BIIRG | MACRO RESEARCH

MONDAY MORNING MACRO BRIEF

MARKETS • MACRO • POLICY • CROSS-ASSET

WEEK OF
09/14 – 09/18/2026
Prepared by Macro Division

LAST WEEK (Sept 8–11)

MACRO

- Aug CPI +0.4% m/m, 3.4% y/y (in line). **Core +0.3% m/m vs +0.2% cons.**; core y/y eased to 2.4%. Aug PPI accelerated on war-driven energy costs.
- UMich sentiment 47.8 (miss); 1-yr inflation expectations 4.6%. Aug payrolls +162k vs 53k cons., U-3 at 4.1%.

CENTRAL BANKS

- Sept hike odds repriced through the week: ~61% → ~71% post-PPI → **~85–90% post-CPI.** Target range held at 3.50–3.75%.

MARKETS

- Four-day slide, Friday rebound; all majors lower on the week. 10Y +19bp to 4.97%, 2Y +26bp to 4.64% (2-yr high). Dollar flat. WTI +9.3%, gold −1.5%.

POLICY / GEOPOLITICS

- Iran war widened, with Houthi strikes on Saudi energy facilities; **Saudi crude output fell ~1.9 mb/d in August.** Tehran signaled Hormuz talks with Gulf states in Oman.
- White House reportedly reconsidering the refined copper tariff on domestic cost grounds.

WEEK AHEAD

ECONOMIC CALENDAR

- **Tue 9/15: Empire Mfg (Sep).** Prior: 20.6 (4-yr high)
- **Wed 9/16: Retail Sales (Aug).** Prior: −0.6% m/m; ex-autos −0.3%
- **Thu 9/17: Housing starts/permits, Philly Fed, claims**
- **Fri 9/18: Industrial production, cap-u (Aug)**

CENTRAL BANKS

- **Wed 9/16, 2:00pm: FOMC decision + SEP / dot plot; Warsh presser 2:30pm.** +25bp to 3.75–4.00% is ~85–90% priced (the dots carry the risk, not the decision).
- Thu–Fri: Bank of Japan (9/17–18).

EARNINGS / CORPORATE

- Trip.com (TCOM) Tue AMC, global travel demand read. Lennar (LEN) Wed AMC, housing at a 5% 10Y. Dave & Buster's (PLAY) Mon AMC, discretionary consumer.

POLICY / GEOPOLITICS

- Treasury flagged sanctions on a major foreign bank for Monday. Oman talks on the Strait of Hormuz. Pending decision on the copper tariff.

BIIRG WATCHLIST

KEY LEVELS

- S&P 500: 7,656.98 (support ~7,570)
- US 10Y: 5.00% (psychological; Oct-2023 highs)
- WTI $100 • Gold $4,300 • DXY 98.50 • VIX 15.84

RISK MONITOR

- HY OAS 2.70% (+2bp), near cycle lows, no *index-level* credit stress.
- Caveat: press reports flag rising defaults among oil-exposed private credit borrowers. Index spreads may understate stress in books that aren't marked daily.
- Breadth weak, Russell −2.4% vs Nasdaq 100 −0.6%. Volume spiked then reversed Friday: positioning-driven chop into FOMC.

THEMES

- Energy-led supply shock feeding headline inflation while core y/y still eases
- Gold trading off rates, not haven demand (third straight week)
- Copper set by tariff policy, not demand
- AI capex momentum vs. tightening restrictions

MARKET SNAPSHOT

Friday 9/11 close vs. Friday 9/4 close. Commodity levels Trading Economics; equities/rates exchange close.

ASSET / INDICATOR	LEVEL	WEEKLY	YTD	SIGNAL / CONTEXT
S&P 500	7,656.98	−0.80%	+11.85%	Four-day slide, Friday bounce; worst week for the Dow since March.
Nasdaq 100	29,368.44	−0.59%	+16.31%	Most resilient index; Oracle beat steadied the AI complex late week.
Russell 2000	2,903.94	−2.41%	+17.01%	Worst week of the three, cleanest read on rate sensitivity.
US 10Y	4.97%	+19bp	+~79bp	Highest since Oct 2023; 5.00% is the level that matters.
US 2Y	4.64%	+26bp	+~114bp	Two-year high. Bear flattening (10s2s ~35bp), front end leads.
DXY	99.10	−0.07%	n/a	Flat despite hawkish repricing (third consecutive monthly decline).
WTI Crude	$99.97	+9.28%	+~74.7%	NYMEX front-month settled $100.05. Saudi output −1.9 mb/d is real supply loss.
Gold	$4,363.99	−1.55%	+~1.2%	Third straight weekly loss, trading as a rates asset, not a haven.
Copper	$6.4618	−1.80%	+~13.7%	Record ~$6.83–6.88 midweek, then −5% Thursday on tariff-reversal reports.
Nat Gas	$2.80	+~0.7%	−~22.9%	Record Lower-48 output (112.9 bcfd) offsets LNG pull. War-insensitive.
VIX	15.84	+1.31 pt	+5.95%	Spiked midweek, reversed hard Friday. No sustained hedging bid.
HY OAS	2.70%	+2bp	−0.11%	Near cycle lows, no stress at the index level (see Risk Monitor).

BIIRG MACRO VIEW

MACRO REGIME An energy-led supply shock is running through headline inflation (3.4%) while core y/y continues to ease (2.4%), and the split matters. Growth data are still firm (payrolls +162k, Empire 20.6), but sentiment has cracked (UMich 47.8) and 1-yr inflation expectations sit at 4.6%. Read this as an **early stagflationary impulse, not a stagflation regime**. The defining feature is a central bank tightening into a supply shock it cannot fix.

RATES & FX Bear flattening: 2Y +26bp vs 10Y +19bp, 10s2s ~35bp. The front end leading means this is policy repricing, not a term-premium event. With ~85–90% priced for +25bp, **the asymmetry sits in the dot plot and the presser, not the decision**. The dollar failing to rally on a hawkish repricing is the week's quiet anomaly, worth watching for whether it reflects credibility rather than rate differentials.

EQUITIES & CREDIT Risk appetite dipped but held; index credit stayed tight. Breadth was the tell, with Russell −2.4% against Nasdaq 100 −0.6% is a clean duration spread inside equities. HY OAS at cycle lows should not be read as an all-clear: reported defaults among oil-exposed private credit borrowers suggest stress migrating to books that aren't marked daily.

COMMODITIES & REAL ASSETS The oil move changed in kind, not just degree, since Saudi output down ~1.9 mb/d is realized supply loss, where last week was pure risk premium. Gold's third weekly decline confirms rates are overriding geopolitics. **Copper's round trip was tariff policy, not demand**, so do not feed it into the Copper/PMI cross-check. Natural gas traded its own domestic balance and ignored the war entirely.

BIIRG BOTTOM LINE

The regime is a tightening cycle colliding with an energy supply shock, and Wednesday is the whole week: a 25bp hike to 3.75–4.00% is roughly 90% priced, so the market risk sits in the dot plot and Warsh's guidance, not the decision itself. The primary risk is expectations de-anchoring (UMich 1-yr at 4.6% against 4.6%-handle front-end yields), which would force the Fed to guide beyond what the curve carries and push the 10Y through 5.00%. **What would change the view:** credible de-escalation out of the Oman talks on Hormuz, or a visible recovery in Saudi production, either of which takes the supply premium out of crude and turns the rates story dovish faster than the dots would suggest. Positioning stays defensive on duration and long real assets into the decision.