30 September 2026

US 30-year yield at its highest level since 2002

Global key stories

The oil price fell 2.5% to $103.1 per barrel yesterday on signs of increased oil deliveries from the Middle East, contributing to lower European yields. US yields were relatively range-bound during the day, but the 2-year yield fell around 5bp in the evening after Fed President John Williams said that another rate hike towards the end of the year could be appropriate. This contrasts with market pricing, which before his comments implied around 1.5 further hikes by year-end. Further out the curve, however, yields continued to rise, particularly at the very long end. The 30-year yield briefly moved above 5.6%, its highest level since 2002, before yields edged lower towards the end of the session.

The question is how much further the rise in yields can continue. US long-term yields are clearly reaching levels that should start to attract more demand – a 30-year inflation-protected bond, for example, currently offers around 3.3% annual real returns. Sooner or later, yields should reach a "critical level" where capital from the equity market starts moving into fixed income – but we are clearly not there yet. The rise in yields is global, putting pressure on highly indebted countries and risking desperate measures to contain borrowing costs. In South Korea, the finance minister warned this morning that the government could buy back its own government bonds, as the US does, in an attempt to limit the bleeding. Such measures do not come without risks, in particular the currency could weaken as a result of such interventions.

The dollar continues to strengthen on the back of the relatively sharp rise in US yields. EUR/USD fell to 1.1312 yesterday – its lowest level since May last year – before recovering to 1.1331 this morning. The yen is strengthening against the dollar following fresh Japanese warnings of intervention. The Swedish krona is trading broadly unchanged against the euro over the past 24 hours after a volatile session yesterday, while continuing to weaken against the dollar.

Markets are now turning their attention to today's US PCE inflation data. The Bureau of Economic Analysis (BEA) will introduce a revised method for calculating the inflation measure, which could contribute to a slightly lower inflation rate. Expectations are nevertheless for core inflation to remain at uncomfortably high levels around 3%. In Europe, inflation data from France, Italy and Germany are also due – important ahead of Friday's composite euro area inflation print. Spanish inflation came in above expectations yesterday. We will also get retail sales data from Sweden and Germany. Today's Riksbank Minutes will hopefully provide greater insight into the reasoning behind the sharp upward revision to the rate path at last week's rate decision.

Quarter-end could bring additional market flows. Today marks the last day of the month and Q3, which could trigger rebalancing flows across equities, rates and FX. Currency hedges may also need to be adjusted. Our own model indicates that Swedish portfolio managers have some need to buy SEK and EUR and sell USD.

Nordic key stories

Strongest NIER confidence indicator since 2022. The economic outlook continued to brighten in September, reaching its highest level since 2022, while consumer confidence moved above its historical average for the first time since 2021. Employment plans also improved, although the labour market remains weak. The strong development supports a positive growth outlook, but higher energy prices and mortgage rates could lead to a temporary slowdown in Q4. NIER's updated forecasts will be published today at 09:00 CET.

Today's key events

Chart package for the most important events this week here.

Time	Country	Event	Period	SEB forecast	Consensus	Last
3:30	AUS	CPI | trimmed mean mom	Aug		0.5/4.1 | 0.3	1/3.5 | 0.5
8:00	UK	GDP qoq | yoy	Q2 F		0.4 | 1.2	0.4 | 1.2
8:00	UK	Private consumption qoq | government spending qoq	Q2 F		0.3 | -0.3	0.3 | -0.3
8:00	SWE	Retail sales mom/wda yoy	Aug	0.3/5.9	---/---	-0.2/6.2
8:00	SWE	Wages non-manual workers yoy	Jul		---	3.4
8:00	DEN	GDP sa qoq | yoy	Q2 F		--- | ---	0.3 | 4.6
8:00	GER	Retail sales mom/sa yoy	Aug		1.5/-1.2	-3.4/-2.5
8:45	FRA	CPI | EU harmonised	Sep P		-0.5/2.8 | -0.6/3.1	0.7/2.4 | 0.7/2.6
8:45	FRA	PPI	Aug		---/---	1.1/3.4
8:45	FRA	Consumer spending	Aug		0.1/---	0.5/1.4
9:55	GER	Unemployment change (000's) | claims rate sa	Sep		2k | 6.4	4k | 6.4
10:00	NOR	Norges Bank's daily FX purchases | net	Oct	NOK 300mn|176	--- | ---	NOK 300mn | 176mn
10:00	IT	Economic sentiment | consumer confidence	Sep		--- | 94.4	96.9 | 94.5
11:00	IT	CPI EU harmonised	Sep P		1.6/3.7	0.1/3.2
13:00	US	MBA mortgage applications	Sep 25		---	-1.5
14:00	GER	CPI | EU harmonised	Sep P		0.5/3.2 | 0.5/3.2	0.2/2.9 | 0.2/2.9
14:15	US	ADP employment change	Sep		70k	38k
14:30	US	Personal income | personal spending| real pers. spending	Aug		0.5 | 0.9 | 0.6	0.4 | 0.2 | 0.0
14:30	US	PCE price index | core PCE price index	Aug	---/--- | 0.3/3.2	0.4/3.7 | 0.3/3.3	0.2/3.7 | 0.2/3.3
14:30	US	GDP annualized qoq | price index | personal consumption	Q2 T		1.5 | 6.4 | 3.4	1.5 | 6.4 | 3.4
14:30	US	Advance goods trade balance | exports | imports mom sa	Aug		-113.9bn | --- | ---	-118.8bn | -2.9 | 3.7
14:30	US	Wholesale inventories mom | retail inventories mom	Aug P		--- | ---	1.3 | 0.7
15:45	US	MNI Chicago PMI	Sep		51.2	47.1

Auctions: SWE to sell SGB 1056 (11:00), GER to sell bonds (11:30), US to sell bills (17:30).
Speeches: Riksbank's Jansson (09:30), ECB's Schnabel (17:45), Fed's Barkin/Cook/Goolsbee (19:30/21:25/23:10).
Other: Sweden's NIER publishes new economic forecasts (09:00), Riksbank minutes of sept.
23 policy meeting (09:30), US - BEA releases annual revisions to GDP and personal income (14:30).

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	-0.2%	0.1%	EUR/USD	1.13	Brent fut $/bl	103.3
Nasdaq comp	-0.1%	0.0%	EUR/SEK	11.33	Gold fut $/oz	4179
Eurostoxx 50	0.3%	0.7%	USD/SEK	9.99	**Government bonds yields**	
OMX Stockholm 30	0.2%		EUR/NOK	10.89	US 10 year	5.23%
OBX Oslo	-1.0%		USD/NOK	9.60	US 2 year	4.88%
OMX Copenhagen 25	-0.1%		NOK/SEK	1.04	Germany 10 year	3.62%
OMX Helsinki 25	-0.5%		USD/DKK	6.59	Germany 2 year	3.29%
Nikkei225	1.3%		USD/JPY	157	Sweden 10 year	3.24%
Shanghai Comp	0.4%		USD/CNY	6.70	Sweden 2 year	2.75%

US and Europe indices indicate change at yesterday's close

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