Nordic Alert

31 August 2026

Fed, ECB & Japan – trio in rate hikes in September?

Global key stories

Warsh's bitter inflation message pressured US stock markets. Fed Chair Kevin Warsh's speech in Jackson Hole on Friday exceeded expectations in terms of substantive content. But the message around – and Warsh's disappointment – that inflation is still above the target of 2.0% was clear. The US two-year yield rose as much as 11 basis points to 4.34%, while the market is now pricing in about a 60% probability that the Fed will raise the policy rate to 4.00% at the announcement on 16 September. September could thus be an important month for global monetary policy. The ECB is expected to raise the policy rate on 10 September and the Bank of Japan on 18 September, while the Fed hike is now playable again. US stock markets received Warsaw's bitter message with controlled pessimism: The S&P 500 fell 0.2% and the Nasdaq 0.7%. Stockholm, on the other hand, showed stock market strength, and the OMXS30 set a new closing record on Friday. The dollar strengthened 0.5% against both the euro and the yen. Treasury Secretary Bessent confirmed on Friday that the joint intervention by the US and Japan to strengthen the yen was aimed at, among other things, reducing the risk of rising US interest rates. A weak yen otherwise risks contributing to capital flows from US Treasuries and thus higher US rates. The USD/JPY is now trading at 159.8 – keep an eye on today's G20 meeting for new signals on the yen. The week begins with a suppressed risk appetite in Asia due to the fact that the US and Iran have once again directed military attacks against each other in the Middle East, and the Warsaw effect.

Wants to see a "quieter Fed". Warsh's modernization of the Fed's monetary policy framework is creating ripples in the central banking world and major market reactions. Warsh is clear that the Fed will not provide forward guidance on monetary policy going forward. It is a bit contradictory, then, that his speech both confirmed inflation concerns and thus the risk of a rate hike in September, while at the same time trying to allay market concerns about the weak public finances of the US and the risk of rising government yields. **Epilogue:** Warsh obviously wants to replace false precision with a more flexible and credible communication – excessive precision risks creating a false sense of security. Less detailed guidance can increase volatility, but is sounder in the real economy and financially than a market where positions are built on seemingly accurate Fed forecasts. The market needs to get used to more unpredictability and to a greater extent price risk itself – even if that means higher interest rates and lower asset prices. In other words: the market may need to learn to **stand on its own two feet, without support from the Fed**.

The US is expanding its control over the world's largest oil reserve – conclusions. Caracas has – under heavy pressure – agreed to give the US control of oil reserves of 65 billion barrels (17 strategic oil fields) in exchange for $100 billion in private investment. Venezuela is estimated to have the world's largest oil reserves, totaling 304 billion barrels, or 17% of the known global reserves. At the same time, Venezuela is considering leaving OPEC+. The picture that emerges: OPEC+ appears as a "sinking ship", which could lead to increased oil supply, while both the US and China's influence on the oil price increases. Brent is trading today at $90.3 per barrel (just over -4% in a week but up 2.5% since Friday due to overnight attacks in the Middle East).

Iceland says no to EU talks – thoughts. Referendums have a tendency to divide people. In Saturday's vote, **52.8% of Icelanders said no** – 47.2% said yes – to resume negotiations on EU membership. It is a prestige setback for Brussels, and perhaps also for more pro-EU forces at 10 Downing Street, when at the same time we see signs of increased political fragmentation within the EU. Iceland is now continuing with **the EEA and Schengen agreements as well as its NATO membership**.

Nordic key stories

Can the Fed stress Thedéen – reflections. Governor Thedéen reportedly participated in the meeting in Jackson Hole. He is suspected to have been surrounded by interest rate hawks. The monetary policy minutes from the meeting on 19 August were thin in terms of comments about the krona and its significance for the rate decision. However, First Deputy Governor Bunge noted that the krona may be affected by external monetary policy in the future. If the Fed and the ECB hike rates in the near term, the headwinds may increase due to a larger negative short-term interest rate differential, if the Riksbank's interest rate is 1.75%. In 2025, the krona strengthened by 9.7% against the KIX – in 2026 it has lost about 4%. Note, however that market pricing already reflects expectations that the Fed and the ECB will hike rates. **Keep an eye on Deputy Governor Per Jansson's speech today at 10.20**.

Today's key events

For graphs and analysis of the week's most important data, click here

Time	Countries	Event	Period	SEB forecast	Consensus	Latest
08.00	Sweden	Wages non-manual workers yoy	Jun	--	--	2.8
08.00	Germany	Retail sales	Christmas	--	0.5/0.5	-0.7/0.0
10.00	Norway	Norges Bank's announcement of daily fx purchases	Sep	--	--	NOK -350bn
14.00	Germany	CPI | HICP (prel)	Aug	--	0.2/2.9 | 0.3/3.1	0.8/2.8 | 0.9/2.8
16.30	US	Dallas Feds Index (Manufacturing)	Aug	--	1.6	1.3

Miscellaneous: The Riksbank's **Jansson** will give a speech (10.20). **AF** will release labour market data (12.00 p.m.). **Norway/US** will sell T-bills (11.00/17.30) - **the EU** will sell bonds (11.30 a.m.). **Market closed** in the UK. **G20 meeting** for two days in the US (finance ministers/central bank governors).

Have a really good Monday on the eve of beautiful September!

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	-0.2%	-0.3%	EUR/USD	1.16	Brent fut $/bl	90.3
Nasdaq comp	-0.5%	-0.4%	EUR/SEK	11.14	Gold fut $/oz	4420
Eurostoxx 50	0.9%	-0.4%	USD/SEK	9.61	**Government bonds yields**	
OMX Stockholm 30	0.3%		EUR/NOK	10.86	US 10 year	4.71%
OBX Oslo	0.5%		USD/NOK	9.37	US 2 year	4.32%
OMX Copenhagen 25	0.3%		NOK/SEK	1.03	Germany 10 year	3.28%
OMX Helsinki 25	0.2%		USD/DKK	6.45	Germany 2 year	2.90%
Nikkei225	-0.8%		USD/JPY	160	Sweden 10 year	3.05%
Shanghai Comp	-0.2%		USD/CNY	6.72	Sweden 2 year	2.47%

US and Europe indices indicate change at yesterday's close

Dana Malas
Data Scientist & Jr. Strategist
dana.malas@seb.se
+46704622105