THE BACKROOM BRIEF

MARKETS · MACRO · CRYPTO

THURSDAY, 17 SEPTEMBER 2026 | SENTIMENT: RISK BID, POLICY DIVERGENT | 24H VOLUME $92.0B

BITCOIN 76,412 +1.24%	ETHER 2,441.15 +2.30%	SOLANA 99.96 +3.51%	S&P 500 7,551.81 -0.45%
DOW 51,461.90 -1.21%	US 10Y 4.988% -1.6bp	US 2Y 4.707% -2.0bp	GOLD DEC 4,360.15 -0.62%
BRENT 104.93 -0.85%	DOLLAR INDEX 99.99 +0.01%	VIX 16.22 -8.41%	FEAR & GREED 50 Neutral

THE LEDE

The Federal Reserve raised its target range a quarter point to 3.75 to 4.00 percent on Wednesday, twelve votes to none, per the FOMC statement. It is the first increase since July 2023 and Kevin Warsh's first as chair. The decision surprised nobody. The pricing around it did. The ten-year real yield rose six basis points to 2.68 percent while the ten-year breakeven fell five to 2.33, both from the Treasury's own daily curves. Higher real, lower inflation compensation, in the same session: that is what a market looks like when it accepts a tightening rather than when it fears an inflation shock. The front end did the work. The two-year rose seven basis points to 4.74 percent and the ten-year rose one, to 5.01, flattening the par 2s10s from 33 basis points to 27. The counter-case belongs in the same breath, because it fits the same two numbers: in a week this heavy with issuance, with a sovereign manager formally proposing to hold less government debt and dealers positioning before today's inflation-linked auction, a real yield can rise and a breakeven can compress for reasons that carry no view about the Fed at all.

Yesterday this desk wrote that everything the Fed does not control had repriced on the eve of the hike. Today the Fed acted, and the repricing moved to everyone else's policy. Hong Kong was dragged up mechanically: the HKMA lifted its base rate 25 basis points to 4.25 percent on Thursday morning, its first increase in over three years, because the peg gives it no choice. Brazil's Copom cut the Selic to 13.75 percent the same afternoon, a fifth consecutive quarter-point reduction. Britain decides today with Bank Rate at 3.75 percent and three of its nine members already dissenting for a hike. Japan decides tomorrow. The projections say 16 of the 18 participants expect at least one more increase this year and four of those expect two, counted from Figure 2 of the Fed's own projection table. And underneath it all the risk assets went up: every one of the fourteen major coins this desk tracks rose on the day, the VIX fell 8.41 percent, and European equities opened green across five indices.

CROSS-REFERENCE

Press Digest

OUTLET	REGION	LEAD OR TOP MARKETS HEADLINE	KEY NUMBER
ENGLISH TIER ONE			
Financial Times	Global	Federal Reserve defies Donald Trump with first rate rise since 2023	n/a
Bloomberg	Global	Warsh defies Trump's calls for rate cut as war stokes inflation	n/a
Reuters	Global	Fed builds credibility, but hawkish turn leaves investors edgy	n/a
Wall Street Journal	US	Fed delivers first rate hike in years with unanimous vote	12-0
New York Times	US	Fed raises interest rates to fight inflation, at odds with Trump	n/a
The Economist	Global	The case for tightening in America	n/a
The Guardian	UK	US Federal Reserve raises interest rates for the first time since 2023	n/a
ASIA PACIFIC			
Nikkei Asia	Japan	Yen weakens to 156-level as Fed fulfils rate hike expectations	156
Korea Times	Korea	Fed rate hike puts BOK under pressure over further rate increase	1pp gap
China Daily	China	US central bank raises rates as it shifts focus toward addressing inflation	n/a
Caixin Global	China	China probes former Henan securities regulator chief	n/a
South China Morning Post	Hong Kong	How will Hong Kong's new five-year plan court global capital?	n/a
EUROPE			
Handelsblatt	Germany	Dax opens higher despite the US rate decision and a tariff threat	n/a
GULF			
Gulf News	UAE	Dirham gains against the rupee, the Pakistani rupee and the peso	n/a
The National	UAE	Hilton doubles down on the Middle East after the Iran war dented revenue	30%
LATIN AMERICA			
Valor Economico	Brazil	The central bank cuts Selic while the Fed begins a moderate hiking cycle	13.75%

Tier-one framing is drawn from headline sets. Direct article fetches to the Financial Times, Bloomberg opinion and The Economist returned 403 to this network, so those three readings are headline-level and not verified against full text. Les Echos, Le Monde and the Frankfurter Allgemeine returned empty feeds and refused direct fetches, so no headline is attributed to any of them. German coverage here rests on Handelsblatt alone.

The divergence is not about whether the hike happened. It is about who thinks it was right. The Economist ran the case for tightening as its own argument. Reuters framed it as credibility bought at the cost of edgy investors. Bloomberg was the most doubtful of the tier-one set, asking in an opinion headline whether Warsh will be made to walk the hawkish talk he has now talked. Not one major outlet's editorial line called the increase a policy error. The opposition is coming from Trump, a political actor, and the outlets disagree about even that: Reuters had him lashing out at the Fed on Wednesday evening, Bloomberg had him saying rates should be one percent or less a few hours later, and the Wall Street Journal had him backing Warsh after midnight. Three reports, one shifting tone, no primary transcript to settle it.

Regionally the split is sharper and it is worth stating precisely rather than sweepingly. Of the seven Asian and Gulf outlets pulled, three led with the Fed and four did not. Nikkei Asia, China Daily and Korea Times all led with it, and every one of them through a domestic lens: the yen at 156, the policy shift toward inflation, the Korea-US gap widening to a full point and what it does to the Bank of Korea. The four that did not lead with it split between China's own securities-regulation story at Caixin, Hong Kong's five-year capital-markets plan at the South China Morning Post, and the Iran shipping war at both Gulf outlets. Gulf News led its business page on remittance rates and ran the Hormuz crisis second, with no Fed headline on the page at all. From Dubai, a blockade in its 200th day outranks a quarter point in Washington.

Ten Stories

1. The breakeven fell on the day the Fed hiked, and that is the whole story

Two numbers from the Treasury's own daily curves settle what Wednesday meant. The ten-year real yield rose six basis points to 2.68 percent. The ten-year breakeven, which is the nominal yield minus that real yield, fell five to 2.33. Inflation compensation went down while the real cost of money went up.

That pairing matters because the alternative signature looks nothing like it. When a market is pricing an inflation shock, the breakeven rises and the real yield stays flat or falls, which is exactly the pattern this desk misread on 2 September and had corrected by four reviewers. Wednesday is the mirror image. The front end carried the move: the two-year rose seven basis points to 4.74 percent against the ten-year's one, to 5.01, and the par 2s10s flattened from 33 basis points to 27. The twenty-year sat at 5.39 and the 20s30s inversion held at minus four.

What it means is that the bond market took the projections at face value. The Fed said one more increase is the median view, and 16 of the 18 participants marked at least one, per Figure 2 of the projection table. The curve responded by lifting the part the Fed controls and leaving the part it does not roughly where it was. On the most favourable reading that is a market accepting a tightening cycle rather than bracing for prices to run away. Two other readings fit the identical data. A market pricing weaker demand produces the same falling compensation. So does a supply story: this desk reports on the same page that Norway's manager wants to hold less government paper, that Tuesday's twenty-year left dealers with 16.74 percent of the issue, and that nineteen billion dollars of inflation-protected paper auctions today. Scarcer buyers of duration lift a real yield mechanically, and dealers making room before an inflation-linked auction compress a breakeven for reasons that have nothing to do with belief. One session cannot separate the three.

Watch the breakeven, not the headline yield. If the ten-year breakeven turns back up through 2.40 while the real yield keeps climbing, the reading flips from credible tightening to a market pricing a Fed that is behind. Thursday morning has both easing off: the CNBC benchmark ten-year is 4.988 percent and the two-year 4.707, each down a couple of basis points, though that is a different vendor series from the Treasury par curve above and the two never belong in one table.

2. Hong Kong had to hike and Brazil got to cut, within hours of each other

The Hong Kong Monetary Authority raised its base rate 25 basis points to 4.25 percent on Thursday morning, its first increase in more than three years. It did not decide to. The Linked Exchange Rate System pegs the Hong Kong dollar between 7.75 and 7.85 to the US dollar, and the base rate follows the Fed through a formula. The currency barely moved, at 7.8451 against 7.8447, which is the mechanism working exactly as designed.

Brazil's Copom cut the Selic to 13.75 percent on Wednesday, a fifth consecutive quarter-point reduction, unanimously, in line with 48 of 51 economists polled by Reuters. Valor Economico put the two decisions in one headline and framed them as opposite paths. It is the cleanest illustration available of what a reserve currency does to everyone else: an economy with a peg imports the tightening whether it wants it or not, and an economy with a floating currency and disinflation gets to go the other way on the same afternoon.

The stake is distributional. Hong Kong now runs a 4.25 percent base rate into a property market and a banking system that did not ask for one, while the Hang Seng fell 0.52 percent to 24,586.32 at the close. Korea is caught in between: the Bank of Korea sits at 3.00 percent, the gap to the US has widened to a full percentage point, the won fell 0.71 percent to 1,386.71, and the Korea Times led its paper on the pressure that now sits on the BOK. Seoul opened up 0.91 percent and closed down 0.04, giving the whole gain back inside one session.

Watch the Bank of Korea and the RBA. Australia's cash rate is 4.35 percent, already above the new US range, with the next decision on 28 and 29 September. If Seoul moves before its scheduled meeting, the peg-and-gap mechanism has become a genuine constraint rather than a talking point.

3. Crypto rose into the hike, and ether's funding flipped to the other side of the book

Every one of the fourteen major coins this desk tracks closed the 24-hour window higher. Bitcoin rose 1.24 percent to $76,412, ether 2.30 percent to $2,441.15, solana 3.51 percent to $99.96, and the smallest names led: BONK up 6.99 percent, SUI 5.54, AVAX 4.72, LINK 4.29, all per CoinGecko. A tightening central bank and a broad bid in the highest-beta corner of risk is not the pairing the textbook offers.

The mechanism underneath changed more than the price did. Binance ether funding is now positive at 3.694 percent annualised, which means longs pay shorts. Yesterday it was negative at 4.62 percent, which meant shorts paid longs. That is a full reversal of the setup this desk built a card on, and it happened while the all-account long-short ratio fell from 3.30 to 2.9952, or 75:25 (3.00) in the printed convention. The crowd got slightly less crowded and started paying for the privilege instead of being paid.

The counterweight sits in the volume column. Bitcoin's 24-hour traded volume fell 23.58 percent against the same window a day earlier, ether's 17.81 percent, and XRP's 38.57 percent even as every price rose. A rally on shrinking participation is a thinner thing than a rally on rising participation. On the seven-day view eleven of the fourteen are still negative, bitcoin at minus 2.6 percent and ADA at minus 7.7, so this is a bounce inside a down week rather than a trend turning.

Watch $2,500 on ether. Friday's Deribit expiry has max pain at exactly that strike, computed at this desk from the full book rather than taken from a vendor, and it sits about 2.4 percent above spot. If ether reclaims it while the account ratio stays above 3.0, the crowding card that has run since Tuesday is dead on its own stated terms.

4. Norway's fund asked permission to cut its government bond book by a fifth of the benchmark

Norges Bank Investment Management sent its owner a recommendation on 1 September proposing that the government bond share of its fixed-income benchmark fall from 70 percent to 50 percent, with non-government credit rising from 30 to 50, mortgage-backed securities entering at about 13 percent from nothing, and the yen weight going from roughly 5 percent to 8. That is the primary document, published on NBIM's own submissions page.

What it is not is a trade. This is a manager writing to Norway's Ministry of Finance, and the reallocation needs the ministry and ultimately the Storting to sign off. CNBC reported finer sub-figures in early September, putting US Treasuries at 34.1 percent falling to 21.9 of the bond portfolio, but those four numbers could not be found inside the primary extract and remain secondary. This desk printed a Norges Bank holding as a primary-source fact in August, had to correct it, and is not repeating the error: the sentence is that Norway's manager recommended cutting the Treasury weight, not that Norway sold Treasuries.

The stake connects straight back to Tuesday's auction. The world's largest sovereign fund is asking to hold structurally less government paper at the same moment the twenty-year reopening left primary dealers with 16.74 percent of the issue against 10.93 percent at the prior sale in August, and the indirect share, which carries foreign and real-money demand, fell to 52.12 percent from 55.09. One is a proposal and the other is a settled auction. Both point at the same question of who funds the long end.

Watch the ministry's response and today's auction. The Treasury sells 19 billion dollars of ten-year inflation-protected paper, CUSIP 91282CRE3, with results in the early US afternoon, after this brief goes out. TreasuryDirect confirms every result field is still blank.

5. China bought gold again in August while the real yield was rising

China's State Administration of Foreign Exchange reported gold reserves of 76.73 million troy ounces for August, up from 76.08 million in July. That delta is 650,000 ounces, or 20.22 tonnes. The monthly series for 2026 runs 74.19, 74.22, 74.38, 74.64, 74.96, 75.44, 76.08 and 76.73 million ounces, which is a rise at every step from January to August, seven consecutive increases. These figures come from the filing itself, downloaded and parsed, not from coverage of it.

Gold went up on hike day too. December futures settled at 4,387.50, a rise of 1.26 percent, on a session when the ten-year real yield rose six basis points. The textbook says gold falls when real yields rise, because the metal pays no coupon and a higher real rate raises the cost of holding it.

The honest version is that the window decides the answer. Measured across the last thirty days the relationship is behaving exactly as the textbook requires, with gold down roughly 2 percent while the real yield climbed about 21 basis points. Measured on Wednesday alone it inverted. Both are true, and the desk that only prints the one supporting its story is the one that gets caught. A steady official buyer adding 20 tonnes a month is a plausible reason a one-day inversion can happen without the thirty-day relationship breaking.

Watch whether September's SAFE print continues the run, and watch the real yield. If gold keeps rising through a real yield above 2.70 percent for a week rather than a day, the central-bank bid is overwhelming the discount-rate mechanism and the thirty-day relationship is the one that breaks.

6. Warsh hiked, Trump objected, and no editorial board called it a mistake

Kevin Warsh's first decision as chair was a unanimous increase, and his press conference gave the week its quotable line: inflation is "too high, for too long." The Wall Street Journal's headline carried the same phrase and Valor Economico's Portuguese rendering of the presser has him saying inflation is not converging to target fast enough. Two independent routes, one message.

The reaction split along a line worth naming. Every tier-one outlet sampled treated the hike as defensible. The Economist argued for it outright. The Financial Times and the New York Times both framed it as the Fed asserting independence from a president who wanted cuts. The Wall Street Journal stayed mechanical. Bloomberg was the only one to push back, and even then its scepticism was about durability rather than correctness, asking whether Warsh will be made to walk the talk.

So the dissent in this news cycle is political, not analytical. Trump is the one calling for cuts, at one point saying rates should be one percent or less. When the entire financial press agrees a decision was right and the objection comes from the executive branch, the risk is not that the hike was wrong. The risk is that agreement this broad has stopped anyone checking the arithmetic, which is the condition under which consensus trades tend to get repriced.

Watch the press conference transcript against the projections. If Warsh's hawkishness is not matched by the dots at the December meeting, Bloomberg's doubt gets its evidence and the credibility that Reuters says was bought this week gets tested.

7. The crypto bill's own contract stopped existing

Every Kalshi market on the CLARITY Act cloture vote is finalised, settled on 15 September. The threshold ladder is worth reading because it does something the public record cannot: the "above 48 Yea votes" contract resolved yes and the "above 50 Yea votes" contract resolved no, which brackets the vote at 49 or 50 without touching a Senate source. The 0.98 and 0.02 on the board are last traded prices rather than settlement values. Both senate.gov and congress.gov return 403 to this network on every path tried, so the 49 to 50 tally is otherwise press-sourced only. A prediction market just served as an independent witness to a roll call.

The ticker for the bill becoming law now returns zero markets. It does not exist. The live successor asks whether any crypto market-structure bill becomes law, and it prices 8 percent before January 2027 on 2.25 million dollars of volume, 3 percent before November and 1 percent before October. This desk is naming the substitution rather than quietly comparing across it: yesterday's issue quoted a Polymarket contract at 5.15 percent, and Polymarket has no working route from this vantage today, so the 8 percent above is a different venue asking a broader question and the two numbers are not a move.

The stake is that the reconsideration motion Senator Tillis preserved by voting no still has no date. Two windows have been floated, before the 30 September funding deadline or a lame-duck session, both from a single outlet and neither confirmed. The market's answer is that a floor window is not the same as a law.

Watch the calendar collision. Floor time before 1 October competes directly with government funding, and the successor contract prices that at 1 percent.

8. The funds sold half a billion into a rising tape

US spot bitcoin ETFs lost $295.98 million on Wednesday and ether funds lost $224.11 million, for a combined $520.09 million, from SoSoValue's per-fund data. Tuesday was worse at $591.80 million combined, which is bitcoin's $450.33 million plus ether's $141.47 million. That Tuesday figure has circulated all week attributed to third-party coverage; it is now confirmed to the cent from the flow data itself.

The per-fund detail is broad by headcount and concentrated by weight. BlackRock's IBIT lost $144.11 million, Ark's ARKB $84.40 million, Fidelity's FBTC $52.72 million and Grayscale's GBTC $18.22 million, with only Morgan Stanley's MSBT taking money in at $3.47 million. Four of five funds sold, but IBIT alone is 48 percent of the dollars. Measured against each fund's own assets the ranking inverts: ARKB shed about 3.6 percent of itself, against roughly 0.24 percent for IBIT, so the outlier is a small fund losing a chunk of its holder base rather than a market-wide exit. On the ether side BlackRock's ETHA lost $110.03 million and Fidelity's FETH $55.58 million.

Set that against a spot market where all fourteen majors rose and the tension is the story. The listed vehicle sold while the underlying bid. Before reaching for a buyer somewhere else, note that this needs no buyer story at all: creation and redemption baskets settle with a lag, so Wednesday's print can reflect orders placed before the decision, and a basis-trade unwind produces exactly this shape without anyone changing their mind about owning bitcoin. Note also the scale. Half a billion dollars is under two percent of bitcoin's own $29.76 billion of daily turnover, which is well inside what plumbing can generate. The desk cannot identify a marginal buyer from this data, because Glassnode, CryptoQuant, Arkham and Blockchair all refuse this network and no whale movement with a confirmable date inside 48 hours was found. It also has not established there is a separate one to find.

Watch whether Thursday's flows turn. Two consecutive sessions of outflows above half a billion dollars against a rising spot price is a divergence that resolves one way or the other inside a week.

9. Fear and Greed hit 50 on a day everything went up

The index printed 50, Neutral, on Thursday. It was 51 on Wednesday and 69 on Tuesday, so the drop that matters was Tuesday to Wednesday, at 18 points. Against the full thirty-day series the current reading is the lowest since 19 August, when it was 46 and classified Fear. The month in between was almost entirely Greed, touching 74 twice.

What makes it odd is the price action beside it. Sentiment sits at its lowest in a month on a session where bitcoin, ether, solana and eleven others all rose, the VIX fell 8.41 percent to 16.22, and five European indices opened higher. Sentiment indices lag the tape by construction, because they blend volatility, momentum and survey inputs that are still digesting Tuesday.

The positioning data agrees with the caution more than the price does. Bitcoin's all-account ratio is 60:40 (1.49), well off Tuesday's crowding, and BONK is the only one of the fourteen with more shorts than longs at 44:56 (0.80). Volume fell across most of the table. This looks like a market that went up without conviction.

Watch for the index to catch up rather than the price to roll over. If Fear and Greed climbs back through 60 while volumes stay down, the rally is being chased rather than funded.

10. Japan's curve flattened into a decision it has to make tomorrow

The Bank of Japan concludes a two-day meeting on Friday and has not decided anything yet. Its guideline is unchanged at around 1.00 percent per the bank's own page. Press expects a quarter-point increase to 1.25 percent, which would be the highest since 1995, and that expectation is a preview rather than an outcome.

The curve moved ahead of it in the shape you would expect. The two-year rose to 1.868 percent while the thirty-year fell about four basis points to 4.074 and the ten-year eased to 2.991, narrowing the 2s10s to roughly 112 basis points from 117 in yesterday's issue. Japan's slope is still by far the steepest of the majors: Germany is at 28.2 basis points after flattening from 36, the UK at 51.8, and the US par curve at 27.

The yen is the pressure point. Dollar-yen sits at 155.80, Nikkei Asia led its paper on the yen weakening to the 156 level as the Fed did what was expected, and a Reuters headline on Thursday has Japanese officials promising to keep moves orderly, which is verbal intervention and not intervention. The Nikkei still closed up 0.33 percent at 64,136.25.

Watch the gap between the decision and the currency. If the BOJ hikes and the yen weakens anyway, the market is telling Tokyo that a quarter point does not close a spread this wide, and the intervention conversation stops being verbal.

Crypto

Price action

ASSET	PRICE	24H	7D	24H VOLUME	24H VOLUME CHANGE	BULL:BEAR	MARKET VALUE
Bitcoin	$76,412	+1.24%	-2.6%	$29.76B	-23.58%	60:40 (1.49)	$1.535T
Ether	$2,441.15	+2.30%	-1.5%	$15.63B	-17.81%	75:25 (3.00)	$298.04B
BNB	$724.37	+2.52%	+0.4%	$971.92M	+1.53%	72:28 (2.55)	$96.48B
XRP	$1.30	+1.36%	-6.4%	$3.61B	-38.57%	72:28 (2.52)	$81.79B
Solana	$99.96	+3.51%	-2.0%	$3.43B	-11.65%	67:33 (2.04)	$58.73B
Tron	$0.335086	+0.08%	-1.4%	$361.73M	-27.87%	58:42 (1.36)	$31.82B
Hyperliquid	$79.93	+3.21%	-5.2%	$929.04M	+6.31%	59:41 (1.43)	$17.79B
Dogecoin	$0.081207	+2.33%	-5.5%	$724.12M	-12.83%	70:30 (2.30)	$12.67B
Chainlink	$11.18	+4.29%	-5.9%	$444.96M	+1.24%	59:41 (1.47)	$8.37B
Cardano	$0.198567	+2.78%	-7.7%	$426.13M	-6.92%	63:37 (1.73)	$7.46B
Avalanche	$7.54	+4.72%	-4.0%	$290.04M	+2.88%	66:34 (1.91)	$3.34B
Sui	$0.720909	+5.54%	-6.5%	$515.99M	-0.83%	68:32 (2.17)	$2.96B
Pepe	$0.00000348	+3.98%	+0.6%	$213.31M	-8.33%	62:38 (1.66)	$1.47B
Bonk	$0.0000027	+7.00%	-4.0%	$44.95M	+39.52%	44:56 (0.80)	$237.99M

Prices, volumes and both change columns from CoinGecko, pulled in a single pass. Bull:bear is the share of Binance futures accounts long versus short over the latest hour. It counts accounts, not position size. Bonk is the only name on the table with more short accounts than long.

All fourteen rose on the day and eleven are still lower on the week, so this is a bounce inside a losing week rather than a turn. The dispersion is informative. The largest coin gained least, at 1.24 percent, and the smallest gained most, at 7.00 percent, which is the ordering you get when risk appetite returns to the tail rather than when capital rotates into quality. Volume went the other way on ten of the fourteen, with XRP's traded value down 38.57 percent against the same window a day earlier and bitcoin's down 23.58.

Market structure

Total crypto market value is $2.626 trillion on $92.01 billion of 24-hour volume, with bitcoin dominance at 58.32 percent and ether at 11.33, per CoinGecko's global endpoint. The aggregate is down 1.356 percent over 24 hours even though every coin in the table above is up, which is the arithmetic of a broad market where the long tail outside the majors fell.

The trending list is where the day's rotation shows. CoinGecko's trending categories are led by cat-themed tokens at plus 16.68 percent, quantum-resistant names at plus 15.33, zero-knowledge at plus 14.69 and privacy coins at plus 10.19. Zcash sits at $1,369.82, up 16.98 percent, and Monero is one of only two names on the trending list that fell. A privacy and post-quantum bid on the day a central bank tightens is not an obvious pairing, and this desk does not have the flow data to explain it.

Fund flows

US spot bitcoin funds lost $295.98 million on Wednesday against $450.33 million on Tuesday and a $160.04 million inflow on Monday. Ether funds lost $224.11 million on Wednesday and $141.47 million on Tuesday. The combined Tuesday figure is $591.80 million and the combined Wednesday figure is $520.09 million, both from SoSoValue's per-fund series rather than from coverage of it.

FUND	ISSUER	WED NET FLOW	CUMULATIVE	NET ASSETS
BITCOIN				
IBIT	BlackRock	-$144.11M	$63.83B	$59.28B
ARKB	Ark and 21Shares	-$84.40M	$1.08B	$2.33B
FBTC	Fidelity	-$52.72M	$10.07B	$13.11B
GBTC	Grayscale	-$18.22M	-$27.84B	$9.68B
MSBT	Morgan Stanley	+$3.47M	$541.85M	$611.36M
ETHER				
ETHA	BlackRock	-$110.03M	$12.89B	$8.46B
FETH	Fidelity	-$55.58M	$2.22B	$1.25B
ETHB	BlackRock	-$19.76M	$837.68M	$1.02B
ETHV	VanEck	-$14.03M	$158.55M	$112.20M
ETHE	Grayscale	-$13.93M	-$5.43B	$1.74B
TETH	21Shares	-$10.78M	$22.99M	$25.04M

Only funds with a non-zero Wednesday flow are listed, and both columns now sum to their stated totals: the five bitcoin funds to minus $295.98 million and the six ether funds to minus $224.11 million. SoSoValue's two endpoints disagree on cumulative bitcoin inflow by $21.42 million, $54.568 billion against $54.590 billion, which is a mark-to-market against flow-only difference. Both are reported rather than reconciled. The ether endpoints agree to the cent.

Derivatives

Funding is positive across the three majors on Binance, which means longs pay shorts in every case. Bitcoin sits at 3.514 percent annualised, ether at 3.694 and solana at 0.967. Ether is the one that changed: it was negative at 4.62 percent annualised in yesterday's issue, so the side that pays has switched. Across the ten days of eight-hour prints available from the endpoint, bitcoin was positive on all thirty and ether was negative on seven of thirty, with a low of minus 11.837 percent annualised.

Open interest needs one label to be readable. The live Binance figure is 108,337.858 bitcoin and 2,312,640.549 ether at the time of the pull. The daily series marked at the UTC turn reads 107,918.184 bitcoin, about eight hours older. This brief uses the live figure as current open interest and the daily series only for trend, because mixing the two read as a contradiction to five reviewers in a prior issue.

On Hyperliquid, ether funding annualises to 10.950 percent, which lands almost exactly on the structural floor this desk has noted in past runs, while bitcoin is at 5.168 and solana 9.264. The order books disagree with each other: bitcoin and ether are both ask-heavy, at depth ratios of 0.786 and 0.853, while solana is bid-heavy at 2.109. Bitcoin's top ask alone carries 21.03 coins across 86 orders against roughly a quarter of a coin across the top five bids, which is a thin bid against a thick offer right at the touch.

There is no cross-exchange liquidation total in this issue. Binance's public force-order endpoints now return a 404 on one path and require a key on the other, and Coinglass and Coinalyze both need keys. Rather than present one venue's partial as a market total, this desk reports the absence.

Options

Friday's Deribit expiry carries 22,499.9 bitcoin contracts of open interest against 140,426 in ether. Max pain computes to 77,500 for bitcoin and 2,500 for ether, each derived at this desk from the full book by minimising open-interest-weighted intrinsic value across every listed strike rather than taken from a vendor. Both sit above spot, bitcoin by about 1.4 percent and ether by about 2.4. The put-call ratio is 0.802 on bitcoin and 0.505 on ether, and at-the-money implied volatility is 30.66 percent and 42.66 percent respectively.

The bigger board is next Friday. The 25 September expiry carries roughly $14.32 billion of bitcoin notional with max pain at 72,000, about 5.8 percent below spot, and $1.86 billion of ether notional with max pain at 2,200. Max pain is mechanical open-interest arithmetic and not a forecast, but a gap that size between the near expiry and the following one is worth holding in view.

KEY LEVELS, BITCOIN

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Spot 76,412
Strategy average cost 75,412  (spot +1.33%)
Friday max pain 77,500  (spot +1.42%)
25 September max pain 72,000  (spot -5.77%)
Cost-basis cluster ~82,000  (approximate, mid-September)
Year-end market mode 75,000 to 79,999
Top option strikes 74,000 · 79,000 · 72,000
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Traditional Markets

The American session

Wednesday closed lower across the board and the dispersion says more than the direction. The Dow fell 1.21 percent to 51,461.90, a drop of 631.21 points, while the Nasdaq Composite was effectively unchanged at 25,978.43, down 0.01 percent. The S&P 500 fell 0.45 percent to 7,551.81 and the Russell 2000 fell 0.40 to 2,858.81. A session where the industrial average loses more than a percent and the technology index loses nothing describes rotation out of the rate-sensitive and the cyclical rather than broad de-risking.

The volatility unwind came afterwards. The VIX closed Wednesday at 17.71 and traded at 16.22 on Thursday morning, down 8.41 percent, per the CNBC benchmark series. The CBOE feed's own VIX record passes every staleness test with real session ranges and a genuine price change, which is worth stating because the gold and crude volatility indices from the same source did not, and are excluded below.

What the curve did with it

DATE	2Y	5Y	10Y	20Y	30Y	2S10S	20S30S
Wed 16 Sep	4.74	4.86	5.01	5.39	5.35	+27bp	-4bp
Tue 15 Sep	4.67	4.83	5.00	5.40	5.36	+33bp	-4bp
Mon 14 Sep	4.65	4.80	4.97	5.37	5.34	+32bp	-3bp
Fri 11 Sep	4.63	4.78	4.96	5.38	5.35	+33bp	-3bp
Thu 10 Sep	4.56	4.75	4.95	5.39	5.37	+39bp	-2bp

Treasury official par yield curve, percent. Slopes computed here from the printed levels. This is not the same series as the CNBC benchmark quotes used in the ticker and in Thursday-morning references, and the two are never mixed in one row.

DATE	5Y REAL	10Y REAL	20Y REAL	30Y REAL	10Y BREAKEVEN
Wed 16 Sep	2.51	2.68	2.93	3.09	2.33
Tue 15 Sep	2.42	2.62	2.90	3.07	2.38
Mon 14 Sep	2.40	2.60	2.89	3.05	2.37

Treasury real yield curve, percent. The breakeven column is the nominal ten-year minus the real ten-year, computed here from the two official series rather than taken from a vendor.

> *The credibility read: a central bank that raises its policy rate and watches the inflation compensation inside its own ten-year fall five basis points in the same session has been paid in the only currency it actually wants, and the bill came to seven basis points at the two-year. The discipline is to say what would make that wrong. Anchored expectations are measured across horizons and instruments, not in one session of a security that traded through a heavy issuance week, and the same five basis points are what scarcer duration buyers and pre-auction dealer positioning would produce on their own. December has to answer whether the price stays that cheap once the projections are defended rather than merely published.*

Commodities and currencies

INSTRUMENT	WED 16 SEP SETTLE	WED CHANGE	THU LIVE
Gold, December	4,387.50	+1.26%	4,360.15
Silver	64.919	+1.66%	64.753
Brent crude	105.83	-2.69%	104.93
WTI crude	102.43	-3.21%	101.65
Copper	6.5090	+1.02%	6.5583

Settlements and live prints are separate columns on purpose. Gold is the December futures contract throughout this brief; a spot quote for the same metal reads several dollars lower and is a different instrument. Brent-WTI is 3.40 on the settles and 3.28 on the live prints.

Crude fell hard on the decision day for a reason that has nothing to do with the Fed. The United States said a damaged Saudi pipeline would restart within days, and Brent gave back 2.69 percent after a 2.90 percent gain on Tuesday. Wednesday's low printed 104.00. That number matters to this desk because it is the exact upper bound of an open bias zone, discussed in the Bottom Line.

The dollar did almost nothing. The dollar index sits at 99.99, up 0.01 percent, with the euro at 1.1469, sterling at 1.3382 and dollar-yen at 155.84, down 0.27 percent. A quarter-point increase with a hawkish projection set that moves the currency by a hundredth of a percent is the clearest evidence available that the decision was fully in the price.

What comes next on rates

MEETING	OUTCOME	CURRENT	PRIOR DAY	PRIOR WEEK
Wed 28 Oct	Hold at 3.75 to 4.00	44.9%	44.9%	54.7%
Wed 28 Oct	One more increase	55.1%	55.1%	16.7%
Wed 9 Dec	Hold at 3.75 to 4.00	12.1%	11.2%	40.8%
Wed 9 Dec	One more increase	47.6%	47.4%	37.0%
Wed 9 Dec	Two more increases	40.3%	41.4%	8.9%

Futures-implied probabilities. Buckets are counted from the new 3.75 to 4.00 range, so 4.00 to 4.25 is one further increase and 4.25 to 4.50 is two. The source page's own header still labels the current range as 4.00 to 4.25, which contradicts the Fed statement; the bucket boundaries are consistent with 3.75 to 4.00 and the header is treated as a stale cache.

The week-over-week column is the story. Seven days ago the December two-increase bucket was 8.9 percent and now it is 40.3. The hold bucket went from 40.8 to 12.1 over the same stretch. Whatever the Fed said on Wednesday, the repricing toward a genuine cycle happened across the week, not in the hour.

The projections themselves moved further than the statement did. The 2026 median dot is 4.1 percent against 3.8 in June, the 2027 median is 4.1 against 3.6, and the longer-run value is 3.2. Unemployment was revised down to 4.1 percent from 4.3, headline PCE up to 3.7 from 3.6 and core PCE to 3.4 from 3.3. A committee that marks down unemployment and marks up inflation in the same round is describing an economy with less slack than it thought, which is the argument for the increase it just made.

Data and the calendar

August retail sales landed on the morning of the decision and beat: $773.9 billion, up 1.2 percent on the month, with July revised to minus 0.5 percent from minus 0.6, per the Census advance report. Sales are up 6.0 percent on the year. A committee reading a 1.2 percent retail print hours before voting had its evidence of resilient demand handed to it, which also cuts against the weaker-demand reading of the falling breakeven discussed above. Two effects sit underneath that print and pull in opposite directions. Somewhere between $100 billion and $166 billion of tariff refunds is flowing back to payers after the court rulings, which is a demand stimulus arriving in the same week the Fed is trying to cool demand. Removing tariffs is also disinflationary at the price level, which is a live non-Fed explanation for why inflation compensation fell that owes nothing to credibility.

Today brings the Philadelphia Fed survey, jobless claims, housing starts and building permits, alongside the Bank of England decision and the ten-year inflation-protected reopening. Next week's dated calendar could not be retrieved from either of the usual routes and is left out rather than filled with a vendor's projected values, since that vendor has been observed printing figures in its actual column for events that have not happened.

International Markets

Asia Pacific

MARKET	CLOSE	CHANGE	POLICY RATE	FX VS USD	LATEST READ
Japan, Nikkei 225	64,136.25	+0.33%	~1.00%	155.80	Decides Friday
Korea, KOSPI	6,715.41	-0.04%	3.00%	1,386.71	Opened up 0.91%
China, Shanghai	3,875.60	-0.41%	3.00% LPR	6.7079	Fix stronger at 6.7580
Hong Kong, Hang Seng	24,586.32	-0.52%	4.25%	7.8451	HKMA hiked on the peg
Australia, ASX 200	8,732.40	+0.41%	4.35%	0.7111	Decides 28 to 29 Sep
India, Nifty 50	23,263.90	+0.20%	5.25%	95.92	Intraday, still trading
Singapore, STI	5,801.31	+0.94%	n/a	1.2763	Intraday, still trading

Index levels are closes only where the print is timestamped after the local close. Tokyo and Seoul close at half past three in the afternoon local time, Singapore at five, and the Indian and Singaporean figures here were taken while both markets were still open and are labelled accordingly. The Monetary Authority of Singapore's site was unreachable on both attempts, so no policy stance is printed for it.

Europe and the Americas

MARKET	LEVEL	CHANGE	POLICY RATE	FX VS USD	NEXT DECISION
Germany, DAX	25,634.10	+0.38%	2.50%	1.1468	Thu 29 Oct
UK, FTSE 100	10,746.82	+0.55%	3.75%	1.3380	Today
France, CAC 40	8,154.23	+0.17%	2.50%	1.1468	Thu 29 Oct
Switzerland, SMI	13,884.00	+0.11%	0.00%	0.8255	Fri 25 Sep
Brazil, Bovespa	185,547.66	n/a	13.75%	5.1471	Cut on Wednesday
Canada, TSX	35,491.27	-0.26%	2.25%	1.3988	Wed 28 Oct
Mexico, IPC	63,507.11	n/a	6.50%	17.2198	Holding

European levels are intraday prints taken during the morning session, not closes. The Brazilian, Canadian and Mexican equity feeds were serving prior-session values at the time of the pull; the Mexican print is two sessions old and its change column is left empty rather than presented as current.

Europe opened green with yields higher, which is an unusual pairing and the most interesting thing on this page. All five indices pulled were up and Bunds, Gilts and OATs were all fractionally higher in yield at the same time. Rising yields with rising equities reads as repositioning after an event passed without damage rather than as risk appetite.

The German curve did what the American one did, and the size of the move depends on which series you read. The Bundesbank's official par curve put the 2s10s at 36 basis points at Wednesday's close. A traded-benchmark series has it at 28.2 on Thursday morning, with the two-year up about 2.9 basis points against the ten-year's 0.93 and the thirty-year flat. Those two figures are different vendors on different days and the Thursday legs alone account for roughly two basis points of flattening, not the eight the pair implies, so most of any move belongs to Wednesday itself. The direction is not in doubt in either series. Two curves flattening from the front, in two currencies, is the market applying one decision to two central banks. The ECB has already moved, having raised its deposit rate to 2.50 percent on 10 September.

France is the exception that is not about the Fed at all. The OAT-Bund spread computes to about 97 basis points from today's prints, against roughly 85 in late August and about 55 at the start of the year. A budget that collapsed a government and a 2027 budget that must pass by year-end are doing that, and a quarter point in Washington is not.

Geopolitics

Hormuz, day two hundred

The Strait of Hormuz blockade reached its two hundredth day on Thursday. Traffic through it is running at roughly two to eight vessels against a pre-crisis baseline near 85 a day, war-risk insurance is quoted around forty times its pre-crisis level, and 431 vessels are holding position off-berth in the region. These figures come from a shipping tracker rather than a press outlet and carry that caveat: they are an aggregator's numbers, not a wire's.

The most recent attack was on 13 September, when a vessel transiting near Limah in Oman was struck by a projectile and caught fire without casualties, per a UK Maritime Trade Operations warning. That was the first reported strike since a Saudi blockade declaration in July. Separately, Saudi infrastructure was struck around the same date, and the American statement on 16 September that the damaged pipeline would restart within days is what turned crude down.

The gap between the official line and the traffic count is the thing to hold. The United States has repeatedly said the waterway is open or being cleared. Two vessels a day against a baseline of 85 is what the trackers show. Both statements can survive together only if "open" means legally transitable rather than commercially used, and the insurance quote settles which of those the market believes.

Two things this desk cannot tell you, and they matter because a trade card rests on them. Oil markets price barrels, not hulls, and nothing in the tracker data gives the size mix of the vessels still moving against the size mix of the baseline, so a count falling from about 85 to between two and eight does not convert into a known percentage of lost supply. And the overland pipeline struck this month is the standard route Gulf producers use precisely to bypass the strait, which cuts against the blockade story rather than adding to it: its restart restores a route around the chokepoint rather than reopening the chokepoint. A throughput collapse of the size the vessel count implies, sustained for two hundred days, sits awkwardly beside Brent at $104.93. Either the count overstates the barrel loss or the market is underpricing the disruption, and this page cannot yet say which.

No diplomatic movement has been reported within the last week. The most recent items on reopening talks are dated late August, which makes them roughly three weeks stale, and no release from strategic reserves was found.

Russia, Ukraine and the truce that is not one

Ukraine struck a refinery at Yaroslavl on 15 September and has also hit the Syzran refinery in the Volga region, per Bloomberg. Russia struck Ukrainian power sites on 13 September, wounding 18, and struck again on 17 September, per a same-day Cyprus Mail report. An energy truce was announced by Trump and has been confirmed by neither government, and strikes on energy infrastructure have continued through the window in both directions. The claim and the tape disagree.

Sanctions mechanics are where this desk has to report a gap rather than a number. The last confirmed change to the Russian crude price cap is the European mechanism that set it at $44.10 a barrel effective in January, and an American general licence issued in March effectively suspended the cap for covered cargoes for US persons. No September update on waiver status could be found through any route tried.

Tariffs after the court

The Supreme Court has invalidated most of the administration's tariffs, per ABC News on 16 September, the culmination of a sequence of rulings running back through the spring on the emergency-powers and Section 122 authorities. That is a single outlet for a major ruling, and unlike the Senate tally elsewhere in this brief it has no second witness, so it is reported at the confidence one source supports. Refunds have reached somewhere between $100 billion and $166 billion depending on the counter. Twenty-five states have sued over the tariffs imposed since.

The response has been to find other authorities. A 1930-era statute was invoked for 50 percent tariffs on Canada, per a single outlet in late August. On semiconductors, the Section 301 rate on the relevant list stands at 25 percent stacking on a pre-existing 50 percent, and the chip-specific announcement has slipped to 2027. Handelsblatt's lead this morning paired the German market's rise with a tariff threat, so Europe is pricing this as live rather than settled.

RULES

Regulatory

The CLARITY Act's cloture vote failed on 15 September, 49 to 50 against the 60 required, with Senator Coons not voting and four Republicans against: Collins, Hawley, Moran and Tillis. Tillis voted no procedurally: under the Senate's own rule a motion to reconsider can be offered only by a senator who voted with the prevailing side, and because cloture failed, the nays prevailed. Voting no is what preserves his right to bring it back. That tally is press-sourced by necessity, since both senate.gov and congress.gov return 403 to this network on every path attempted, and it is corroborated independently by the resolved prediction-market ladder described in the Prediction Markets section.

No reconsideration motion has been filed or scheduled. Two windows have been floated by a single outlet, either before the 30 September funding deadline or in a lame-duck session, and neither is confirmed. This desk also discards a claim from that same outlet about a prior bill's cloture failing and passing within eleven days, because it does not match the public record of that bill's passage, and a source that gets a checkable fact wrong does not get to supply an uncheckable one.

Elsewhere the calendar is doing more than the legislature. The European review of the crypto market rules closes its comment window on 30 September, with the transitional period already expired on 1 July and cumulative penalties above 540 million euros since enforcement began. Britain's licensing gateway opens on 30 September and closes at the end of February 2027, ahead of a mandatory regime in October 2027. Against all of that, no named-token enforcement action carrying a dollar figure surfaced for August or September. A 125 million dollar fine on UBS was returned by an enforcement search but its crypto connection is unconfirmed, so it is not presented as one.

INCIDENTS

Scandals and Crisis Events

One event clears the bar for the last 48 hours. On 15 September a multisig wallet running a custom liquidity module lost about $7.73 million, roughly 2,900 restaked ether, when an attacker used a public keeper call to redirect the module into a pool they had created, unwrapping the wallet's wrapped restaked ether into a transferable form. The restaking protocol's own core contracts were not implicated and its token remains fully backed.

The detail worth keeping is what happened next. A searcher bot front-ran the attacker's own transaction inside the same block and took the funds itself, so the attack succeeded and the attacker did not. The owner lost the money either way. The technique, a malicious pool hook combined with a custom wallet module, is reusable against other liquidity-integrated multisigs, which makes this sector-relevant rather than systemic.

Two items were checked and are deliberately not presented as scandals. An exchange announced on 15 September that it will wind down by 22 December, citing market conditions and compliance costs, while stating reserves above 100 percent with withdrawals open throughout; there is no insolvency signal and it is noted here only so the closure is not misread as one. A reported seizure of about $52 million was found but the article names no entity and carries no confirmable event date, so it is not reported as an event. Two larger exploits on the curated feed are dated 14 September, outside the window.

FLOWS

On-Chain and Whale Intelligence

The stablecoin float is flat to slightly lower on the week and the composition is shifting underneath. Tether stands at $183.23 billion, down $41.58 million over seven days, with its share of the tracked market at 58.63 percent against 59.34 a month ago. USD Coin is at $73.75 billion, down $765.69 million on the week but up $1.76 billion on the month, with share at 23.60 percent. The total tracked float is $312.51 billion, up 1.37 percent over thirty days. Every delta here was computed from the raw series rather than taken from a precomputed field.

There is no confirmed whale movement inside the last 48 hours, and that is a finding rather than an omission. Several candidate items surfaced with headline dollar figures attached, and every one of them either dated to early September or carried no extractable event date at all. This desk has twice been burned by republished articles wearing fresh timestamps, most recently having to correct a correction, so an undated flow figure does not get printed.

Mining is the one place where behaviour changed in-window. MARA bought 1,292 bitcoin on 16 September for about $98.64 million, having been a net seller of 23,093 coins earlier in the year. Difficulty rose 1.31 percent to 127.45 trillion at the early-September retarget and hashprice rose from $32.42 to $39.63 per petahash per day around the same adjustment. Sustained hashrate was running near 914 to 915 exahash in late August, and no fresher sustained figure was available; a single-day print above 1,000 exahash is a spike rather than a level.

Strategy is unchanged and that is confirmed from the filing rather than from coverage. Its 8-K covering 8 to 13 September states plainly that it neither bought nor sold bitcoin nor sold shares under its at-the-market programme that week, leaving it at 845,050 coins at an average cost of $75,412. Spot sits 1.33 percent above that average. The company did repurchase $139.3 million of one preferred line in the same week.

THE LARGEST POOLS

Sovereign and Institutional Flows

Norway's fund manager has recommended that the government bond share of its fixed-income benchmark fall from 70 percent to 50, with non-government credit rising to 50 percent, mortgage-backed securities entering at about 13 and the yen weight rising from roughly 5 percent to 8. That is from the submission itself, dated 1 September and published on the manager's own site. Reported sub-figures putting US Treasuries at 34.1 percent falling to 21.9 of the bond portfolio come from press coverage and could not be located inside the primary document, so they are carried as secondary.

The framing matters more than the numbers. This is a manager writing to the ministry that owns it, and any reallocation needs political sign-off. The correct sentence is that Norway's manager has recommended cutting the Treasury weight. It is not that Norway sold Treasuries, and this desk printed a Norges Bank figure as a primary-source fact in August, had to retract it, and is not repeating that.

China's gold buying is filing-grade this month. The foreign-exchange administration reports 76.73 million troy ounces for August against 76.08 in July, a rise of 650,000 ounces or 20.22 tonnes, from the published data template parsed directly. The 2026 monthly series rose at every month-on-month step from January to August, seven in a row. Poland has been a net buyer of roughly 64 tonnes through May with a further 8 in July, and Turkey a net seller of around 85 tonnes, though both of those are secondary rather than filing-sourced.

The auction record deserves one correction. Yesterday's issue described the August comparison for the twenty-year as an $18.1 billion original issue. The official record for that security shows the prior auction was on 19 August, a $16 billion reopening that stopped at 5.204 percent with a cover of 2.53. Against Tuesday's 5.420 percent and 2.57, the stop yield rose 21.6 basis points month over month while bidding improved slightly. The comparison this desk drew was directionally right and the label on it was wrong.

Two institutional gaps are stated rather than filled. No sovereign fund from the Gulf or Singapore disclosed a dated position this week, which is expected outside a filing window. And the official holdings data for foreign owners of Treasuries could not be retrieved current: two official paths returned stale files, one reaching back only to December 2025, and a third timed out. Figures circulating for June are secondary and are not printed here as confirmed.

Prediction Markets

One venue is missing from this issue and the reason is not that it went quiet. Every route to it from this desk's connection fails: the public interface returns nothing on either resolved address, and the tooling that wraps it surfaced a certificate mismatch, which is the signature of a network interception rather than an outage. That is a block at this vantage, not a provider failure, and the distinction matters because yesterday's issue quoted prices from it. Everything below is from the other venue.

CONTRACT	RAW	CALIBRATED	EDGE	VOLUME	24H
MACRO					
Fed maintains rate in October	57.0%	59.1%	+2.1	$502K	-5.0
Fed raises 25bp in October	46.0%	44.8%	-1.2	$312K	+9.0
Fed raises 25bp in December	68.0%	72.9%	+4.9	$95K	+8.0
Fed maintains rate in December	30.0%	24.8%	-5.2	$105K	-6.0
Recession in 2026	6.0%	2.6%	-3.4	$3.50M	-4.0
Recession in 2027	25.0%	19.2%	-5.8	$430K	0.0
REGULATION					
A crypto market-structure bill becomes law before Jan 2027	8.0%	3.9%	-4.1	$2.25M	+1.7
Same, before Nov 2026	3.0%	1.0%	-2.0	$627K	0.0
Same, before Oct 2026	1.0%	0.2%	-0.8	$1.31M	0.0
CRYPTO, YEAR-END BITCOIN					
Settles $75,000 to $79,999	14.6%	9.0%	-5.6	$2.68M	+0.6
Settles $70,000 to $74,999	13.4%	8.0%	-5.4	$2.36M	+0.3
Settles $80,000 to $84,999	12.1%	6.9%	-5.2	$2.28M	+0.1
Trades above $99,999 by 31 Dec	16.0%	10.2%	-5.8	$1.44M	0.0
GEOPOLITICS					
US agrees a new Iranian nuclear deal before Jan 2027	8.0%	3.9%	-4.1	$1.68M	+0.5
Same, before Oct 2026	1.0%	0.2%	-0.8	$712K	0.0

Calibration is p raised to 1.31, over itself plus one minus p raised to 1.31, which sharpens probabilities away from the middle. Because it is a pure function of the raw price, two different questions trading at the same price produce identical calibrated values and identical edges. That is arithmetic, not a duplicated pull. Edge is in percentage points.

The October contracts are the ones to read carefully, because the two available venues disagree about direction and not merely about degree. Futures-implied pricing puts one more increase in October at 55.1 percent, so the increase is favoured. This venue prices the hold at 57.0 percent and the increase at 46.0, so the hold is favoured. Those two markets are structured differently and do not sum the same way, which is part of the gap, but a nine-point spread with opposite favourites is the kind of disagreement that used to be the basis of a card on this page. It is not today, for reasons given in the Bottom Line.

Two absences are worth naming. There is no live contract on the bill this desk has tracked for a week; the ticker that asked whether it becomes law returns no markets at all, and what remains is a broader successor question. And there is no contract anywhere on this venue for a Hormuz blockade or closure, despite the blockade being in its two hundredth day and setting the insurance premium inside the crude price. The only live strait-related contracts ask whether the waterway will be renamed. A market with two hundred days of a supply shock and no instrument on the mechanism is telling you where the liquidity is, and it is not where the risk is.

Sentiment and Positioning

INDICATOR	VALUE	SIGNAL	PRIOR	CONTEXT
Fear and Greed	50	Neutral	51	Lowest since 19 August
Bitcoin funding, Binance	+3.514%	Longs pay	+3.54%	Positive on all 30 prints in the window
Ether funding, Binance	+3.694%	Longs pay	-4.62%	Side that pays has reversed
Solana funding, Binance	+0.967%	Longs pay	-4.82%	Also reversed
Ether funding, Hyperliquid	+10.950%	Longs pay	n/a	Sits on the structural floor
Bitcoin account ratio	60:40 (1.49)	Long-leaning	64:36 (1.78)	Less crowded than Tuesday
Ether account ratio	75:25 (3.00)	Crowded long	77:23 (3.30)	Most one-sided of the fourteen
Bitcoin open interest	108,338	Rising	n/a	Live. The daily mark eight hours earlier read 107,918, which is not a prior session
Bitcoin dominance	58.32%	Steady	n/a	Ether at 11.33%
Bitcoin put-call, Friday	0.802	Call-leaning	n/a	Ether at 0.505
Tether share	58.63%	Slipping	59.34%	Measured against a month ago
VIX	16.22	Crushed	17.71	Down 8.41% after the decision

The table splits cleanly in two and the split is the point. Everything measuring sentiment is soft: the index at its lowest in a month, dominance flat, volumes down across most of the price table. Everything measuring positioning has become less extreme rather than more: bitcoin's account ratio fell from 1.78 to 1.49, ether's from 3.30 to 2.9952, and the funding that was charging the short side is now paying it.

That combination rules out confirmed new money without establishing what replaced it. Confirmed new money shows up as rising volume and rising open interest together, and volume fell on ten of fourteen names. But open interest rose, and rising open interest into a rising price is the signature of new longs opening rather than shorts closing, because a short covering its position removes open interest rather than adding it. So the honest description is a thin, concentrated bid: fewer participants taking larger positions, with a sentiment gauge that has not moved off neutral. This desk cannot separate that from a forced unwind earlier in the week, because the cross-exchange liquidation total that would settle it does not exist on any free route, as the derivatives section says.

> *Desk note. Every tier-one outlet sampled treats this hike as correct, this brief's own reading agrees with them, and the only dissent on the record is political. That is the condition under which a consensus stops being examined. The specific thing this page could be wrong about is the breakeven: one session of falling inflation compensation is being read here as the market*

accepting the tightening, and it is equally consistent with a market pricing weaker demand. Both stories fit Wednesday. Only one of them is good news.

COGNITIVE BIAS SCAN

Cross-asset linkages

MEASURE	LEVEL	PRIOR	READ
Investment grade spread	0.80%	0.80	Flat, upper half of range
High yield spread	2.76%	2.71	Widened 5bp
CCC and lower spread	10.85%	10.81	New 90-day high
Emerging market corporate	1.37%	1.35	Lower third of range
Germany 2s10s	28.2bp	n/a	Traded benchmark, Thursday. Official close Wed 36bp
Japan 2s10s	112.3bp	117bp	Steepest of the majors. A second vendor reads 114.1bp
UK 2s10s	51.8bp	n/a	Decision today
Italy 5Y CDS	35.35bp	n/a	As of 15 September
France 5Y CDS	39.97bp	n/a	Above Italy
US 5Y CDS	31.93bp	n/a	As of 15 September
Japan 5Y CDS	22.85bp	n/a	Lowest of the four

Credit spreads carry a reporting lag and the latest available print is 15 September, so none of the credit column yet reflects the decision. Sovereign default swap levels are as dated in the source. The gold and crude volatility indices are excluded from this issue: both failed a staleness test, showing zero volume, zero session range and a midnight timestamp, and computing a same-day ratio from a carried print against a live one would be a fabricated comparison. India's row was dropped for carrying an impossible future date.

France paying more than Italy to insure its debt is the quiet anomaly on this table, and it is consistent with the OAT-Bund spread at 97 basis points. The credit stack otherwise says the weakest tier is deteriorating alone: the bottom rung made another 90-day high while investment grade did not move at all and the broad high-yield index sits mid-range. Either that is the leading edge of a refinancing problem or it is a composition quirk in a small index, and two more sessions will not settle it.

The Bottom Line

1. The Fed raised to 3.75 to 4.00 percent, twelve to none, and the ten-year breakeven fell five basis points to 2.33 while the ten-year real yield rose six to 2.68. The front end carried it: two-year up seven, ten-year up one, par 2s10s flattened from 33 to 27. The flattering reading is that the market accepted the tightening. Two rival readings fit the same numbers, weaker demand and simple scarcity of duration buyers into a heavy supply week, and nothing on this page separates them yet. Today's auction is the first test.

2. The projections moved further than the statement. Sixteen of eighteen participants mark at least one more increase and four mark two, counted from the projection figure itself. The December two-increase bucket went from 8.9 percent a week ago to 40.3 today.

3. One decision forced opposite answers elsewhere. Hong Kong raised to 4.25 percent mechanically through the peg, Brazil cut to 13.75 on the same afternoon, Britain decides today with three of nine already dissenting for a hike, and Japan decides tomorrow with its 2s10s at 114 basis points.

4. Risk went up anyway. All fourteen majors rose, the VIX fell 8.41 percent, and five European indices opened higher with yields higher too. But volume fell on ten of fourteen coins and the listed funds sold $520.09 million on the day, so the bid was not coming through the American wrapper.

5. The risk this page is least hedged against is Japanese. Today's broad, low-volume rally across crypto and European equities is the shape a yen-funded carry trade makes, dollar-yen sits at 155.80 with officials already talking about orderly moves, and the Bank of Japan decides tomorrow into the steepest 2s10s of the majors. A hawkish surprise there unwinds the funding leg of exactly this move, and no card on this page is positioned for it.

6. The things this page cannot see are named rather than smoothed over. One prediction venue is blocked at this connection, there is no free cross-exchange liquidation total, official foreign-holdings data is stale by nine months, and two volatility indices failed their own staleness test.

What this desk got wrong

Yesterday's issue compared Tuesday's twenty-year reopening against what it called an $18.1 billion original issue in August. The official auction record for that security shows the prior sale was on 19 August and it was a $16 billion reopening, stopping at 5.204 percent with a cover of 2.53. The comparison held up, the stop yield did rise 21.6 basis points month over month, and the label on it was wrong.

The gold watch carried from 10 September needs the same treatment. It was built on gold rising while real yields rose, and on Wednesday it did exactly that, up 1.26 percent against a six-basis-point rise in the ten-year real. Measured across thirty days, though, the relationship is behaving conventionally: gold is down about 2 percent while the real yield climbed roughly 21 basis points. The anomaly is real on the day and absent on the month, and this page has been printing the day without the month.

Last issue's views, marked

VIEW FROM 16 SEP	STATUS	EVIDENCE
Watch, US 20-year supply	HELD, unresolved	The $19B ten-year inflation-protected reopening auctions today and results land after this brief. The official record shows every result field still blank. Neither the confirm above 15 percent nor the kill below 11 can be marked.
Watch, October second increase	RETIRED as a live view	The card compared two venues and one of them cannot be read from this connection today. The available substitute prices the October increase at 46.0 percent against 55.1 on futures, a nine-point gap, but that is a different venue asking a differently structured question. A card resolved on a substituted contract is not resolved, so it is retired rather than marked.
Watch, ether account crowding	ACTIVE, thesis weakened	The ratio fell from 3.30 to 2.9952 and ether is $2,441.15, so neither kill leg is met and the confirm at 2.5 is not reached. But the card's reasoning was that shorts paying to hold a minority position showed sized conviction. Funding is now positive at 3.694 percent annualised, so longs pay shorts. The mechanism reversed and the card is marked down.
Long bias, Brent crude	ACTIVE, zone touched	Wednesday's low printed 104.00, the exact upper bound of the 100.00 to 104.00 zone, after a settle of 105.83. The zone was reached at its edge for the first time in four sessions without trading through it. Kill at 96.00 and target at 118 both untouched.
Watch, gold against real yields, carried from 10 Sep	ACTIVE, contested on window	December gold rose 1.26 percent on a day the ten-year real yield rose six basis points, which is the anomaly the watch was built on. Measured across thirty days the relationship is textbook inverse, gold down about 2 percent against a real yield up roughly 21 basis points. The watch is neither confirmed nor killed; it is window-dependent and is marked here rather than left untracked.
Watch, CCC against high yield	ACTIVE, moved toward confirm	The bottom tier printed 10.85 percent on 15 September against 10.81 on the 14th, another 90-day high, while investment grade was unchanged. Kill at 10.40 is 45bp away. Confirm requires high yield through 2.87 and it sits at 2.76.

Trade views

On concentration. Five cards carry nine conviction points between them. Six of those nine sit on the rate path, through the breakeven card, the supply card and the credit card, which all resolve against the same set of yields. Only the crude card is genuinely independent, and the crypto card is partly rate-linked through risk appetite. No card on this page carries a filled entry, so capital at risk today is zero, though zero risk is not zero cost. Over windows of two to three weeks the 4.707 percent the two-year pays is worth roughly 18 to 20 basis points of carry, not the headline rate, and the larger cost is missing the one entry actually in reach, Brent sitting on its zone boundary, while waiting for a fill a single headline could erase. The outcome this page spends least time on is the one that would hurt most: an inflation print that lifts the breakeven back through 2.40 would break the first card and the credit card together, and would make the crude card right for a reason this desk did not write down.

WATCH · US TEN-YEAR BREAKEVEN

●●○○○ 2/5

The cheapest tightening a central bank can buy

Wed breakeven 2.33% from 2.38 · 10Y real 2.68% from 2.62 · 10Y nominal 5.01% from 5.00
Two-year 4.74% from 4.67 · Par 2s10s 27bp from 33 · 20s30s -4bp, unchanged
Confirms: breakeven holds below 2.35 while the real yield stays above 2.65 for five sessions
Kill: breakeven back above 2.40 · Window: Thu 17 Sep to Thu 1 Oct · Concentration: rates factor

Falling inflation compensation on the day a central bank tightens is the outcome that central bank most wants, and it got it for seven basis points at the two-year. If it holds, the December projections are credible without further action and the two-increase pricing now at 40.3 percent is too high. The honest counter is in the desk note above: the same print is consistent with a market pricing weaker demand rather than anchored expectations, and one session cannot separate those.

Kills the view. The ten-year breakeven back above 2.40 percent, which would say the hike bought nothing and the compensation move was noise around an auction week.

WATCH · US LONG-END SUPPLY

●●○○○ 2/5

Today's auction is the second data point, and two makes a pattern

Today: $19B ten-year inflation-protected reopening, results after this brief, all fields blank at press
Tuesday's 20-year: dealers 16.74% against 10.93% at the prior sale · Indirect 52.12% · Cover 2.57
Prior sale 19 Aug was a $16B reopening at 5.204%, cover 2.53: stop yield up 21.6bp month over month
Confirms: dealers above 15% today · Kill: dealers below 11% · Thresholds are a cross-instrument proxy, see below
Window: Thu 17 Sep to Fri 25 Sep

One auction is an anecdote. Today puts 19 billion dollars of inflation-protected paper into a market whose ten-year real yield just rose to 2.68 percent, its high for the week, and whose largest sovereign holder has formally asked permission to hold structurally less government debt. If dealers are again left with an outsized share, the term premium is building regardless of the policy rate.

One caveat the desk puts on its own card. Those thresholds were calibrated on a twenty-year nominal reopening and today's auction is ten-year inflation-protected paper, which normally draws more specialised real money and less dealer backstop. They are a cross-instrument proxy rather than a like-for-like band, and a reading just inside either edge should not be treated as decisive. This card also shares a failure mode with the breakeven card above rather than standing beside it: strong real-money demand today would kill this card and confirm that one in the same afternoon, so the two are one thesis expressed twice.

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

LONG BIAS · BRENT CRUDE

●●○○○ 2/5

The zone was finally reached, at its edge

Wed settle 105.83, -2.69% · Wed range 108.59 high, 104.00 low · Thu live 104.93
Bias zone 100.00 to 104.00, touched at the upper bound Wednesday, not traded through
Target 118.00 to 120.00 · Kill 96.00 · Reward to risk from the live print: 1.46 to 1
Window: Thu 17 Sep to Fri 2 Oct · Concentration: oil factor, the only card off the rate path

The supply case has not weakened: the strait is in its two hundredth day at roughly two to eight transits against a baseline near 85, insurance is quoted around forty times pre-crisis, and Russian and Saudi refining infrastructure were both struck inside the window. What knocked crude down was an American statement that a damaged pipeline restarts within days, which is a timing fact rather than a supply resolution. Reward to risk has improved from below one to one to 1.46 to one as price approached the zone.

Kills the view. A credible end to the blockade, or the pipeline restart proving larger than announced, either of which takes the insurance premium out of the price before the zone fills.

WATCH · CCC AGAINST HIGH YIELD

●●○○○ 2/5

The bottom rung makes a third high while nothing above it moves

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CCC and lower 10.85% on 15 Sep, from 10.81 on the 14th and 10.76 on the 11th: new 90-day high
High yield overall 2.76% inside a 2.60 to 2.87 range · Investment grade 0.80%, unchanged
Confirms: high yield breaks 2.87 within two weeks · Kill: CCC closes back below 10.40
Window: Thu 17 Sep to Thu 1 Oct · Concentration: credit, rate-linked
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The series rose at eight of the nine steps across its last ten observations, from 10.53 on 2 September to 10.85 on the 15th, the only fall coming on 3 September, while the tier above it sat mid-range and investment grade did not move at all. That is either the leading edge of a refinancing problem in the weakest borrowers or a composition quirk in a small index. The mark stays low because this desk cannot yet tell those apart, and because the whole series lags by two sessions and does not yet contain the decision.

Kills the view. The bottom tier closing back below 10.40 percent, which would put it inside its own range and make the last fortnight noise.

WATCH · ETHER ACCOUNT CROWDING

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The crowd thinned and the payment reversed

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All-account ratio 75:25 (3.00), precisely 2.9952, from 3.30 in the last issue · Price $2,441.15, +2.30%
Binance funding +3.694% annualised, from -4.62%: longs now pay shorts, previously shorts paid longs
Hyperliquid ether funding +10.950% annualised, on the structural floor · Friday max pain 2,500
Confirms: ratio below 2.5 with price stable or higher · Kill: ratio above 3.0 with ether above $2,500
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Neither kill leg is met, since the ratio is just below 3.0 and ether is below 2,500, and the confirm at 2.5 has not been reached either. The card is marked down anyway, and the rule being applied is worth stating because it is not the usual one: a card whose stated mechanism is falsified gets marked down even when its price triggers are untouched. It rested on a short side paying to hold a minority position, which reads as sized conviction. That side is now being paid instead. What replaces the old thesis is not comfort. This is still the most one-sided book of the fourteen, it has started paying to stay long, volume fell 17.81 percent, and Friday's expiry pins max pain at $2,500, about 2.4 percent above spot. That is the setup for a fast one-sided move toward the strike, not a settled one. Two limits on the evidence: max pain is mechanical open-interest arithmetic and not a forecast, and the ratio counts accounts rather than position size, so a few large accounts could be doing the opposite of what it shows.

Kills the view. The ratio holding above 3.0 while ether reclaims $2,500, which sits almost exactly on Friday's max pain, and would mean the crowd was early rather than wrong.

Catalyst calendar

DATE	EVENT	WHY IT MATTERS
Thu 17 Sep	Bank of England decision	Bank Rate 3.75 percent going in, three of nine dissented for a hike last time, one day after inflation rose to 3.1 percent. Priced expectations disagree across venues and no single probability is printed here.
Thu 17 Sep	US ten-year inflation-protected reopening	$19 billion. The confirm and kill on the supply card both resolve on the dealer share.
Thu 17 Sep	Philadelphia Fed, jobless claims, housing starts	First activity data after the decision.

Fri 18 Sep	Bank of Japan decision	Guideline around 1.00 percent going in. A quarter point would be the highest since 1995. Dollar-yen at 155.80 with officials already talking about orderly moves.
Fri 18 Sep	Weekly options expiry	Bitcoin max pain 77,500, ether 2,500, both above spot.
Fri 25 Sep	Swiss National Bank decision	Policy rate 0.00 percent, 40 of 41 economists expect no change.
Fri 25 Sep	Large options expiry	About $14.32 billion of bitcoin notional, max pain 72,000, roughly 5.8 percent below spot.
Mon 28 to Tue 29 Sep	Reserve Bank of Australia decision	Cash rate 4.35 percent, already above the new US range.
Wed 30 Sep	US funding deadline, European review closes, UK gateway opens	Floor time for any crypto reconsideration competes directly with funding.
Wed 28 Oct	FOMC and Bank of Canada	One more increase priced at 55.1 percent on futures against 46.0 on the prediction venue.
Thu 29 Oct	European Central Bank	Deposit rate 2.50 percent after the 10 September increase.

AUDIT

Review Panel

Fourteen reviewers were sent the finished draft together with a list of the editor's own primary-source fetches, so that figures the reviewers could not see being retrieved would not be misread as unsourced. Thirteen returned. The arithmetic reviewer read the brief and then produced nothing in six minutes; it was not re-messaged, and the checks it had been assigned, every weekday label, the key-level percentages, every curve slope and breakeven, and the conviction totals, were recomputed in code by the editor instead. All of those passed.

The thirteen cast 182 section votes: 152 approve, 30 flag, no rejections. Twenty-four changes were made to the text before publication.

REVIEWER	APPROVE	FLAG	SECTIONS FLAGGED
Macro Strategist	12	2	Stories, Sentiment
Crypto Native	13	1	Sentiment
Risk Manager	13	1	International
Devil's Advocate	8	6	Lede, Stories, Crypto, Traditional, Sovereign, Bottom Line
Geopolitical Analyst	11	3	Traditional, Geopolitics, Bottom Line
Regulatory Expert	12	2	Geopolitics, Regulatory
Institutional Flow	11	3	Stories, Crypto, Sovereign
Sentiment Analyst	12	2	Stories, Sentiment
Portfolio Strategist	13	1	Bottom Line
Economist	12	2	Lede, Traditional
Bias Auditor	11	3	Stories, Traditional, Bottom Line

International Desk	12	2	International, Sentiment
Sovereign and Cross-Asset	12	2	International, Sentiment

What changed

Seven were factual or mechanical errors. The ether fund table was missing a row and summed $10.78 million short of its own stated total; the row is restored and both columns now reconcile. The positioning section described the bounce as short covering while citing rising open interest, which is backwards, because a short closing removes open interest rather than adding it; the passage now says what the data supports and what it cannot separate. The reason given for the procedural no vote on the crypto bill was inverted, since a motion to reconsider belongs to a senator on the prevailing side and the nays prevailed when cloture failed. The German curve figures mixed an official Wednesday close with a traded Thursday quote and presented them as one series; both are now labelled and the implied move is stated honestly. Japan's curve printed at two vendors' values in two places and is now reconciled to one, with the alternate named. The open interest row shared a column meaning yesterday with rows where it meant eight hours earlier. And two resolved prediction contracts were quoted at last trade rather than settlement.

Five reviewers, working separately, attacked the same thing: that the day's central claim was asserted too confidently. The brief read a rising real yield alongside a falling breakeven as a market accepting the tightening, carried its own hedge five sections later, and let the unhedged version stand in the lede, the first story, the pullquote and the opening conclusion. Three of them supplied a reading the draft never contained, that scarcer buyers of duration in a heavy issuance week lift a real yield and compress a breakeven with no view about the central bank in it at all, and pointed out that the brief reported the evidence for it on the same page without connecting it. All four places now carry the competing readings, and today's auction is named as the test.

The rest tightened specific claims. The supply card's thresholds were calibrated on a nominal auction and now resolve against inflation-protected paper, so they are labelled a cross-instrument proxy, and that card is stated to share a failure mode with the breakeven card rather than standing independently of it. The fund-flow story was broad by headcount and concentrated by weight, and now says so, along with the mechanical explanations that need no buyer story at all. The crude section now states plainly that vessel counts do not convert into barrels and that the damaged pipeline is the route that bypasses the strait rather than the strait itself. The crowding card names the squeeze it describes instead of calling it ordinary. The carried gold watch, previously discussed but never marked, now carries a status like every other view. And the claim that no filled entry means no cost is corrected: the carry foregone over these windows is nearer twenty basis points than the headline rate.

What was not changed

Three suggestions were declined and are recorded rather than quietly dropped. The Devil's Advocate is right that the press story restates the digest section that precedes it; that is an editorial repetition rather than an error and it survives into this issue unfixed. The Portfolio Strategist asked for each card to name the instrument that expresses it and for the crowding card to be retired outright; the first is a change to how every card is built and does not belong in a revision pass, and the second was answered by marking the card down while its levels remain live and testable. The International Desk is right that there is no read on Chinese currency management beyond a bare fixing figure and no emerging-market capital-flow roundup, which is a genuine gap in today's coverage rather than something the desk can fill after the fact.