



▲ US PCE came in at 3.4% in August.

Markets

	Prev. Close	% Ch
S&P 500	7,651.54	▼ 0.25%
NASDAQ	26,861.06	▲ 0.24%
FTSE 100	10,606.00	▼ 0.29%
Stoxx 50	6,269.02	▼ 0.81%
Oil (Brent)	103.53	▲ 0.92%
Gold	4,186.70	▲ 0.17%
Copper	6.56	▲ 0.24%

Market close 30/09/2026

Economic Calendar

Thursday

Challenger Job Cuts (USD),
Initial Jobless Claims (USD),
ISM Manufacturing PMI (USD),
Tokyo CPI (JPY),
Unemployment Rate (JPY)

Friday

Harmonized Index of Consumer
Prices (EUR), Unemployment
Rate (EUR), Avg. Hourly
Earnings (USD), Nonfarm
Payrolls (USD), Factory Orders
(USD)

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- PCE Comes in Better Than Expected, but Remains Well Above Target
- UK Housing Market Weighed by High Mortgage Costs
- Strait of Hormuz Crude Flows Back at Pre-War Levels

Headlines

PCE Comes in Better Than Expected, but Remains Well Above Target

The Federal Reserve's preferred measure of inflation came in below expectations in August with core PCE rising 0.2% m/m (est. 0.3%) and headline figures printing in line with estimates at 0.3% m/m. The release also included a downward revision to July's figures, partially reflecting a change to BEA methodology.

Markets responded by marking down year-end Fed rate expectations by roughly 10bps, helped by comments from New York Fed President John Williams, who finds no immediate need for another rate hike. Even so, Treasury yields remained elevated, with the softer data doing little to shift the broader policy narrative, given that inflation is still running well above target at 3.4% y/y.

Separately, the market's view of stubborn inflation is being reinforced by developments in Europe where data suggests that higher oil prices are feeding through more forcefully into consumer prices, only adding to global inflation concerns.

UK Housing Market Weighed by High Mortgage Costs

UK house prices fell in September, with Nationwide reporting a 0.2% m/m decline as high mortgage rates weighed on demand. The survey pointed to high expectations for interest rates and uncertainty ahead of the government's first budget later this month as key drivers of the weak demand. The Bank of England is largely expected to raise its benchmark rate by 25bps at its next meeting, adding further pressure to mortgage rates that are already at two-year highs.

A portion of the slowdown can be attributed to a wait-and-see stance among first-time buyers, as the government explores a revival of the Help to Buy scheme at the upcoming budget. Such a move would provide liquidity to the affordable end of the housing market.

Strait of Hormuz Crude Flows Back at Pre-War Levels

Research from Goldman Sachs, JPMorgan and Kpler indicates that crude flows through the Strait of Hormuz have now returned to normal, with the seven-day moving average back at pre-war levels. While flows of refined products remain constrained, the good news helped to temporarily ease supply concerns and saw Brent and WTI prices move lower overnight.

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