02 October 2026

US payrolls, gloom ahead of Sunday's Brazil election

Global key stories

U.S. Treasury yields fell back slightly on Thursday after hitting new highs but the 10-year was at 5.34% earlier in the day. That in turn led to some breathing room for the stock market (S&P 500 +0.2%; Nasdaq unchanged) despite yesterday's higher oil price. Treasury yields have been pushed upwards due to concerns about high inflation, and the development of energy costs. A possible escalation in the conflict between Washington and Tehran will be crucial for whether the recovery for US government bonds can continue. The stock market in Asia is heading for its worst week since July and the stock market in Europe is heading towards its worst since April.

Nonfarm payrolls and European inflation in focus. Today's US employment report can provide clues about what will be required of the Fed's interest rate policy. The focus today will also be on euro area inflation for September. In addition, data on unemployment in Norway and Spain, Brazilian and South Korean inflation and Russian GDP will be released. Japan's core inflation in September came in at 3% year-on-year. This was significantly higher than analysts' expectations but may have been affected by an unusually long weekend period (the so-called "silver week") that temporarily drove up certain price categories.

Gloomy prospects in Brazil's elections. On Sunday, Brazil will hold the first round of general elections, where opinion polls show a tight race between incumbent President Luiz Inácio Lula da Silva and challenger Flávio Bolsonaro. Over the past half century, Brazil's economy has stagnated both compared to other countries in the region and global average growth. The incumbent left-wing president, Lula, will soon be 81 years old, the same age Joe Biden was when he withdrew his candidacy for re-election in 2024. Despite his commitment to democratic institutions and a healthy attitude to environmental issues, he has failed to stimulate growth and restrain public spending. Apart from a simplification of the sales tax, economic reforms have not materialized. His term ends with the highest government bond yield in 10 years. His opponent, the 45-year-old Bolsonaro, denies that humans are causing climate change, questions democratic institutions such as the electoral process, and suggests that he will not respect the election results if Lula wins. He has been under investigation for alleged links to violent criminals, which he denies. His main political goal is to pardon his father, who was sentenced to 27 years in prison in September 2025 for planning a coup – including a plan to assassinate Lula – after failing to be re-elected president in 2022. Neither candidate appears to offer policies that simultaneously guarantee both democratic rights and more sustainable economic development.

The French government wants to reduce the budget deficit for 2027 by €43 billion through spending cuts and tax increases. The plan freezes some pension increases and limits pay increases for civil servants, and would mean an adjustment of the deficit from 5.4% of GDP this year to 5% next year. France's public debt is at its highest level since World War II.

Military build-up in the Middle East. The U.S. will send more troops, including a third aircraft carrier group, to the Middle East, while President Trump warns that new attacks on Iran could be on the way after the congressional elections in November. In addition, Axios reports that the U.S. has sent more anti-aircraft

missiles to the Gulf states, with one of the motives reportedly being to reassure countries that energy facilities will be protected if Trump orders new attacks.

Worth reading from SEB: FI & FX Strategy (here) and a preview of Swedish September inflation (here).

Nordic key stories

The krona strengthened against the euro yesterday and the OMXS30 index fell by 1.3%.

Speaker Andreas Norlén has called a press conference today at 11.00 a.m. in connection with the formation of the government. The Riksbank's annual research conference is entering its second day.

Today's key events

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

Time	Country	Event	Period	SEB	Consensus	Last
01:30	JPN	Tokyo CPI yoy| ex fresh food |ex fresh food,energy	Sep		2.5 | 2.4 | 2.5	1.9 | 1.8 | 2.0
08:00	**NOR**	**Registered unemployment | sa**	**Sep**	**2.0 | 2.1**	**--- | ---**	**2.1 | 2.1**
10:30	UK	DMP 1 year CPI expectations	Sep		---	3.1
11:00	**EA**	**CPI mom | core yoy | CPI estimate yoy**	**Sep P**	**--- | 2.4 | 3.7**	**0.5 | 2.5 | 3.6**	**0.4| 2.4 | 3.2**
14:30	**US**	**Change in nonfarm payrolls | private | hourly earnings**	**Sep**	**95k | --- | 0.3/3.1**	**100k | 90k | 0.3/3.2**	**162k | 127k | 0.3/3.1**
14:30	**US**	**Unemployment rate | labor force participation rate**	**Sep**	**4.1 | ---**	**4.1 | ---**	**4.1 | 61.6**
16:00	US	Factory orders | ex trans	Aug		-0.1 | ---	0.9 | 0.6

Speeches: Fed's Logan (00:45), ECB's Moulin/Cipollone/Vujcic/Nagel (09:00/09:30/13:30/21:35).

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	0.2%	0.2%	EUR/USD	1.12	Brent fut $/bl	102.2
Nasdaq comp	0.0%	0.4%	EUR/SEK	11.29	Gold fut $/oz	4171
Eurostoxx 50	-1.5%	-0.1%	USD/SEK	10.04	**Government bonds yields**	
OMX Stockholm 30	-1.3%		EUR/NOK	10.83	US 10 year	5.25%
OBX Oslo	-1.0%		USD/NOK	9.63	US 2 year	4.79%
OMX Copenhagen 25	-1.7%		NOK/SEK	1.04	Germany 10 year	3.51%
OMX Helsinki 25	-0.8%		USD/DKK	6.65	Germany 2 year	3.06%
Nikkei225	-0.9%		USD/JPY	158	Sweden 10 year	3.25%
Shanghai Comp	0.3%		USD/CNY	6.71	Sweden 2 year	2.73%

US and Europe indices indicate change at yesterday's close

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