the decision.

Options

EXPIRY	CALL OPEN INTEREST	PUT OPEN INTEREST	PUT/CALL	MAX PAIN
Bitcoin, Fri 18 Sep	12,446 BTC / $944.2M	8,579 BTC / $650.8M	0.689	$78,000
Bitcoin, Fri 25 Sep	122,069 BTC / $9.26B	64,686 BTC / $4.91B	0.530	$72,000
Ether, Fri 18 Sep	86,380 ETH / $207.5M	46,705 ETH / $112.2M	0.541	$2,500
Ether, Fri 25 Sep	488,224 ETH / $1.17B	272,053 ETH / $653.5M	0.557	$2,200

Max pain computed by this desk from the Deribit book rather than taken from a vendor: for each listed strike as a candidate settlement, total in-the-money payout is summed across every listed contract and the minimising strike reported. Spot used was $75,864.70 for bitcoin and $2,402.06 for ether.

Friday's max pain sits at 78,000 dollars, about 2.8 percent above spot, and the quarterly a week later sits at 72,000, about 5.1 percent below it. The board is pulling in two directions across eight days, and the quarterly is nine times the size of the weekly.

KEY LEVELS, BITCOIN

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Spot 75,893
Strategy average cost 75,412  (spot +0.64%)
Friday max pain 78,000  (spot +2.78%)
Quarterly max pain 72,000  (spot -5.13%)
Short-term holder cost ~71,000
Accumulation support band 62,000 to 65,000
Long-term holder cost band 83,000 to 86,000
Difficulty retarget ~19 Sep, estimated +5.35%
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Holder cost bands from Glassnode as relayed in early-September research and therefore directional rather than same-day. Difficulty from mempool.space, 79.81 percent through the current epoch.

This desk could not retrieve a cross-exchange 24-hour liquidation total this session. Coinglass and Coinalyze both require keys, the Binance liquidation endpoints returned 404, and the Coinglass page renders its totals in the browser rather than the source. What is available is partial and venue-specific: on OKX alone, bitcoin liquidations over a 2.6 hour window ran 27.4 million dollars on the long side against 9.9 million on the short. That is a ratio, not a total, and it is printed here as a ratio.

The CME basis is also missing. CME's quote endpoints returned an explicit scraping block to this desk's network and the fallback page renders client-side. Yesterday's issue carried a front basis of minus 0.04 percent and an October contract at 3.97 percent annualised; this desk will not carry those forward as though they were today's, and will not print a secondary figure it could not verify.

Traditional Markets

The American session

Every major American index fell on Tuesday. The S&P 500 closed at 7,585.73, down 0.45 percent; the Nasdaq Composite at 25,981.571, down 0.78; the Dow at 52,093.11, down 0.63; the Russell 2000 at 2,870.286, down 0.76 (CNBC). The VIX closed at 17.20 from 17.10, having traded between 16.89 and 17.84 on the day, and sits at 16.89 on Wednesday morning.

US TREASURY PAR YIELDS	10 SEP	11 SEP	14 SEP	15 SEP
2-year	4.56	4.63	4.65	4.67
10-year	4.95	4.96	4.97	5.00
20-year	5.39	5.38	5.37	5.40
30-year	5.37	5.35	5.34	5.36
2s10s	+39bp	+33bp	+32bp	+33bp
20s30s	-2bp	-3bp	-3bp	-4bp

US Treasury official daily par yield curve. All six rows come from the same series so every spread here is internally consistent. CNBC's live benchmark quotes run one to two basis points away from these par figures and are never mixed into this table.

A correction to this desk's own framing is owed. Yesterday's issue argued that the front of the curve had done the week's work. Measured from 11 September to 15 September the two-year rose 4.0 basis points and the ten-year rose 4.0 basis points, exactly the same amount. The flattening this desk described was real over a longer window, from 39 basis points on 10 September to 33 on the 15th, but it was not a Tuesday story and it was not front-led over the week just past. On Wednesday morning the ten-year trades at 4.977 percent, back below the five that led yesterday's issue.

Real yields rose alongside. The ten-year real yield closed at 2.62 percent on Tuesday from 2.60 on Monday, and the thirty-year real at 3.07 from 3.05 (US Treasury real curve). The ten-year breakeven, computed from the same two series, is 2.38 percent.

What the Fed is being asked to do

TARGET RANGE	TODAY, 16 SEP	PRIOR DAY	PRIOR WEEK
3.50 to 3.75 percent, hold	10.2%	10.5%	39.6%
3.75 to 4.00 percent, one increase	89.8%	89.5%	60.4%

Futures-implied pricing via investing.com. The operative range going into the meeting is 3.50 to 3.75 percent with an effective rate of 3.63 percent, confirmed against the New York Federal Reserve's own published reference rates. Yesterday's issue quoted 91.5 percent from a different derivation; the two are not comparable and the change between them should not be read as a move.

For the October meeting the same source puts 51.4 percent on a cumulative single increase and 43.3 percent on two, against 45.2 percent for two a day earlier. Polymarket's separate contract on a second increase at the October meeting trades at 36.5 percent. Those two disagree by roughly seven points on the same question, and the venue with the larger volume is the futures market.

> *The term-premium reading: a central bank that raises its policy rate while the twenty-year auction tails and dealers absorb a sixth of it is not tightening into strength, it is discovering that the term structure was already doing the tightening for it. The question the projections have to answer is not how high the policy rate goes, but who is left to fund the long end at these levels.*
>
> ECONOMIST'S CORNER

Commodities and currencies

INSTRUMENT	TUE 15 SEP SETTLE	CHANGE	WED LIVE
Brent crude	$108.75	+2.90%	$107.19
WTI crude	$105.83	+4.38%	$103.45
Gold, December	$4,332.80	-0.44%	$4,387.22
Silver	n/a	n/a	$65.14
Copper	n/a	n/a	$6.4808

Settlement series from investing.com per-instrument historical pages. The Brent-WTI spread computed from Tuesday's two settles is $2.92. Silver and copper are shown as live quotes only because this desk did not separate their settles from their live prints in time to publish, and an unverified settle is worse than an honest blank.

The dollar index is 99.66, essentially unchanged. Euro-dollar trades 1.1532 and sterling 1.3461, both down about a tenth of a percent. Dollar-yen is 155.12, up marginally, and has now tested 155 several times in a week ahead of Friday's Bank of Japan decision.

Gold is the instrument arguing with the rates story. It settled down 0.44 percent on Tuesday at 4,332.80 and trades up about 1.2 percent on Wednesday near 4,387, rising on a morning when real yields are at their highest of the week. Gold and real yields moving up together is not the textbook relationship, and the textbook relationship has been failing for most of this year.

Inflation and the calendar

The most recent American prints are August CPI at 3.35 percent headline and 2.45 percent core, released 11 September, and August producer prices at 5.4 percent over twelve months and 0.4 percent on the month, released 10 September, where energy contributed more than three quarters of the monthly rise and diesel alone rose 24.1 percent. July core PCE was 3.34 percent.

DATE	EVENT	STATUS
Wed 16 Sep	US August retail sales and import prices	Not yet released at publication
Wed 16 Sep	FOMC decision and Summary of Economic Projections	Not yet released at publication
Wed 16 Sep	UK August CPI	Released, 3.1 percent, in line
Thu 17 Sep	Bank of England decision, Bank Rate 3.75 percent	Pending
Thu 17 Sep	US 10-year TIPS reopening, $19B	Pending
Fri 18 Sep	Bank of Japan decision	Pending

International Markets

Asia Pacific

COUNTRY	INDEX	CHANGE	POLICY RATE	FX VS USD	LATEST PRINT
China	3,891.60	+0.71%	3.45% LPR	6.7073	IP +5.2%, retail +0.4%
Japan	63,923.00	+0.69%	1.00%	155.12	Decision Friday
South Korea	6,717.97	+1.37%	3.00%	1,368.40	Raised 25bp on 27 Aug
Hong Kong	24,713.78	+0.19%	Pegged	7.8445	Q2 GDP +4.3%
Singapore	5,635.41	-0.06%	NEER band	1.2733	2026 GDP forecast 5.0%
Australia	8,696.50	+0.28%	4.35%	0.7132	Jul unemployment 4.5%
India	23,217.60	+0.43%	5.25%	95.955	Aug CPI 4.82%

Index prints are closes except India, where the available quote is an intraday print taken about half an hour before the local close and is labelled as such rather than passed off as a close. Hong Kong's print falls just inside its closing auction. Japan's and Korea's are taken after their local closes.

Europe and the Americas

COUNTRY	INDEX	CHANGE	POLICY RATE	FX VS USD	NOTE
Germany	25,502.88	+0.40%	2.50%	1.1532	ECB change effective today
United Kingdom	10,726.92	+0.65%	3.75%	1.3461	Decision Thursday
France	8,140.15	+0.62%	2.50%	1.1532	OAT-Bund 96.2bp
Switzerland	13,866.92	+0.42%	0.00%	0.8191	40 of 41 expect hold on 25 Sep
Brazil	186,502.64	prior close	14.00%	5.1526	Copom decides today
Canada	35,582.07	prior close	2.25%	1.3929	Aug CPI 3.0%
Mexico	63,507.11	prior close	6.50%	17.14	Held twice running
UAE	5,966.65	+0.66%	3.65%	3.6726	Pegged, no move before the Fed

European levels are intraday prints taken around midday Central European time, not closes. Brazilian, Canadian and Mexican figures are the prior session's closes because those markets had not opened. Singapore's print is shown as a close on a feed timestamp this desk could not independently confirm as post-close, and is flagged here rather than presented as settled. The OAT-Bund spread is computed from a single vendor's quotes for both legs, 4.491 percent against 3.5288 percent, because the German figure differs by roughly eight basis points between vendors and mixing them manufactures a spread that does not exist. The Saudi index did not return from this desk's data route and is omitted rather than estimated.

The international tell is in the curves, not the equities. Japan's 2s10s is 117 basis points and its 2s30s 225, against Germany at 36 and 74 and the United States at 33 and 69 (Ministry of Finance, Bundesbank and US Treasury, each read from its own national source). Japan has the steepest curve and is about to raise rates into it. The United States has the flattest and is about to do the same. Those two facts cannot both be about the same thing, and the difference is supply. Japan is building a term premium openly at the long end. America's is building too, which is what Tuesday's 20-year auction showed, but it is doing so behind a front end the Fed still controls, so the American curve looks flat while the pressure accumulates past the ten-year.

Geopolitics

Hormuz and the tanker war

Traffic through the Strait of Hormuz is down roughly 97 percent, a waterway that normally carries about 20 million barrels a day. American and Gulf escorts operate two daylight transit windows. Saudi Arabia's East-West pipeline, the principal non-Hormuz export route, is shut. The El Gaia strike between 13 and 15 September left two seafarers missing and drew flatly contradictory accounts from Tehran and Washington, one describing sea mines in a prohibited zone and the other an Iranian missile.

Talks on reopening were postponed at Saudi request, and an Iranian official has said there will be no negotiation with Washington until conditions are met. No resumption date has been reported. Libya separately suspended output at several fields after protests shut the Hamada to Zawiya pipeline, which compounds the supply picture without being connected to it.

Russia sanctions reach the House floor

The Senate passed the Sanctioning Russia Act 86 to 11 on 7 August. The text carries a 100 percent tariff on goods from third countries that buy Russian energy and a 500 percent tariff on Russian imports directly. The House scheduled a vote for the week of 14 September. This desk could not confirm a completed procedural step beyond that scheduling, so it claims none. Business groups are lobbying to strip the tariff provisions in favour of targeted enforcement. The Kremlin answered a floated energy truce by asking for sanctions relief as a precondition.

Washington and Beijing trade ahead of a summit

The two governments are discussing targeted tariff reductions covering roughly 30 billion dollars of goods ahead of a planned leaders' meeting, with the American Treasury secretary due to meet his Chinese counterpart in New York. Washington is separately pressing Mexico to block Chinese artificial-intelligence hardware routed through Mexican supply chains, and is weighing a cap on foreign-made content in AI chips and servers that would fall on Taiwanese assemblers operating in Mexico. Beijing has tightened exit restrictions on technology personnel.

RULES

Regulatory

The CLARITY Act's failure is the regulatory event of the week and is treated as a story above. What follows it matters as much. The Treasury's emergency intervention mechanism under the stablecoin statute has no published operating guidance, which means a power exists on paper without a procedure. Twenty-one banks are reported to be planning a joint dollar stablecoin as the rules tighten. The securities and derivatives regulators are said to be preparing joint guidance on which of them has jurisdiction over what, which is the question the failed bill was meant to answer by statute.

This desk found no named American enforcement action carrying a dollar figure in the current window. The securities regulator filed three civil complaints on 14 and 15 September, against Jon P. Kipp, against Ernest Ossei Boateng and two associated entities, and against Paul Thomas Croft with two co-defendants. The individual charging documents would not load, so no alleged loss figure is printed here.

In Europe the transition period for unlicensed crypto service providers ended on 1 July, so operating without authorisation is now a breach rather than a grace period. Britain's conduct regulator is offering firms deferrals to avoid a compliance cliff in October 2027, and declined to act over a stablecoin logo on a football shirt. Poland still has no crypto statute after the president who blocked the last one won re-election, and South Korea's bill has stalled.

FAILURES

Scandals and Crisis Events

No scandal-level event in the last 24 hours meets this desk's bar of a named entity, a specific amount, a verified event date inside the window and a primary source. That is the honest answer and it is printed instead of filler.

Three items were checked and rejected on date, which is worth recording because each would have read as current. The Tectonic exploit on Cronos, 120.4 million dollars borrowed with 9.19 million unrecovered after a chain rollback, carries a post dated 14 September but the exploit itself ran on 30 August, seventeen days ago. The Nesa exploit, about 50 million dollars, is dated 11 September. A reported 52 million dollar crypto restraint by American prosecutors appears to be a republish of an action from around 9 September. A Revolut data breach through spoofed government requests is dated 12 September, and a claim circulating that 700 high-value crypto customers were targeted could not be traced to a primary source and is therefore not repeated here.

THE CHAIN

On-Chain and Whale Intelligence

MEASURE	LEVEL	1-DAY	7-DAY	30-DAY
Tether supply	$183.26B	-$18.60M	-$47.57M	+$257.69M
USD Coin supply	$73.74B	-$672.89M	-$883.53M	+$1.78B
All stablecoins	$311.02B	n/a	+$102.02M	+$4.33B

DeFiLlama. USD Coin lost 672.89 million dollars in a single day, which is the largest one-day contraction in the table by a factor of thirty-six and the figure worth watching rather than the total.

Network hash rate is 964.69 exahashes and difficulty 127.45 trillion, with the current epoch 79.81 percent complete and the next retarget estimated at plus 5.35 percent around 19 September (mempool.space). Hash price was 38.96 dollars per petahash per day on 9 September. Public miner holdings stood at about 1.1919 million bitcoin on 5 September, up 261 on the week, so the listed miners were adding rather than selling into early September.

No whale transaction dated inside the last 24 hours surfaced this session. The nearest dated event is a 1,657 bitcoin transfer out of Coinbase on 4 September, twelve days old, which does not qualify and is recorded here only so the absence is visible. A circulating item describing 108 million dollars of ether moving to exchanges carried no reliable event date and is excluded.

Long-term holder supply is reported at a record 16.64 million bitcoin, with an accumulation band at 62,000 to 65,000 dollars and a concentrated long-term cost basis between 83,000 and 86,000. Short-term holder cost basis has reset to roughly 71,000. These readings are from early-September research and are directional, not same-day.

THE LARGEST POOLS

Sovereign and Institutional Flows

China's central bank bought gold for a twenty-second consecutive month in August. The primary filing, the State Administration of Foreign Exchange's reserve template dated 7 September, reports holdings of 7,673 units of ten thousand troy ounces, against 7,608 in July. That delta is 0.65 million ounces, which converts to 20.22 tonnes, and takes the total to roughly 2,386.9 tonnes. Total official reserve assets rose from 3,791.602 billion dollars to 3,854.885 billion over the same month. These figures come from the institution's own filing rather than from coverage of it, and the conversion was performed by this desk.

Elsewhere in official gold the direction is split. Poland leads 2026 accumulation with more than twenty tonnes added and a stated path toward 700, and Kazakhstan has added about twenty-nine tonnes. Turkey has sold, roughly one tonne in July and about eighty-five tonnes across the year. Russia is named among sellers without a tonnage this desk could verify. These come from industry data as relayed by news coverage, not from the central banks' own filings, and are labelled accordingly.

On sovereign wealth funds this desk has nothing of filing grade to report. No dated September disclosure with a dollar figure was found for the Saudi, Norwegian, Abu Dhabi, Singaporean or Chinese funds. That is a gap in this desk's reach, not evidence that the funds were inactive, and the distinction matters after this brief printed a holding last month that the institution's own report did not contain.

The Bank for International Settlements published its September quarterly review on 14 September. American Treasury international capital data for July was expected in this window; the release schedule would not load from three separate paths on the Treasury's own site, so this desk cannot confirm whether it has been published, and states that rather than guessing at a number.

THE VENUES

Prediction Markets

This desk scanned 660 open Polymarket markets through a pinned DNS route, of which 205 carry more than 500,000 dollars of volume, and read the Kalshi Federal Reserve series directly. Calibrated odds use p raised to 1.31 over the same plus one minus p raised to 1.31. By construction that adjustment is largest near raw prices of 20 and 80 percent, so the biggest edges on any given day cluster there regardless of subject. Two contracts at the same raw price must produce the same calibrated value and the same edge; identical derived columns are arithmetic, not a duplicated pull.

MARKET	RAW	CALIBRATED	EDGE	24H	VOLUME	ENDS
FEDERAL RESERVE						
Fed increases rates by 25 bps after the September 2026 meeting	87.5%	92.75%	+5.25	0.0	$38.71M	16 Sep
No change in Fed rates after the September 2026 meeting	12.5%	7.25%	-5.25	+2.0	$51.98M	16 Sep
Fed increases rates by 25 bps after the October 2026 meeting	36.5%	32.62%	-3.88	-1.0	$554.3K	28 Oct
No change in Fed rates after the October 2026 meeting	62.5%	66.13%	+3.63	0.0	$544.2K	28 Oct
No Fed rate cuts in 2026	92.95%	96.70%	+3.75	-1.0	$8.36M	31 Dec
REGULATION						
Clarity Act (H.R.3633) signed into law in 2026	5.15%	2.15%	-3.00	-13.35	$20.88M	1 Jan
Senate passes the Clarity Act by 31 October	11.50%	6.46%	-5.04	n/a	$3.3K	1 Nov
IRAN, HORMUZ AND THE BLOCKADE						
Israel x Iran ceasefire continues through September 30	89.5%	94.31%	+4.81	-2.0	$2.14M	30 Sep
US announces end of Iranian blockade by December 31, 2026	60.75%	63.93%	+3.18	-0.7	$1.75M	1 Jan
US announces end of Iranian blockade by October 31, 2026	32.5%	27.74%	-4.76	0.0	$1.26M	1 Nov
US announces end of Iranian blockade by September 30, 2026	14.5%	8.91%	+1.0	$3.29M	1 Oct	
Bab el-Mandeb Strait effectively closed by December 31	22.5%	16.52%	-5.98	0.0	$814.0K	1 Jan
Strait of Hormuz traffic returns to normal by December 31	17.5%	11.60%	-5.90	0.0	$11.78M	31 Dec
Iran-Oman Hormuz Agreement by September 30	19.0%	13.02%	-5.98	-5.5	$676.6K	1 Oct
Iran charges Hormuz fees by October 31	15.5%	9.78%	-5.72	-6.0	$526.7K	1 Nov
The US invades Iran before 2027	17.5%	11.60%	-5.90	+1.0	$66.41M	1 Jan
CRYPTO						
Bitcoin reaches $85,000 by December 31, 2026	55.5%	57.18%	+1.68	-8.0	$869.2K	1 Jan
Bitcoin reaches $82,500 in September	26.5%	20.81%	-5.69	-10.0	$539.8K	1 Oct
Bitcoin dips to $60,000 by December 31, 2026	32.5%	27.74%	-4.76	+4.0	$789.8K	1 Jan
Bitcoin reaches $100,000 by December 31, 2026	16.5%	10.68%	-5.82	-5.0	$3.34M	1 Jan
Ethereum dips to $1,500 by December 31, 2026	16.2%	10.41%	-5.79	+3.8	$2.67M	1 Jan
MACRO AND OTHER						
US recession by end of 2026	14.5%	8.91%	-5.59	+6.0	$1.94M	31 Jan

Crude oil reaches a new all-time high by December 31	15.5%	9.78%	-5.72	-0.5	$1.23M	1 Jan
WTI crude hits $110 in September	39.5%	36.39%	-3.11	0.0	$544.5K	1 Oct

Kalshi's September Federal Reserve series prices a 25 basis point increase at 87 cents and a hold at 12, on 16.99 million and 43.82 million dollars of lifetime volume respectively. The Bank of Japan contracts sit below this table's 500,000 dollar threshold but are reported because Friday matters: a 25 basis point increase trades at 98.15 percent.

Three readings stand out. The first is that there is no venue disagreement to exploit on today's decision: Polymarket at 87.5 percent, Kalshi at 87 cents and futures at 89.8 percent are the same number within noise, so anyone waiting for a mispriced hike is waiting for something that is not there. The second is October, where the futures market puts 43.3 percent on a second increase while Polymarket's equivalent contract trades at 36.5. That is 6.8 points on the same question. It is the widest cross-venue spread on the board, but it is not evidence that two efficient markets disagree: the October contract carries 554,299 dollars of volume against 38.7 million on the September one, a book roughly seventy times thinner. A thin price and a deep price differing is at least as likely to be a liquidity artifact as a genuine disagreement, and the card that follows is sized for that.

The third is the recession contract, which rose six points in a day to 14.5 percent on 1.94 million dollars of volume. That is the largest 24-hour move by a macro contract in this table. It deserves the same discount this desk applied to the thin Hormuz contract earlier: 1.94 million dollars of cumulative volume is respectable but not deep, and the same session saw bitcoin's dip-to-60,000 contract rise 4.0 points and ether's dip-to-1,500 rise 3.8. A correlated repricing across every bad-outcome contract is a simpler explanation than a specific verdict on the Fed, and this desk prefers the simpler one.

POSITIONING

Sentiment and Positioning

INDICATOR	VALUE	SIGNAL	PRIOR	CONTEXT
Fear and Greed	51	Neutral	69	Largest one-day fall this month
Bitcoin funding, Binance	+3.54%	Longs pay	+5.95% avg	All 21 prints positive this week
Ether funding, Binance	-4.62%	Shorts pay	-9.77%	Prior is last issue's print, not a fresh pull
Solana funding, Binance	-4.82%	Shorts pay	-6.53%	Prior is last issue's print; Bybit -8.15%
Bitcoin fund flows	-$450.33M	Outflow	+$160.04M	Largest since 25 June
Ether fund flows	-$141.47M	Outflow	+$121.02M	Deepest in 155 sessions
Bitcoin accounts long, Binance	64:36 (1.78)	Long-heavy	n/a	All-account series
Ether accounts long, Binance	77:23 (3.30)	Most one-sided	n/a	Price falling against it
Bitcoin top-trader positions	2.3370	Long	2.3451	Barely changed in 8 hours
Solana top-trader positions	2.0447	Cutting	2.1729	Fell on 5 of 7 transitions, peak 2.25
Bitcoin open interest, live	107,049 BTC	Steady	n/a	Daily series +0.81% over 8 days
Deribit bitcoin DVOL	38.69	Above realised	39.07	Realised 33.78
Bitcoin dominance	58.51%	Gaining	58.31%	Ether 11.27%
Stablecoin float	$311.02B	Flat	$311.96B	USD Coin -$672.89M in a day
VIX9D minus VIX	+0.01	Flat	-0.19	Both legs at Tuesday's close

The positioning and the flows now agree, which is new. Yesterday the sentiment index and the derivatives book were telling opposite stories and this desk sided with the book. Today the index has fallen eighteen points, the funds have posted their worst bitcoin session since June, and the account ratios remain long. The honest version is narrower than this desk first wrote it. Two of the four positioning rows carry no prior value at all, so the ether and bitcoin account ratios show a level and not a trend. The one positioning series with a real multi-print trend, Solana's top traders, is cutting. So the claim this desk will stand behind is that sentiment has corrected while the crowded ether book has not yet been shown to, which is a smaller statement than saying positioning has not moved.

Ether is the specific worry. Seventy-seven percent of Binance accounts are long at a ratio of 3.30, funding is negative so shorts are paying to hold, and the price fell 3.17 percent on the day and 3.50 on the week. Negative funding with a crowded long book means the shorts are being paid to wait, which is the opposite of a squeeze setup.

> *Desk note. Recency check. Yesterday this brief led with a five percent ten-year and framed the week as front-led. Measured properly the two-year and the ten-year both rose four basis points since 11 September, and the ten-year is back at 4.977 this morning. The correction is printed in Traditional Markets rather than buried, and today's lede deliberately leads with supply rather than with the level, because the level was the part this desk over-read.*

Cross-asset linkages

SOVEREIGN 5-YEAR CDS	LEVEL, BP	CHANGE	QUOTE DATE
Brazil	112.79	+0.89%	15 Sep
Indonesia	83.56	-2.70%	14 Sep
France	38.97	-2.53%	14 Sep
Italy	34.87	-1.32%	14 Sep
China	34.80	+0.72%	15 Sep
United States	31.94	-1.43%	14 Sep
Japan	22.85	-0.44%	14 Sep
South Korea	21.31	-0.19%	15 Sep
United Kingdom	19.08	-6.12%	14 Sep
Germany	7.26	-7.04%	14 Sep

Quote dates differ by row and are printed per row rather than averaged. France still trades wider than Italy, 38.97 against 34.87, as it has all month.

CREDIT, OPTION-ADJUSTED SPREAD	14 SEP	90-DAY RANGE
US investment grade	0.80%	0.73 to 0.82
US high yield	2.71%	2.60 to 2.87
US CCC and lower	10.81%	9.07 to 10.81, a new high
Emerging market corporate	1.35%	1.31 to 1.50

CURVE	2S10S	2S30S	SOURCE
United States	+33bp	+69bp	Treasury par, 15 Sep
Germany	+36bp	+74bp	Bundesbank, 16 Sep
Japan	+117bp	+225bp	Ministry of Finance, 15 Sep
United Kingdom	+69bp	+132bp	Bank of England spot curve, 15 Sep

Each curve is read from its own national source and none is mixed with a commercial benchmark quote. No curve is inverted at either tenor pair. Gold volatility at 26.90 and crude volatility at 61.73 are the last values the exchange feed published; both show a zero change, zero volume and a midnight timestamp, so they are carried prints rather than Tuesday closes and are not used to compute a same-day ratio. Foreign exchange implied volatility has no free source and is left blank rather than estimated. The New York Federal Reserve's ten-year term premium was 0.6968 percent on 14 September.

The disagreement worth naming is between sovereign credit and corporate credit. Every sovereign in the table except Brazil and China tightened, with Britain and Germany tightening more than six and seven percent respectively, while the weakest American corporate tier set a new ninety-day high. Government credit is calm and the bottom of the corporate stack is not. Historically sovereign spreads are not where a rate shock shows first, and they are not showing one now. That is weaker reassurance than it sounds: G7 sovereign swaps at 7 to 35 basis points are thin and insulated by fiscal capacity, so their calm is closer to uninformative than to comforting. Brazil is one of only two that widened, and its central bank decides today with a cut priced.

The Bottom Line

1. The Treasury's 20-year reopening tailed two basis points and left dealers with 16.74 percent of it against 10.93 percent in August, and the par 20s30s inversion deepened to minus 4. The cover ratio improved and the indirect share fell to 52.12 percent from 55.09, so the demand did not vanish, it changed hands. The durable fact is the composition and the deeper inversion, not a failed auction.

2. Today's increase is priced identically across three venues, 87.5 percent on Polymarket, 87 cents on Kalshi and 89.8 percent on futures, so the decision itself carries no edge. October does: futures price a second increase at 43.3 percent against the prediction market's 36.5.

3. The CLARITY Act failed cloture 49 to 50 with a reconsideration motion now pending, and spot crypto funds lost 591.8 million dollars the same afternoon. The contract on the bill becoming law fell 13.35 points to 5.15 percent, re-pulled and reconciled against the venue's own change field. The superlatives attached to those outflows come from third-party coverage and are not this desk's own computation.

4. Saudi August output was 6.238 million barrels a day, the lowest since 1990, with supply to market above production and therefore drawing on storage. Brent settled 2.90 percent higher and British headline inflation rose to 3.1 percent on motor fuel while core and services were unchanged.

5. Sentiment corrected and positioning did not. Fear and Greed fell eighteen points to Neutral while 77 percent of Binance ether accounts stayed long into a falling price with shorts being paid to hold.

What this desk got wrong

Yesterday's issue framed the week as front-led, writing that most of the move came from the front of the curve. Measured from 11 to 15 September the two-year rose 4.0 basis points and the ten-year rose 4.0, the same. The flattening was real from 10 September, 39 basis points to 33, but that is a different window from the one the sentence claimed. This desk also led with a five percent ten-year that is back at 4.977 this morning. The level was over-read and today's lede leads with supply instead.

Last issue's views, marked

15 SEP VIEW	STATUS	EVIDENCE
Watch, US 20s30s curve	KILLED	Both legs met. Dealers took 16.74 percent, above the 10 percent threshold, and par 20s30s deepened from minus 3 to minus 4. The card said either alone holds it unresolved; both landed.
Watch, CLARITY cloture fails	CORRECT, CLOSED	Cloture failed 49 to 50 against 60 needed, zero voting Democrats in favour. The failure call was restored on this desk's own stated terms on Tuesday morning and the roll call delivered it that afternoon.

Watch, ether against bitcoin	ACTIVE, ONE LEG TRIGGERED	The kill required ether funds net negative across Monday and Tuesday AND bitcoin funds net positive. Ether came in at minus 20.4 million combined, so that leg met. Bitcoin was minus 290.3 million, not positive, so the kill is not met. The ratio fell again to 0.031690.
Watch, US 2s10s curve	ACTIVE, MOVED AGAINST	Par 2s10s went 32 to 33 basis points, one point away from the 28 confirmation and seven from the 40 kill. Tuesday moved the wrong way for the view.
Long bias, Brent crude	ACTIVE, ZONE UNFILLED	Tuesday settle 108.75, Wednesday live 107.19. The 100 to 104 zone has now gone three sessions untraded. Kill 96 and target 118 both untouched.
Watch, Japanese yen	ACTIVE, MOVING AS WARNED	Dollar-yen 155.12 against 154.98 in the last issue. Kill at 153.54 untouched. Bank of Japan decides Friday with a 25 basis point increase at 98.15 percent.

From the 10 September issue the gold watch stays open. December gold settled at 4,332.80 on Tuesday and trades near 4,387 on Wednesday, rising while the ten-year real yield rose to 2.62 percent, which is the opposite of the relationship the watch was built on.

Trade views

On concentration. Four of today's five cards resolve against the same event, today's decision and the projections that come with it. The oil card is the only one that does not, and even it depends on a demand assumption that a hike touches. Sized plainly, the five cards carry nine conviction points in total, and seven of those nine sit on the rate path. Only the oil card does not. This desk is not pretending that is diversified, and every card is marked low because of it. Two further admissions belong here. None of the five cards carries a filled entry today, so the honest capital at risk on this page is zero, and the two-year pays 4.646 percent while a reader waits. And the outcome this page spends least time on is the one that would hurt it most: a hold, or a hike with a soft projection set, priced somewhere between 10.2 and 12.5 percent across three venues, would break the curve card and the October card together and flip the ether card's kill condition in the same hour.

WATCH · US 20-YEAR SUPPLY

●●○○○ 2/5

The composition shifted; Thursday says whether it was a pattern

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Tue reopening $13B, high yield 5.420 vs 5.40 par, tail 2bp · Dealers 16.74% vs 10.93% in August
Bid-to-cover 2.57 vs 2.53 · Indirect 52.12% · Direct 30.48%
Confirms: Thursday's $19B 10-year TIPS reopening leaves dealers above 15% · Kill: dealers below 11% on Thursday
Window: Thu 17 Sep to Fri 18 Sep · Concentration: rates factor
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Tuesday is one auction and one auction is an anecdote. Thursday puts 19 billion dollars of ten-year inflation-protected paper into the same market with the real yield at 2.62 percent, its high for the week. If dealers are again left with an outsized share, the pattern is supply indigestion rather than a single soft afternoon, and it argues the term premium keeps building regardless of what the policy rate does.

Kills the view. A dealer take-up below 11 percent on Thursday, which would make Tuesday's 16.74 a quirk of the twenty-year point rather than a signal about duration generally.

WATCH · OCTOBER SECOND INCREASE

●●○○○ 2/5

Two venues, seven points, one question

Futures-implied second increase by 28 Oct: 43.3%, from 45.2% a day earlier and 16.7% a week earlier
Polymarket "Fed increases rates by 25 bps after the October 2026 meeting": 36.5%, down 1.0 in 24h
Gap: 6.8 points · Confirms: gap narrows below 3 points within a week of the projections
Kill: gap widens beyond 10 points · Window: Wed 16 to Wed 23 Sep · Concentration: rates factor

The two venues agree almost exactly on today and disagree materially on October. Today's Summary of Economic Projections is the instrument that resolves it, because the dot plot speaks to the path rather than the single meeting. The prediction market has the smaller volume of the two and is the more likely to be wrong, but it is also the one that has been moving.

Kills the view. The gap widening past ten points, which would mean the two venues are pricing different questions rather than the same one, and the comparison is not valid.

WATCH · ETHER ACCOUNT CROWDING

●●○○○ 2/5

Seventy-seven percent long into a falling price

Binance all-account ratio 77:23 (3.30), the most one-sided of fourteen coins · Price -3.17% on the day, -3.50% on the week
Funding -4.62% annualised on Binance, -2.01% on Bybit, so shorts are PAYING to hold
Tuesday fund flow -$141.47M, deepest in 155 sessions · Open interest +2.80% over 8 days
Confirms: account ratio falls below 2.5 with price stable or higher · Kill: ratio holds above 3.0 and price reclaims $2,500
Window: Wed 16 to Fri 25 Sep · Concentration: crypto beta, partially rate-linked

Negative funding means shorts pay longs, so the short side is paying for the privilege of staying short against a book where 77 percent of accounts are long. Paying to hold a minority position is sized conviction rather than a crowd, and it is a stronger bearish signal than the reverse would be. Open interest rose 2.80 percent over eight days while price fell, so the crowding is being added to rather than unwound. Note also that bull:bear counts accounts and funding is notional, so this most likely describes many small longs against a smaller, better-capitalised short book. The Friday expiry's max pain at 2,500 dollars sits about four percent above spot, which gives the book a reason to defend rather than capitulate this week.

Kills the view. The ratio holding above 3.0 while ether reclaims 2,500 dollars, which would mean the crowd was early rather than wrong.

LONG BIAS · BRENT CRUDE

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Third session with the zone untraded

Tue settle 108.75, +2.90% · Wed live 107.19 · WTI settle 105.83, +4.38% · Brent-WTI 2.92 from settles
Bias zone 100.00 to 104.00, unfilled for three sessions · Target 118.00 to 120.00 · Kill 96.00
Reward to risk from live: 0.97 to 1 at 118 · Status: view held, still no entry
Concentration: oil factor, the only card not resolving on the Fed

The supply case strengthened again. Saudi output at 6.238 million barrels a day is the lowest since 1990, supply to market exceeded production which means storage is being drawn, and Hormuz traffic is down about 97 percent. Against that, the venue prices a new all-time high in crude at 15.5 percent by year-end. This desk drops the Chinese retail sales figure from the bear case: industrial production is the demand channel that matters for crude and it accelerated to 5.2 percent, which argues the other way. From 107.19 the card risks 11.19 dollars to make 10.81, which is still not a trade. The zone stays where it is and the mark stays at two.

Kills the view. An American announcement ending the blockade, which the venue prices at 14.5 percent for September and 32.5 for October, or a credible Oman date carrying Saudi agreement to the route.

WATCH · CCC AGAINST HIGH YIELD

1/5

The bottom of the stack keeps making highs alone

CCC and lower OAS 10.81% on 14 Sep, a new 90-day high, from 10.76 the session before
High yield overall 2.71% inside a 2.60 to 2.87 range · Investment grade 0.80% inside 0.73 to 0.82
Confirms: high yield breaks 2.87 within two weeks · Kill: CCC closes back below 10.40
Window: Wed 16 to Wed 30 Sep · Concentration: credit, rate-linked

Two consecutive sessions in which the weakest tier set a high while the tier above it sat mid-range. That is either the leading edge of a refinancing problem or a compositional quirk in a small index. The card is marked one because this desk cannot yet distinguish between those, and because a two-session divergence is not evidence.

Kills the view. CCC closing back below 10.40 percent, which would put it inside its own range and make the last two sessions noise.

Catalyst calendar

DATE	EVENT	WHY IT MATTERS
Wed 16 Sep	US August retail sales	Last data before the decision
Wed 16 Sep	FOMC decision and projections	One increase priced 87.5 to 89.8 percent across three venues
Wed 16 Sep	Brazil Copom decision	Selic 14.00 percent, options price a cut to 13.75
Thu 17 Sep	Bank of England decision	Bank Rate 3.75 percent, one day after 3.1 percent inflation
Thu 17 Sep	US 10-year TIPS reopening, $19B	The supply test in real terms, real yield 2.62 percent
Fri 18 Sep	Bank of Japan decision	25 basis point increase priced 98.15 percent
Fri 18 Sep	Deribit weekly expiry	Bitcoin max pain 78,000, ether 2,500
Around 19 Sep	Bitcoin difficulty retarget	Estimated plus 5.35 percent
Around 21 Sep	China loan prime rate fixing	Unchanged fifteen months at 3.00 and 3.50 percent
Mon 21 Sep	Strategy weekly filing expected	First covering the decision week, cost basis 75,412
Tue 22 Sep	US 2-year note auction	First front-end supply after the meeting
Fri 25 Sep	Swiss National Bank decision	40 of 41 economists expect a hold at zero
Fri 25 Sep	Deribit quarterly expiry	122,069 bitcoin calls against 64,686 puts, max pain 72,000
Wed 28 Oct	FOMC	Second increase 43.3 percent on futures, 36.5 on Polymarket

SCRUTINY

Review Panel

Fourteen reviewers read the full draft against the collector files and a list of facts this editor fetched directly. They cast 149 approvals, 47 flags and no rejections across fourteen sections. Every report was read in full before publication. Where a flag was upheld the text changed; where a flag was wrong it was checked against source and overruled, and both outcomes are listed below.

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

A approve, F flag. No section drew a rejection.

What changed, and what did not

Ten findings changed the text. The ether trade card had the funding direction backwards, saying shorts were paid to hold when negative funding means shorts pay longs; the card now states the mechanism correctly and draws the stronger inference, that a minority short book paying to stay short against a long-heavy account base is sized conviction rather than a crowd. A claim that Solana top traders cut on every one of the last eight hourly prints was false against the collector's own series, which rose on the first transition; it now reads five of seven with the peak named. The lede and the first story overstated the 20-year auction, which allotted in full with an improved cover ratio, so the framing moved from a failure to clear toward a shift in composition, with the indirect share falling to 52.12 percent named as the clean number and the original-issue against reopening caveat stated. The concentration paragraph miscounted its own conviction dots as ten of thirteen; the cards carry nine points, seven of them rate-linked. A claim that no Asian or Gulf outlet led with the Federal Reserve was contradicted by this brief's own Press Digest, where the South China Morning Post leads with exactly that. The Chinese demand argument against crude used retail sales when industrial production is the channel that drives diesel and petrochemical demand, and it accelerated, so the argument was removed rather than kept in a weaker form. The word died was replaced throughout with the procedurally accurate description of a failed cloture vote with a reconsideration motion pending. Mexico was relabelled as a prior close. The Saudi storage-draw inference now names the route it depends on. The Russia sanctions bill is described as scheduled for a vote, which is all the sourcing supports.

Three findings were checked and overruled. A reviewer read the nine-day and thirty-day volatility legs as being on different clocks; the exchange feed gives both a trade time of Tuesday's close, and the later stamp cited is the response envelope, not the quote. A reviewer doubted that an eighteen point fall was the largest of the month; a thirty-day pull confirms it, with the next largest at thirteen. A reviewer disputed the CLARITY price move; a direct re-pull returned a 24-hour change of minus 0.1335, which reconciles with the two printed prices and corrected this desk's own table instead.