

Monday Morning Macro Meeting



Jeff deGraaf



Neil Dutta



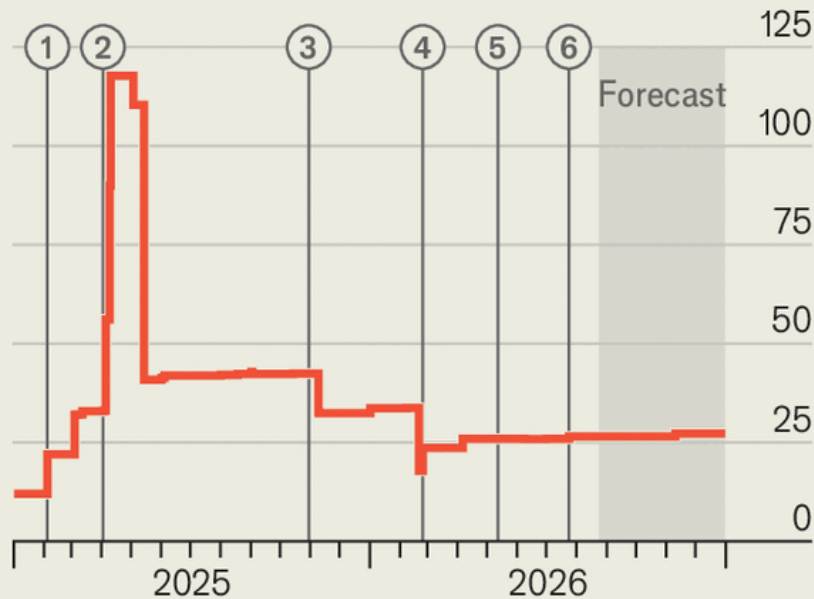
Howard Mason



Steve Pavlick

The not-so-simple truce

US tariff rates on imports from China*, %



1 Fentanyl tariffs 2 "Liberation Day"
3 Xi meets Trump in Busan 4 Supreme Court ruling
5 Trump visits Beijing 6 "Forced-labour" tariffs
replace temporary tariffs

Source: Yale Budget Lab

*Import-weighted

- Sep. 24- Trump-Xi meeting in D.C.
 - Nov. 18-19- APEC in Shenzhen.
 - Dec. 14-25- G20 in Miami, FL.
- 4Ts- Taiwan, Tehran, Trade, Technology
 - Taiwan- little movement, arms sales.
 - Tehran- cooperation, sanctions.
 - Trade- Busan agreement extension/contention.
 - 30-for-30 in nonsensitive areas.
 - Boards of Trade & Investment.
 - ~20% Busan tariff rate.
 - 3Bs- beef, beans, Boeings.
 - Tech- AI: durable dialogue desire.
 - Look who's coming to dinner.
 - U.S. is unlikely to reduce export restrictions.

DATA CENTERS / PUBLIC ACCEPTANCE

03 / 05

Cost coverage and local oversight earn majority support

Would voters allow a proposed data center that satisfies all three requirements?

CONDITIONAL PROJECT APPROVAL | REGISTERED VOTERS

COMPANY PAYS

PUBLIC DISCLOSURE

COMMUNITY REVIEW

All required electrical infrastructure costs

The facility's electricity use

A public community review process



This question measures support with conditions. It does not supply a comparable unconditional baseline.

Source: Morning Consult for Americans for Responsible Innovation | Question AR18, topline p. 3

Fieldwork: July 17-19, 2025 | n = 2,202 registered voters | Reported margin of error: +/-2 pp | Sponsor: Americans for Responsible Innovation

• A(I)pocalypse Now?

Can't spell administration w/o AI.

- Trump wants to win the race.
 - AI-econ/market correlation.
- Calendar/coordination concerns.
 - Regulatory capture to reduce competition and liability?

• AI Force or Farce?

- Coordination/Acceleration > regulation.

• Emerging election issue.

• BYOP → Bring Your Own Power.

- House passed; Senate less likely.
- How durable is data center opposition?
 - Will rhetoric match reality of governing?

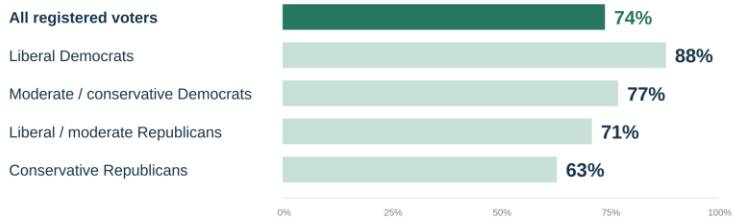
DATA CENTERS / PUBLIC ACCEPTANCE

04 / 05

Voters support benefits that reach local homes

Require data centers to offset electricity use by funding rooftop solar and home weatherization

SUPPORT FOR A BENEFIT REQUIREMENT | NOT PROJECT APPROVAL



74% favor this requirement; that does not mean 74% support building a data center in their community.

Source: Yale / George Mason University, Climate Change in the American Mind | Spring 2026, section 7.3

Fieldwork: Apr. 17-26, 2026 | n = 930 registered voters, Ipsos KnowledgePanel | Average overall margin of error: +/-3 pp; subgroups are wider

1. Review: Stronger consumption, weak housing

- Retail sales remain buoyant
 - Strong sales in August
 - Real incomes pressures
 - Net worth keeps climbing relative to income
- Manufacturing: Surveys zig, hard data zags
 - Actual factory production up about 1ppt
 - Manufacturing Surveys consistent with much stronger growth
 - No productivity boom
- Housing: Sluggish conditions
 - Construction remains soft
 - Resale inventories climbing
 - Sales slowing with higher rates

2. “Krooked” Kevin?

- Dots were not that hawkish
- Warsh returns to form
 - Financial conditions too loose
 - Commodity prices bear watching

3. The week ahead: September 21 to 25

- Plenty of Fedspeak
- August Core durables due up

Retail sales were strong in August

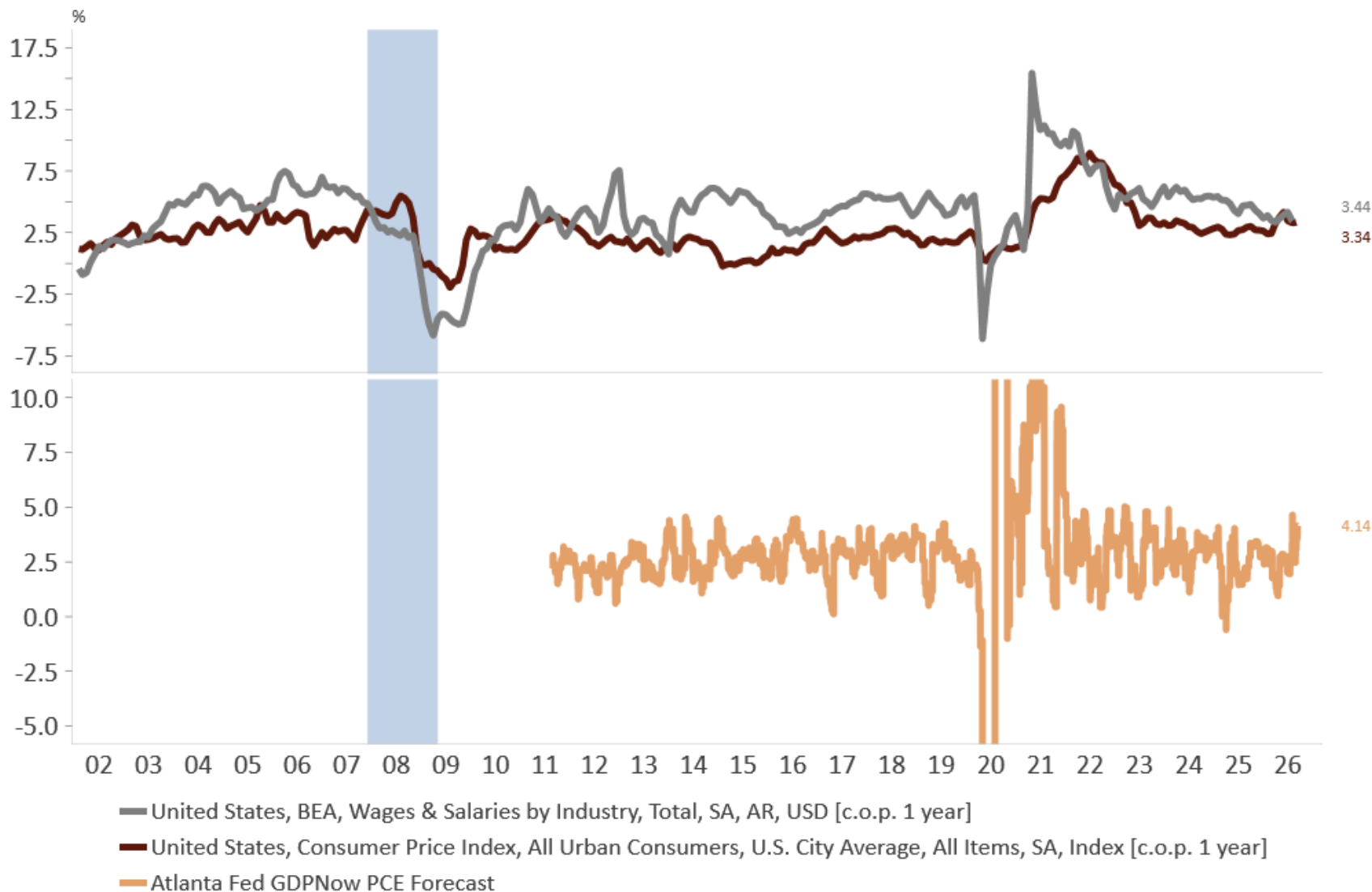
Strong month after a some weaker ones



Source: Renaissance Macro Research, Macrobond

Real incomes remain under pressure

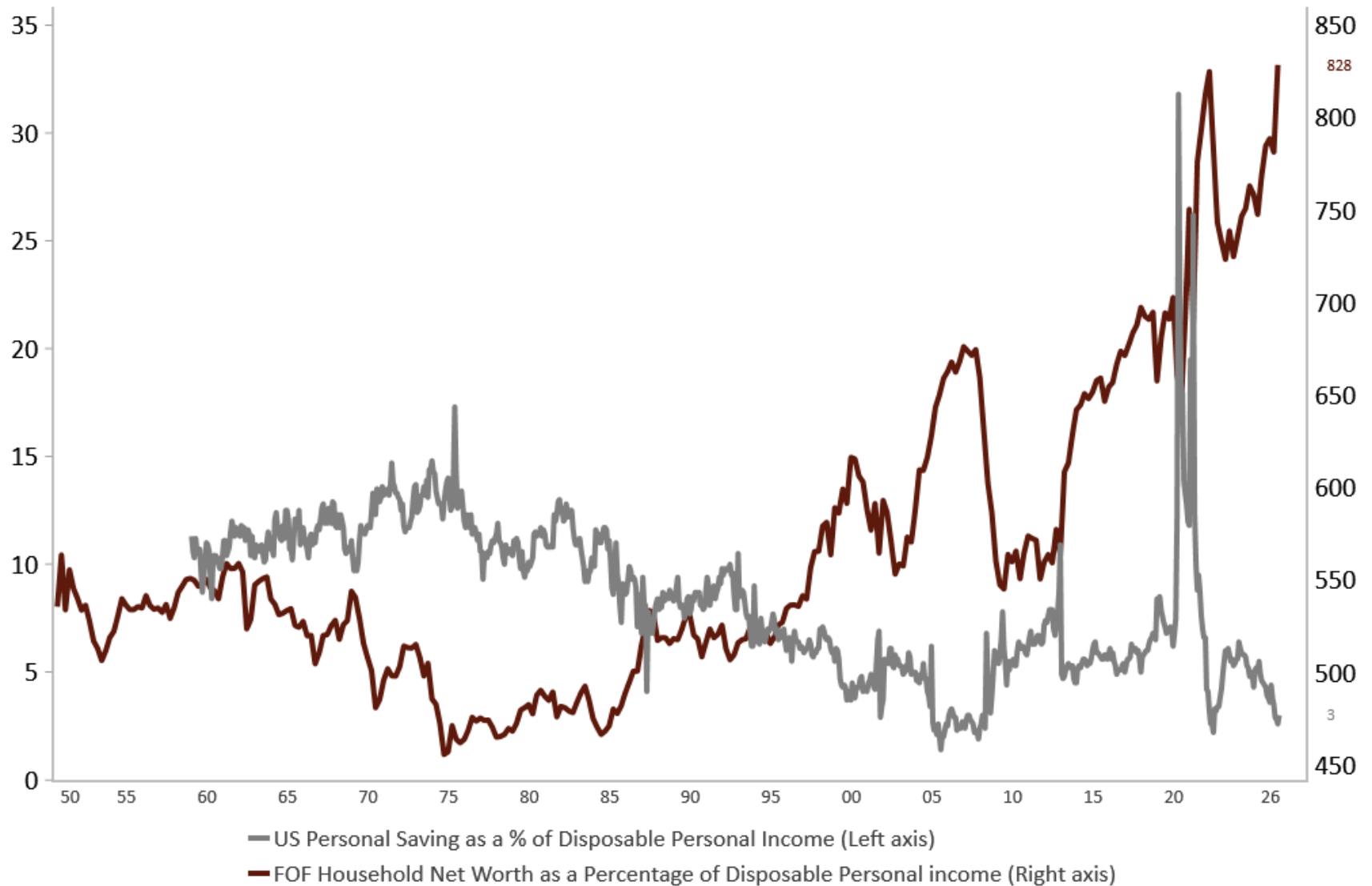
Real incomes have slowed



Source: Renaissance Macro Research, Macrobond

Wealth effect is a tailwind

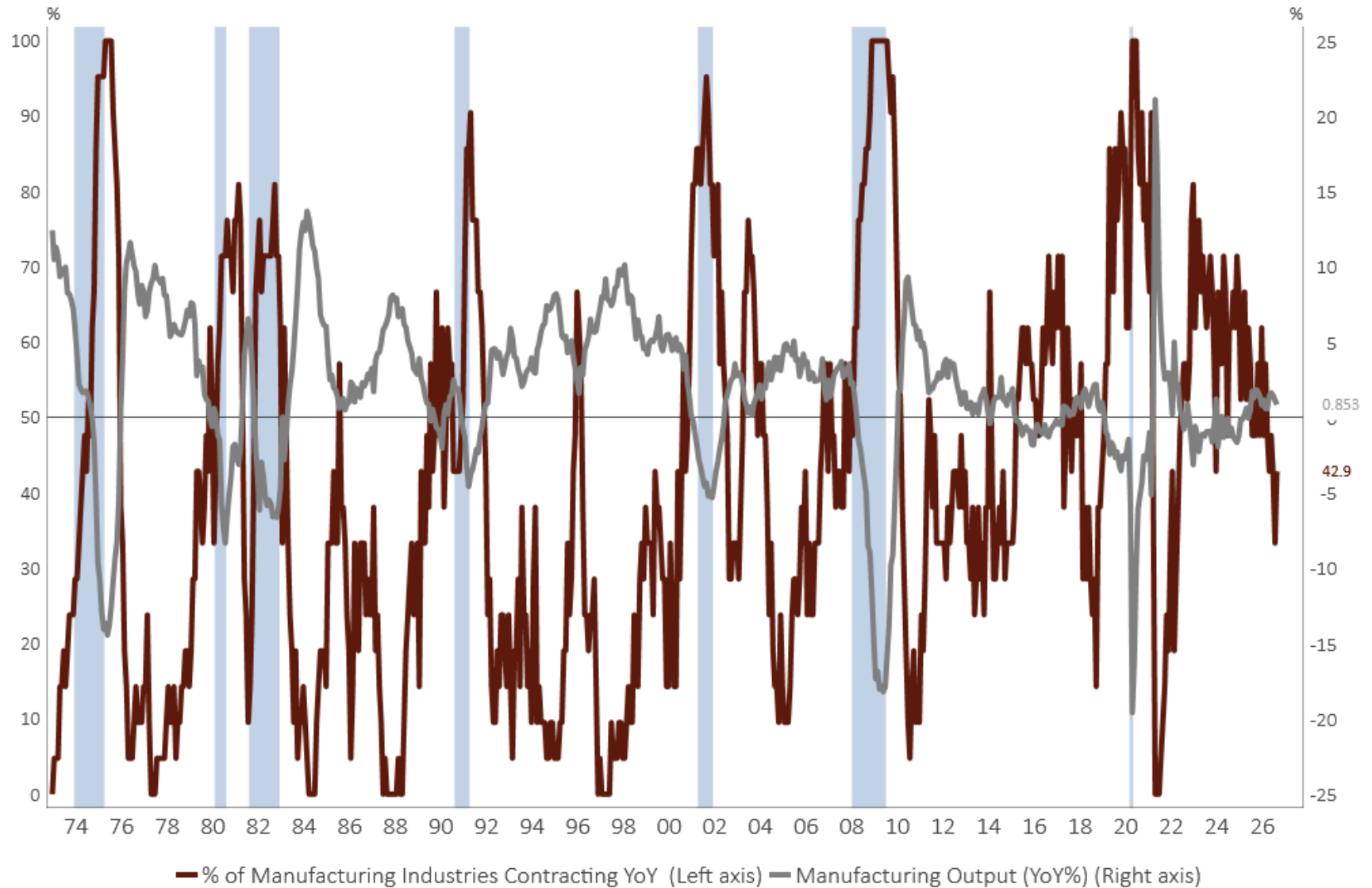
Net worth climbing, savings falling



Source: Renaissance Macro Research, Macrobond

Sluggish sales?

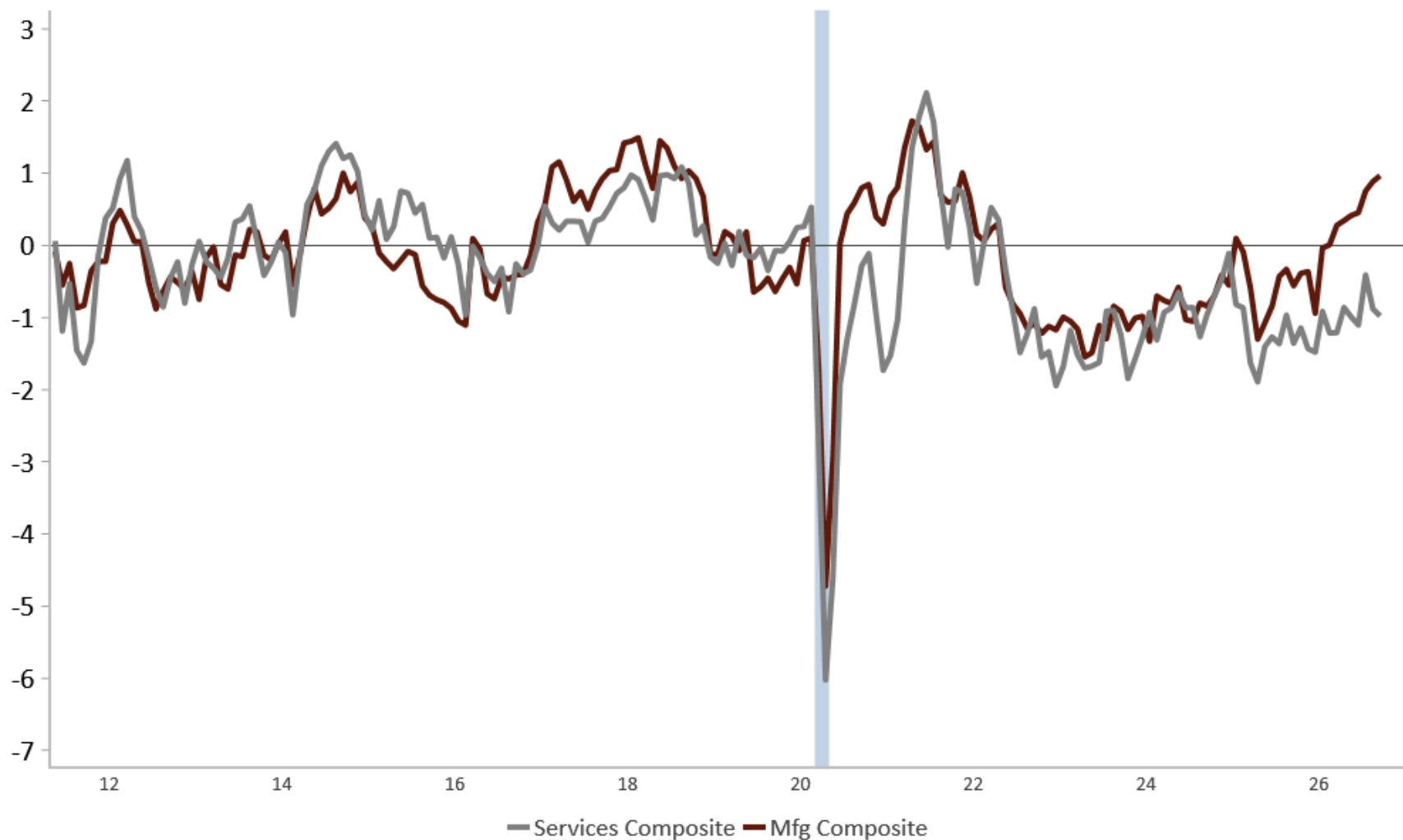
This hardly qualifies as a boom



Wedge between manufacturing and services

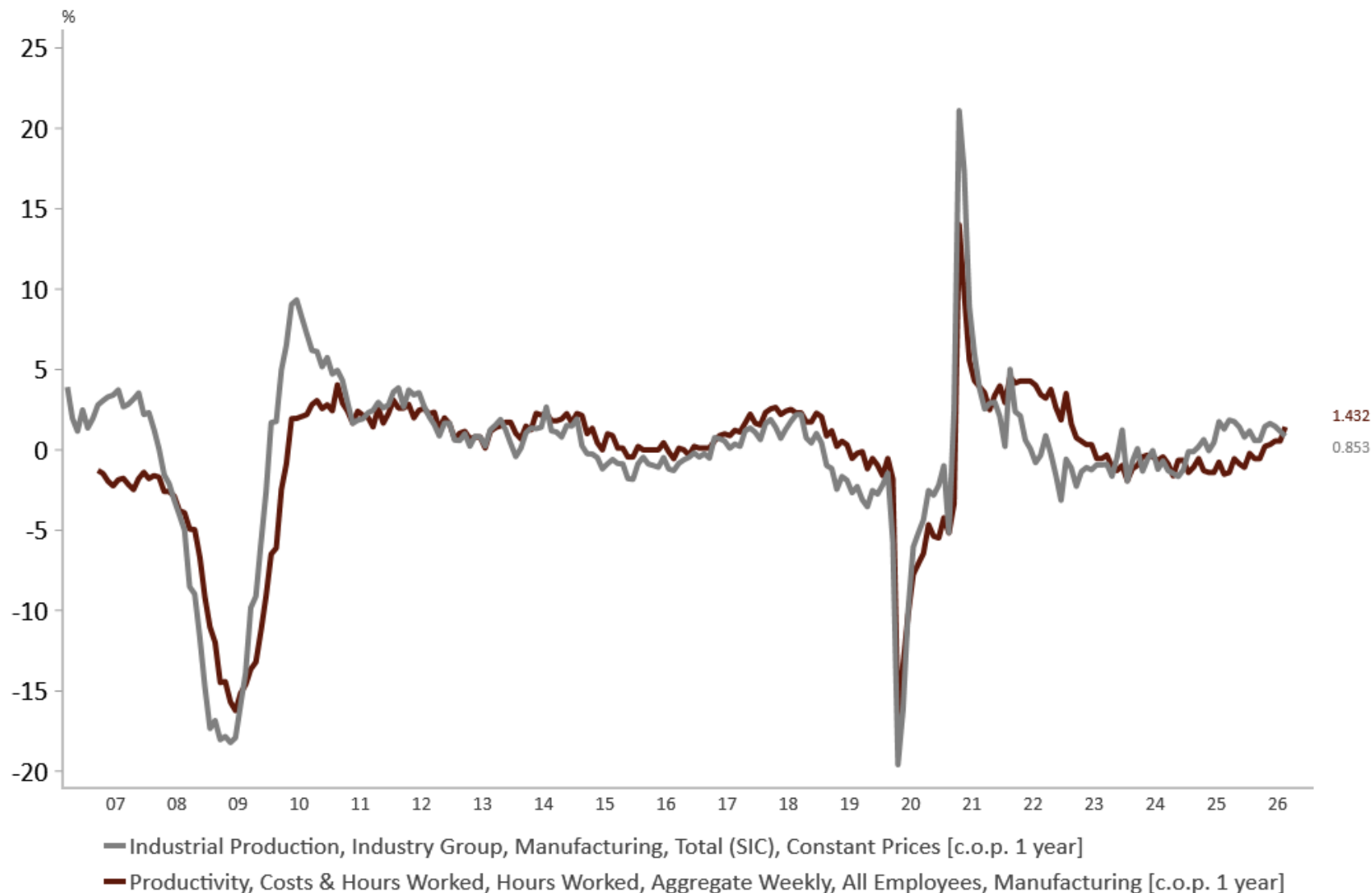
(Empire State, Philly, Richmond, Dallas & Chicago Fed surveys)

(z-scored to 2000–2019 mean and SD, where available)



No manufacturing productivity boom

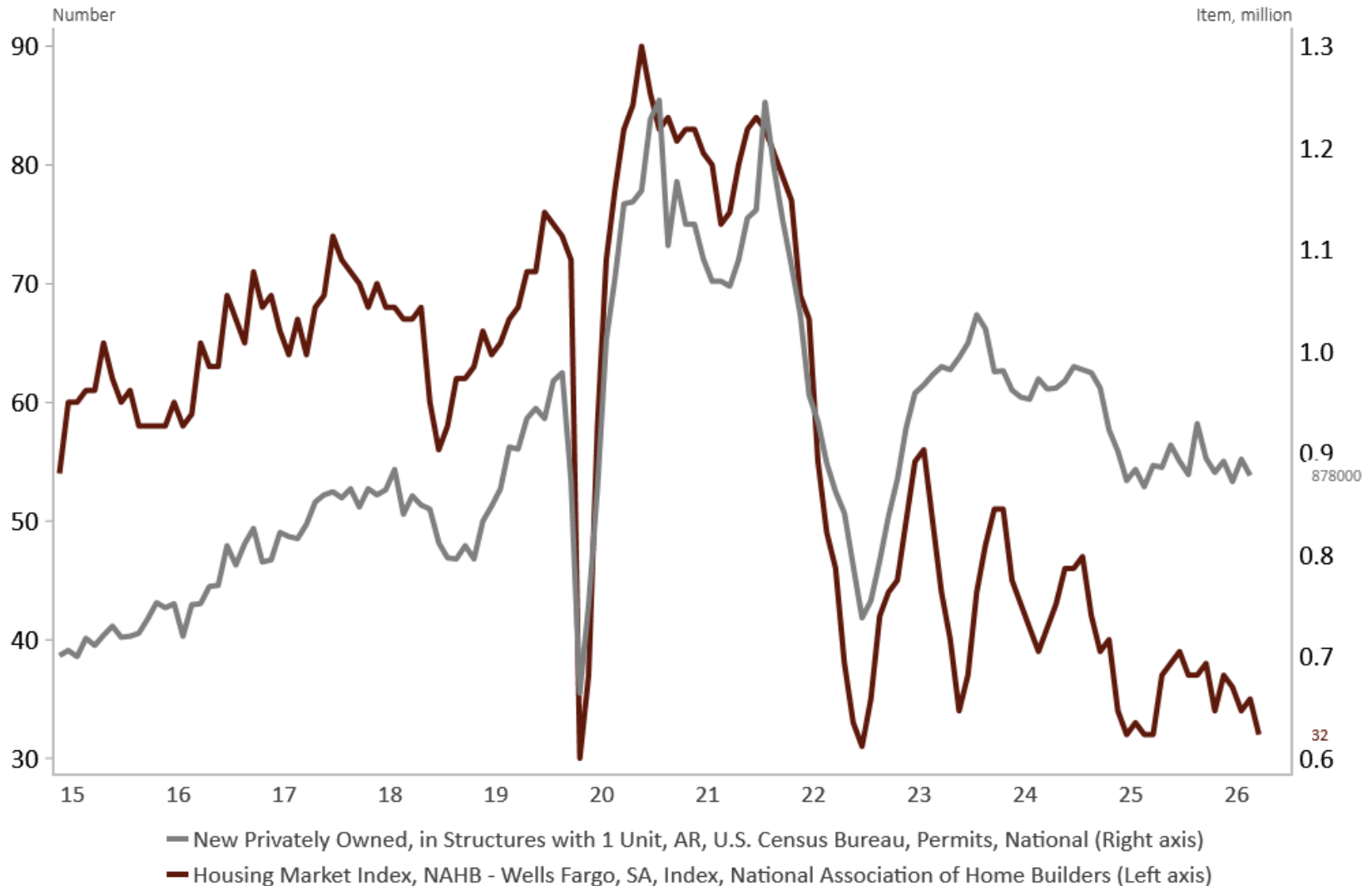
Factory hours rising faster than output



Source: Renaissance Macro Research, Macrobond

Builder sentiment implies less activity

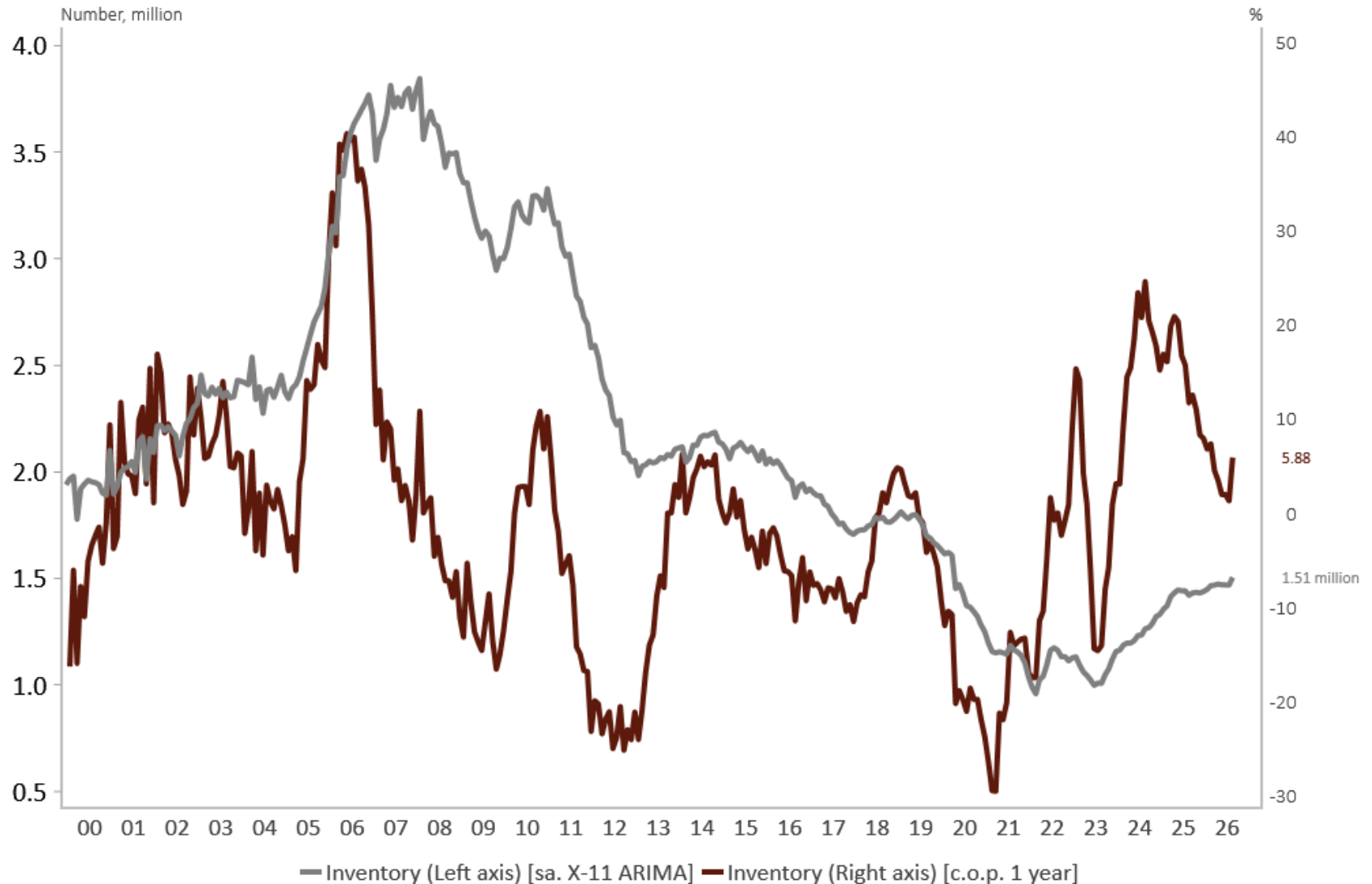
Builder sentiment points to weaker single-family construction



Source: Renaissance Macro Research, Macrobond

More competition for builders

Inventories have been climbing



Source: Renaissance Macro Research, Macrobond

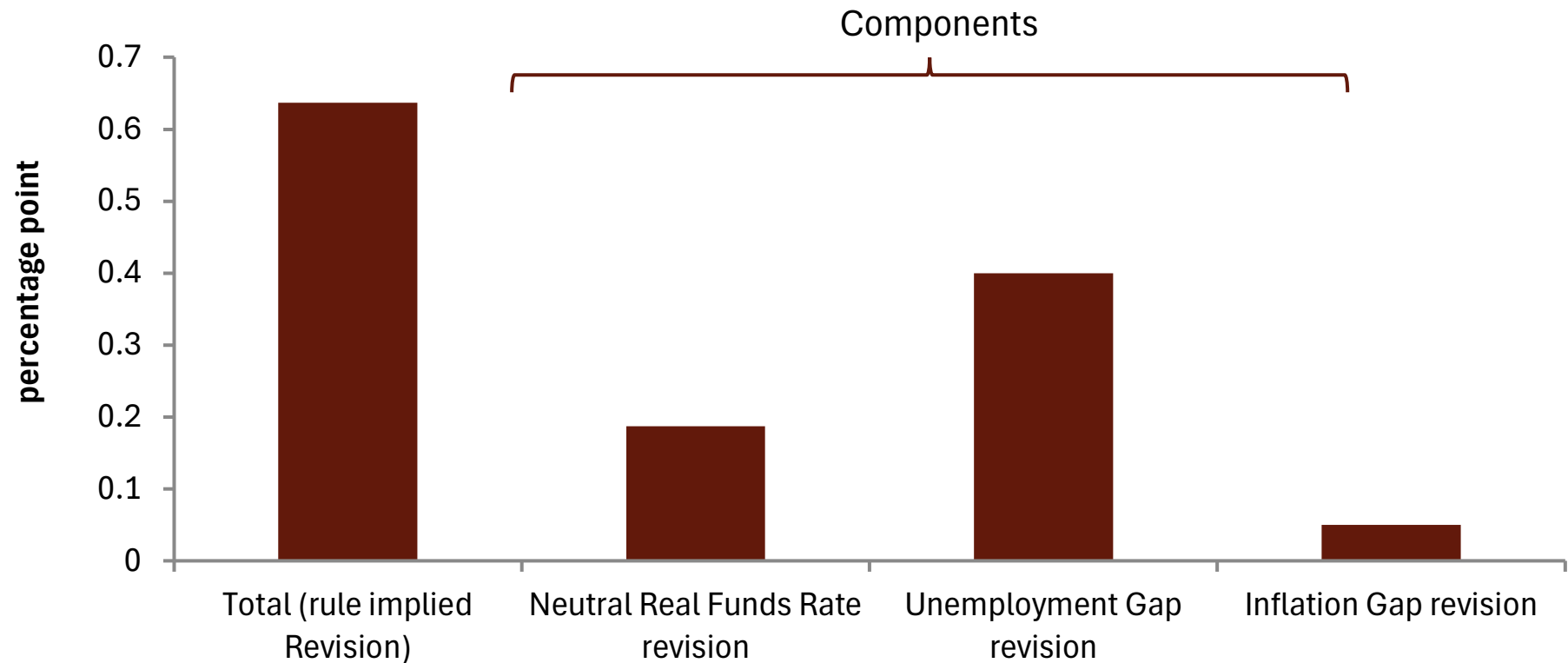
Demand is slowing with higher rates

Purchase apps buckle under higher mortgage rates



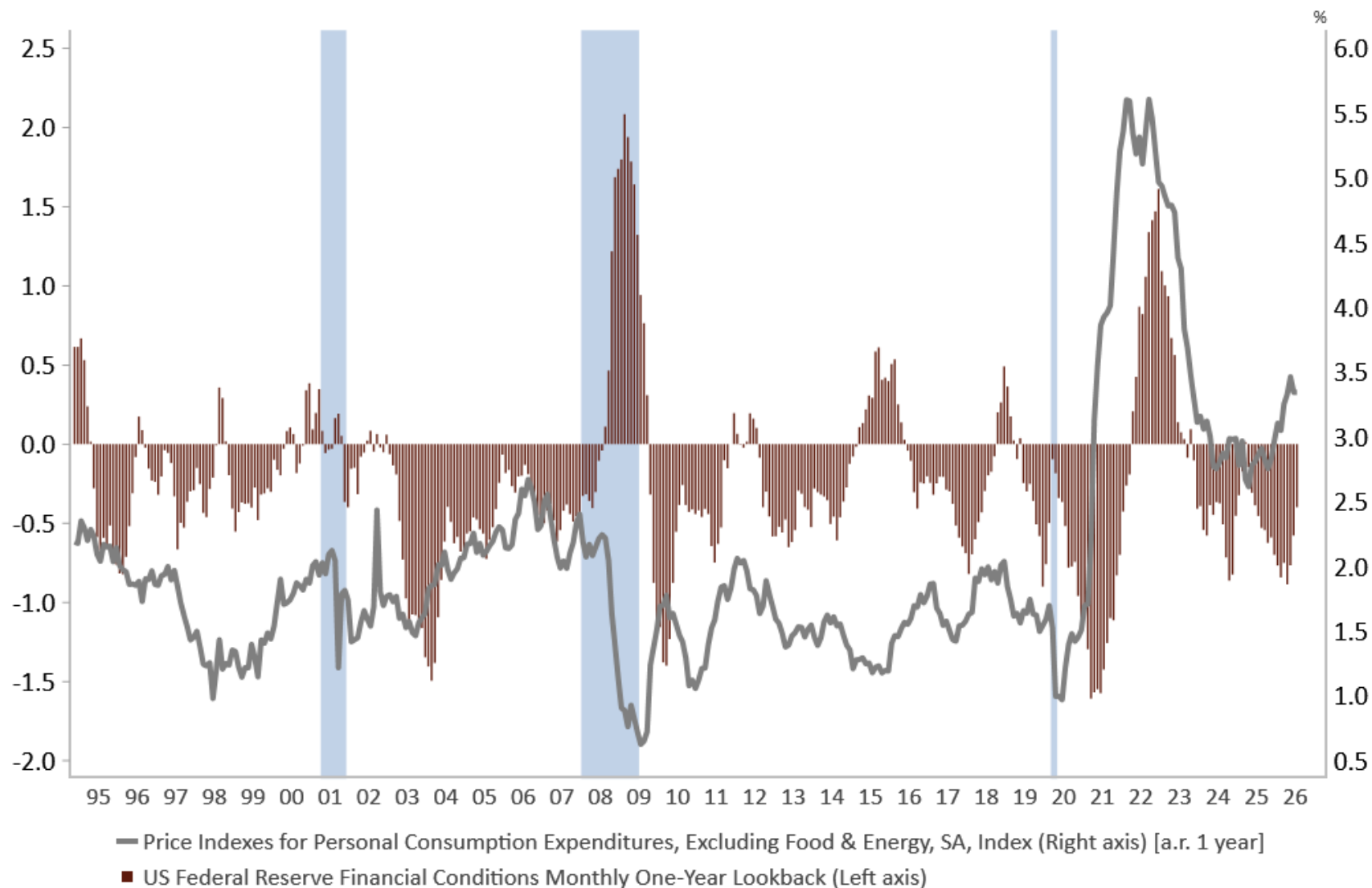
The dots were not **that** hawkish

Rule-implied (Taylor 1999) 2026 funds rate revision



Note: Funds rate revision = neutral_real_rate_revision + 0.5*Core_Inflation_revision + 2*Unemployment_gap_revision

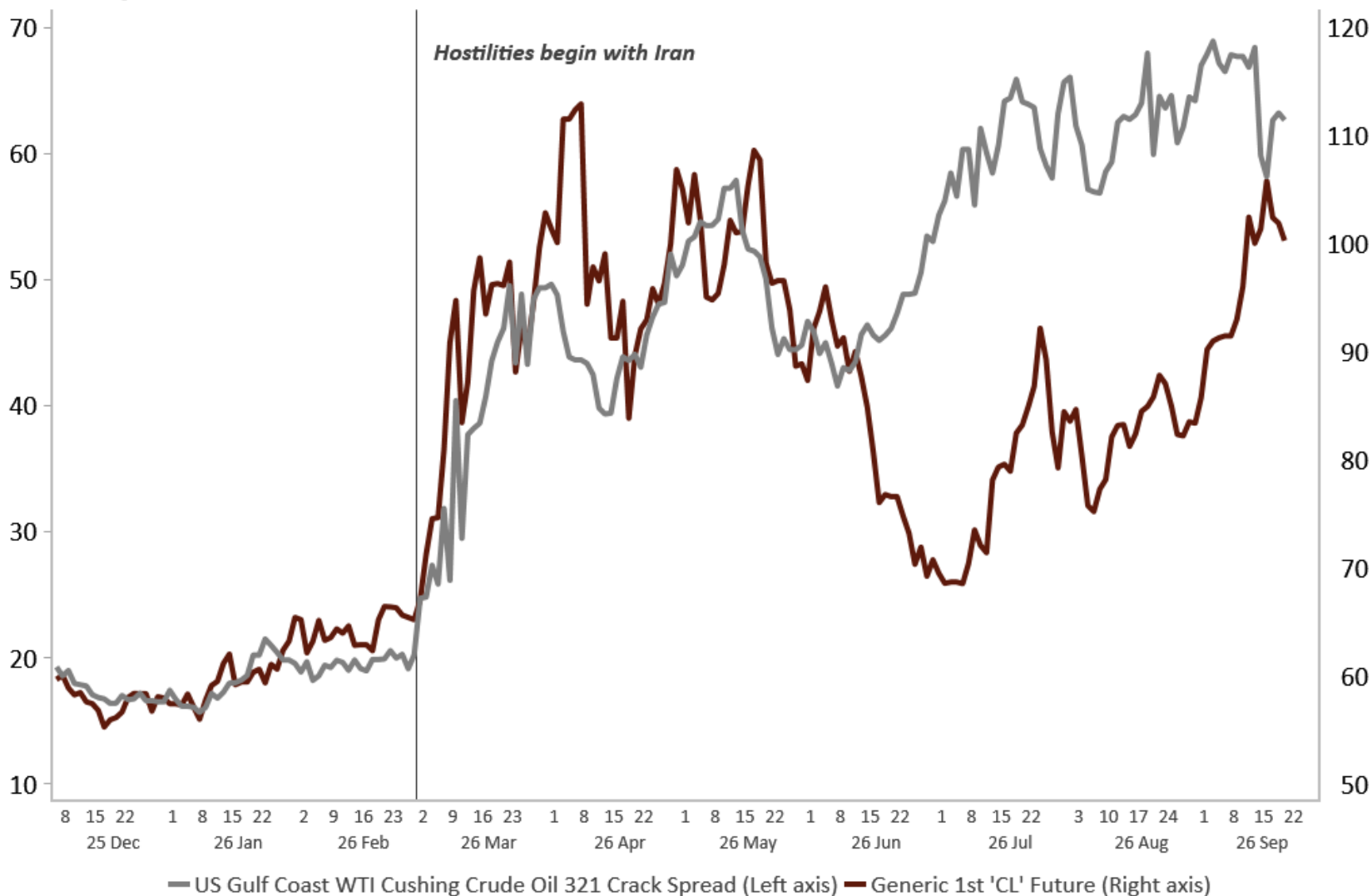
Financial conditions too loose with inflation above two percent



Source: Renaissance Macro Research, Macrobond

Energy prices imply more pass-through

Crack spreads have been elevated



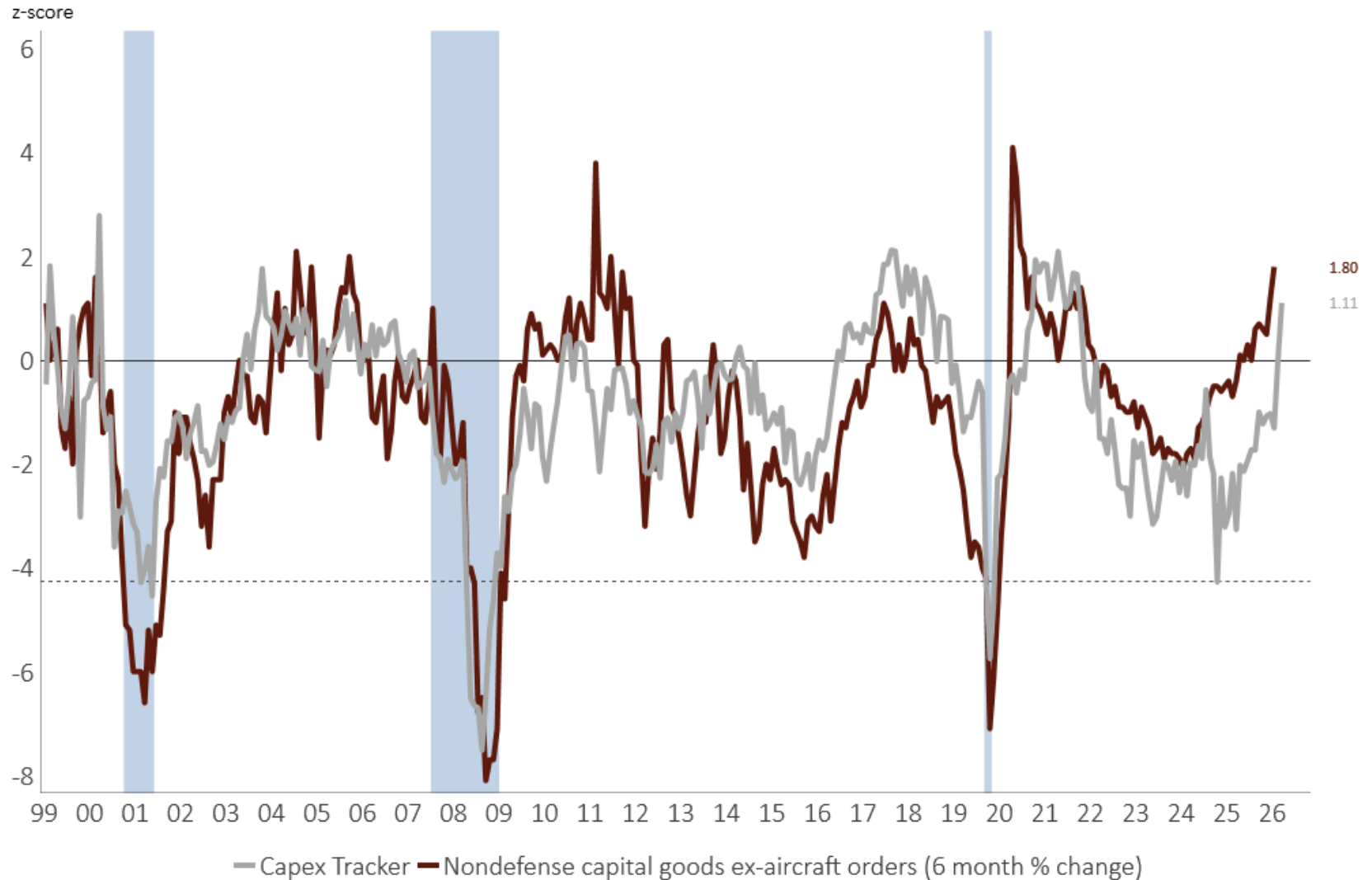
Source: Renaissance Macro Research, Macrobond

Here comes the Fedspeak

Date Time	Event
9/21/2026 6:30	Fed's Goolsbee Speaks About Monetary Policy
9/22/2026 10:05	Fed's Williams Gives Keynote Remarks
9/22/2026 10:20	Fed's Jefferson Speaks on Treasury Market Functioning
9/22/2026 13:00	Fed's Barkin Speaks to the CFA Society Baltimore
9/23/2026 10:05	Fed's Barr Speaks on Housing
9/24/2026 4:10	Fed's Williams Speaks During Moderated Discussion
9/24/2026 8:00	Fed's Barkin In Fireside Chat With Economic Club of Washington
9/24/2026 8:50	Fed's Hammack Delivers Opening Remarks at Inflation Conference
9/24/2026 10:10	Fed's Paulson Speaks At Fintech Conference
9/25/2026 5:15	Fed's Williams Participates in Policy Panel
9/25/2026 14:00	Fed's Hammack Participates In Policy Panel Discussion

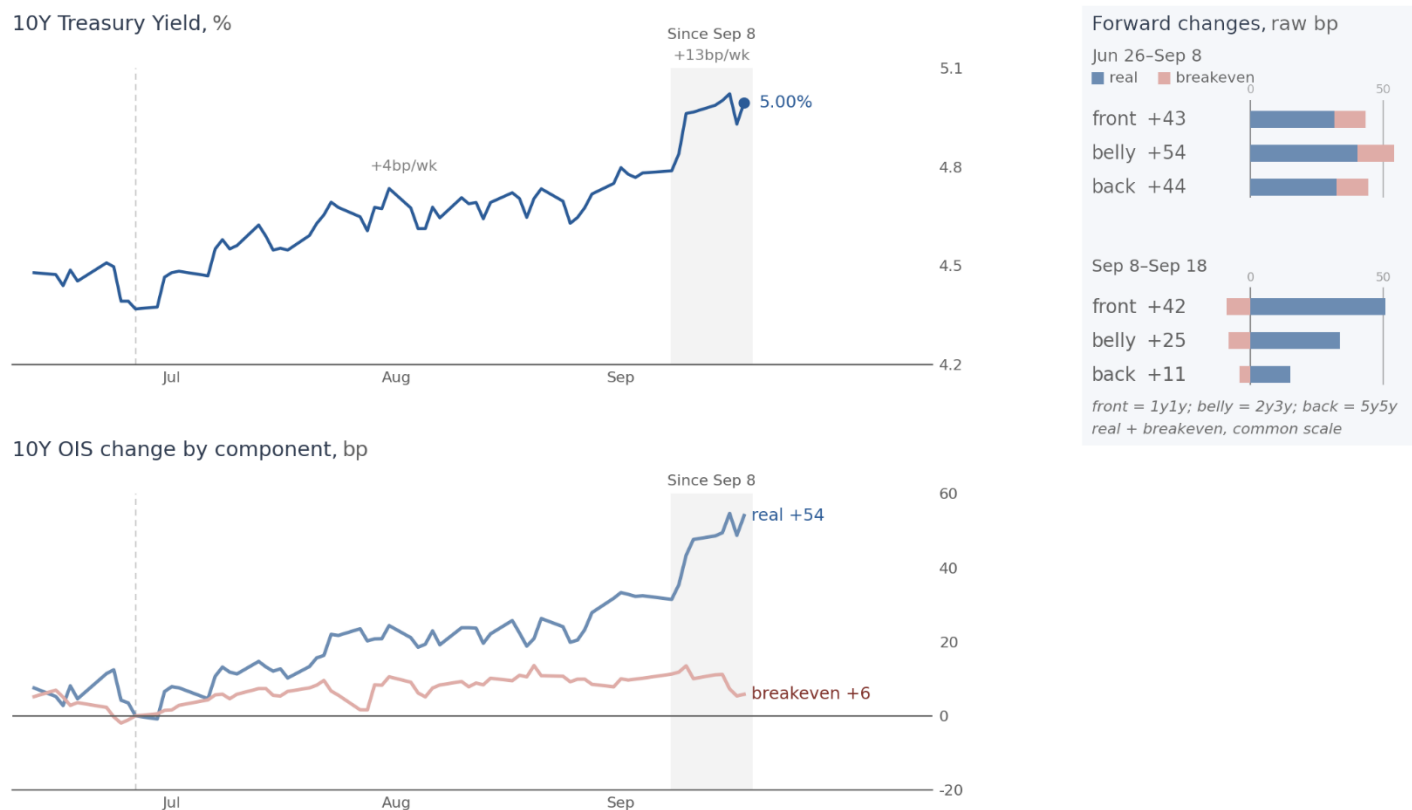
Watch core durables for August

Capex intentions have improved



Source: Renaissance Macro Research, Macrobond

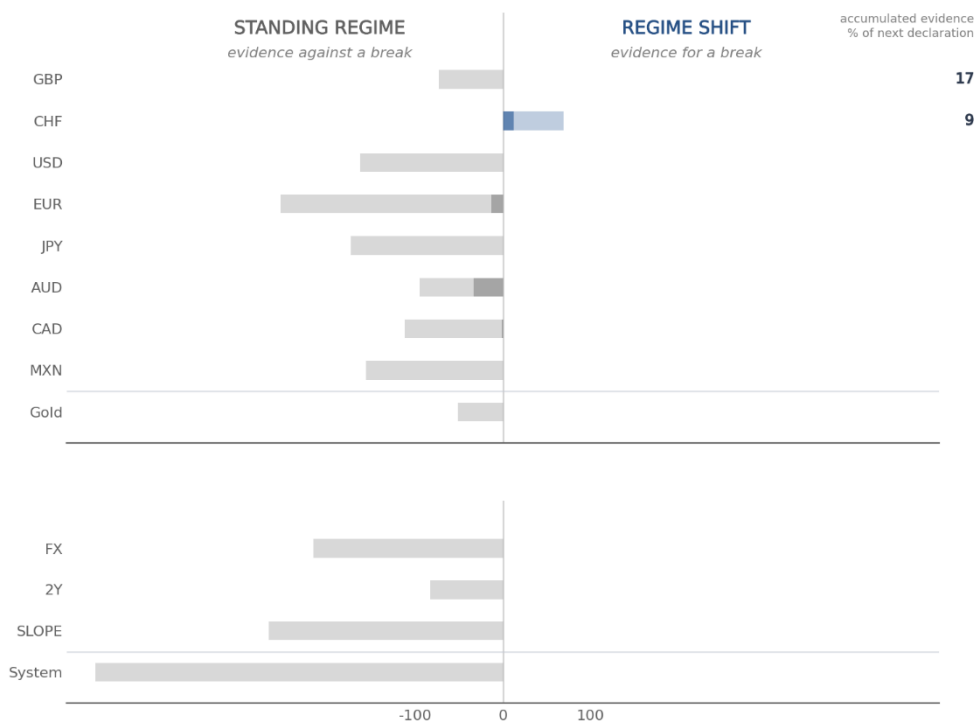
Howard Mason: 10-Year Treasury - Two Regimes



Pace shown per five sessions in the upper panel. Lower panel shows the 1y9y real and breakeven components of the 10Y OIS change since the Jun 26 low (dashed); the 0y1y remainder (+5bp) is not drawn.

Market Regime Watch: Evidence by Track

evidence is the log odds of shift vs standing regime, in nats; bars = this week's flow, % of a declaration's nats; stock = % of what the next declaration requires



Currencies

	declared
CHF	Sep 15 '26
EUR	Sep 10 '26
GBP	Sep 1 '26
MXN	Aug 26 '26
USD	Jul 30 '26
CAD	Mar 20 '26
AUD	Mar 10 '26
Gold	Jan 30 '26
JPY	Jul 23 '25

Global Markets

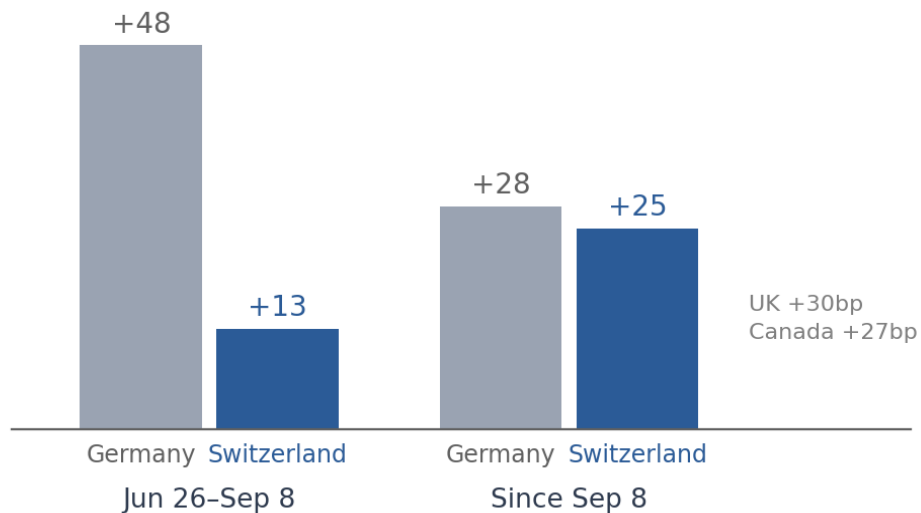
	declared
SLOPE	Sep 10 '26
System	Sep 10 '26
2Y	Sep 1 '26
FX	Jul 30 '26

Market Regime Watch learns typical joint variation across eight currency/rates complexes and gold. Bars show this week's evidence before the zero floor: navy favors a break, gray the standing regime; faded portions are not retained because the accumulator hits zero or resets after a declaration. Gold is measured against, but excluded from, the basket; System is the full covariance across currencies, front ends and curve slopes. Break thresholds are calibrated to a common declaration rate (4.6–7.6 nats); repeats within two weeks require a larger shock. Data through Sep 18, 2026.

Global Front Ends Repriced Together After Sep 8

Global Front Ends Moved Together After Sep 8

2-year yield change, bp



Close to close. Since-Sep-8 moves measured at the Sep 14-18 peak.

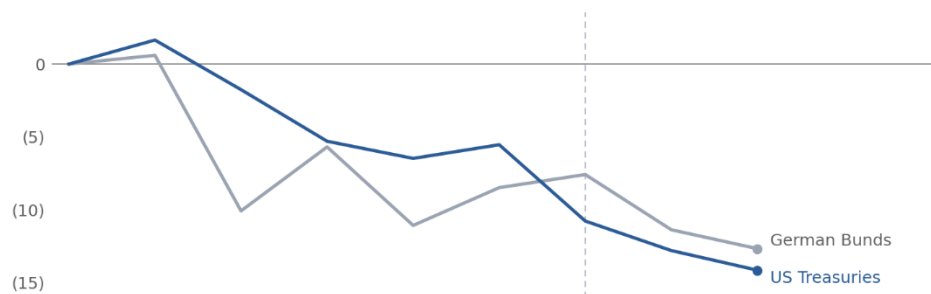
A COMMON SHOCK

Switzerland moved from about one-quarter of Germany's rise before Sep 8 to almost the same move after, despite an SNB policy rate of zero.

US Curve Caught Up to Europe's Growth-Risk Signal

Europe Priced Growth Risk First

change in 2s10s government yield slope since Sep 8, bp



CURRENT READ

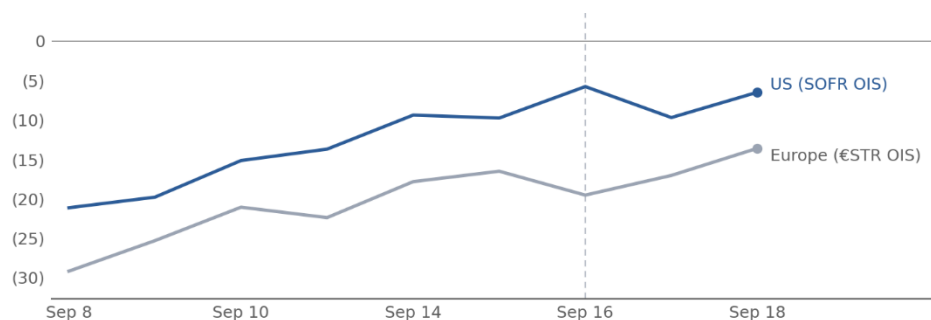
Europe priced the growth cost first.
The US curve has begun to follow.

ALTERNATIVE

If demand remains resilient, the US curve should re-steepen and the 10-year move well above 5%.

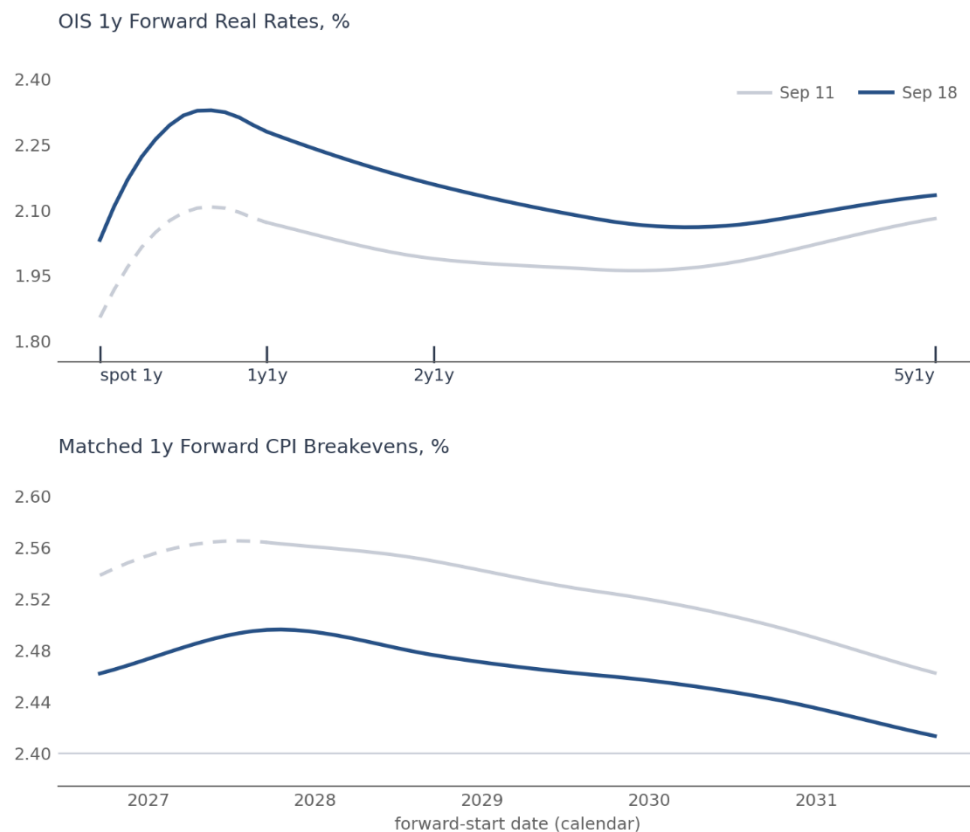
Forward Curves Flattened Together

OIS 2y3y forward less 5y5y, bp



Daily closes to Sep 18. Dashed line: Sep 16 FOMC.

Real Rates Rose While Breakevens Fell Toward Anchor

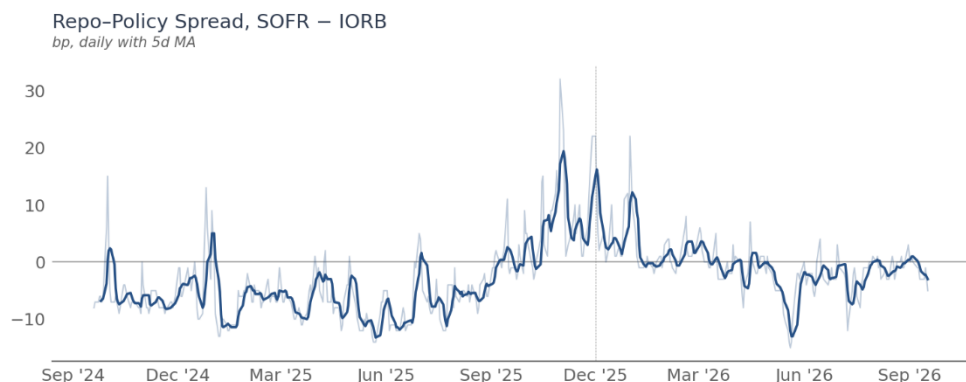
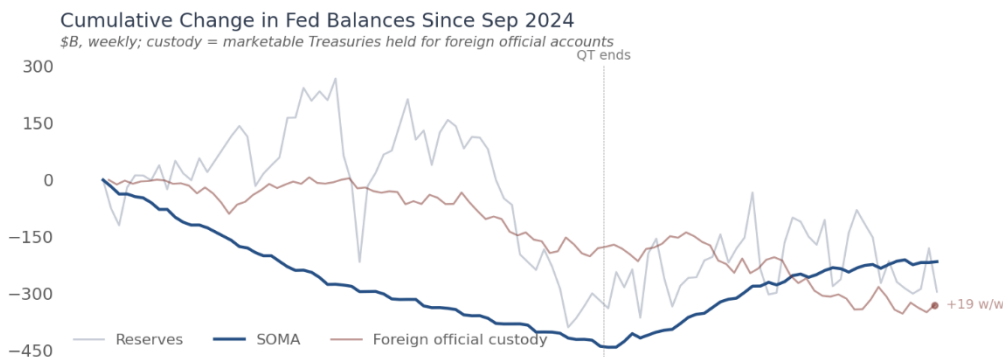


Forward levels, %		
	real	breakeven
1y1y	2.28	2.50
2y1y	2.16	2.48
5y1y	2.13	2.41
5y5y	2.22	2.41
anchor		2.40

Breakeven levels by week, %			
	1y1y	5y1y	5y5y
Sep 18	2.50	2.41	2.41
Sep 11	2.56	2.46	2.44
Sep 04	2.57	2.46	2.44
Aug 28	2.54	2.46	2.43
Aug 21	2.59	2.47	2.45
Aug 14	2.60	2.45	2.44

Upper: 1-year forward real rates, defined as 1-year forward SOFR OIS less matched 1-year forward CPI breakevens (USSWIT, CPURNSA, 3m lag). Lower: matched 1-year forward CPI breakevens. The energy adjustment tapers from full weight at spot to zero at 1y1y; the implied prior-week-close nominal rate is unchanged. Levels are latest close. Anchor is the 2% PCE target on a CPI basis (2.4%), drawn on the lower panel; the back is r^* plus term premium. 5y5y is the 5-year forward from 5y, off the same curves. Lower table: 1y1y, 5y1y and 5y5y breakeven levels at the six most recent Friday closes.

Balance Sheet Drain Is No Longer Tightening Repo



Balance sheet levels, \$T			
	Sep 18	$\Delta 1w$, \$B	
SOMA	6.5	+2	
Reserves	2.9	-115	
TGA	1.0	+148	
RRP	0.0	+5	

Foreign official accounts Wednesday levels (\$bn)			
	Δ custody	Δ repo pool	FIMA
Sep 16	+19	-31	0
Sep 09	-11	-8	0
Sep 02	-14	+2	0
Aug 26	+29	-18	0
Aug 19	-11	+16	0
Aug 12	-34	+40	0

Upper panel: SOMA holdings and reserve balances, each as its cumulative change from the start of the window, read as paths from a common zero. Lower panel: SOFR less IORB, daily, with a 5-day moving average; a positive spread is repo above the administered floor. $\Delta 1w$ is computed from unrounded balances, so it need not equal the difference of the printed levels. Lower table: foreign official custody of marketable Treasuries, the foreign official repo pool, and FIMA repo (H.4.1 Table 1A), Wednesday levels; changes are Wednesday-to-Wednesday and do not equal the release's printed week-average change. The custody line is that level, cumulative from the same start. FIMA repo: 0. Custody falling with FIMA untouched — intervention funded by outright sales.



Real Yields Are Doing the Pushing

10Yr Real Yield



Credit Is Whispering, Not Shouting

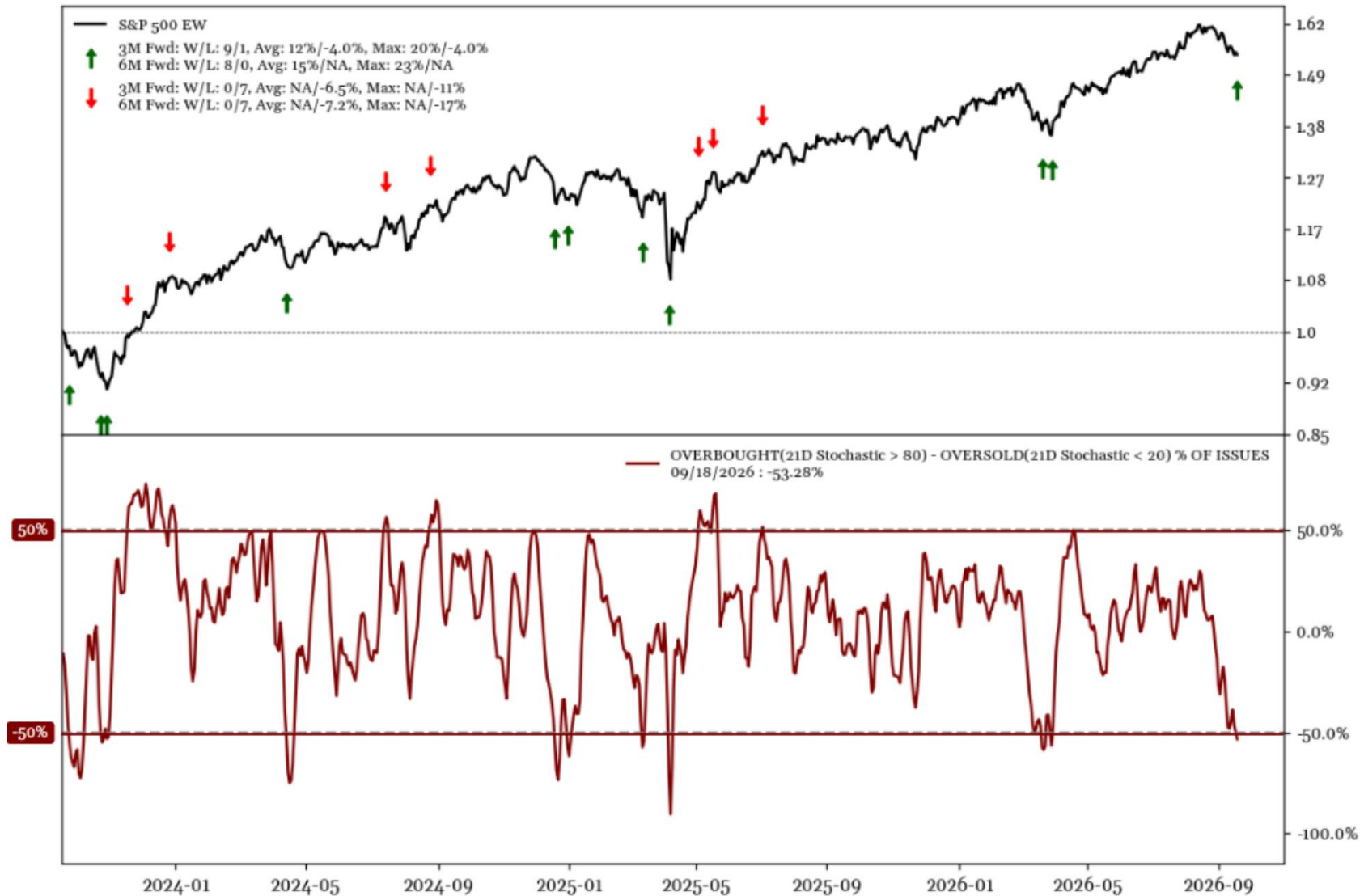
HY Spread to Treasury



The Index is Consolidating in Trend

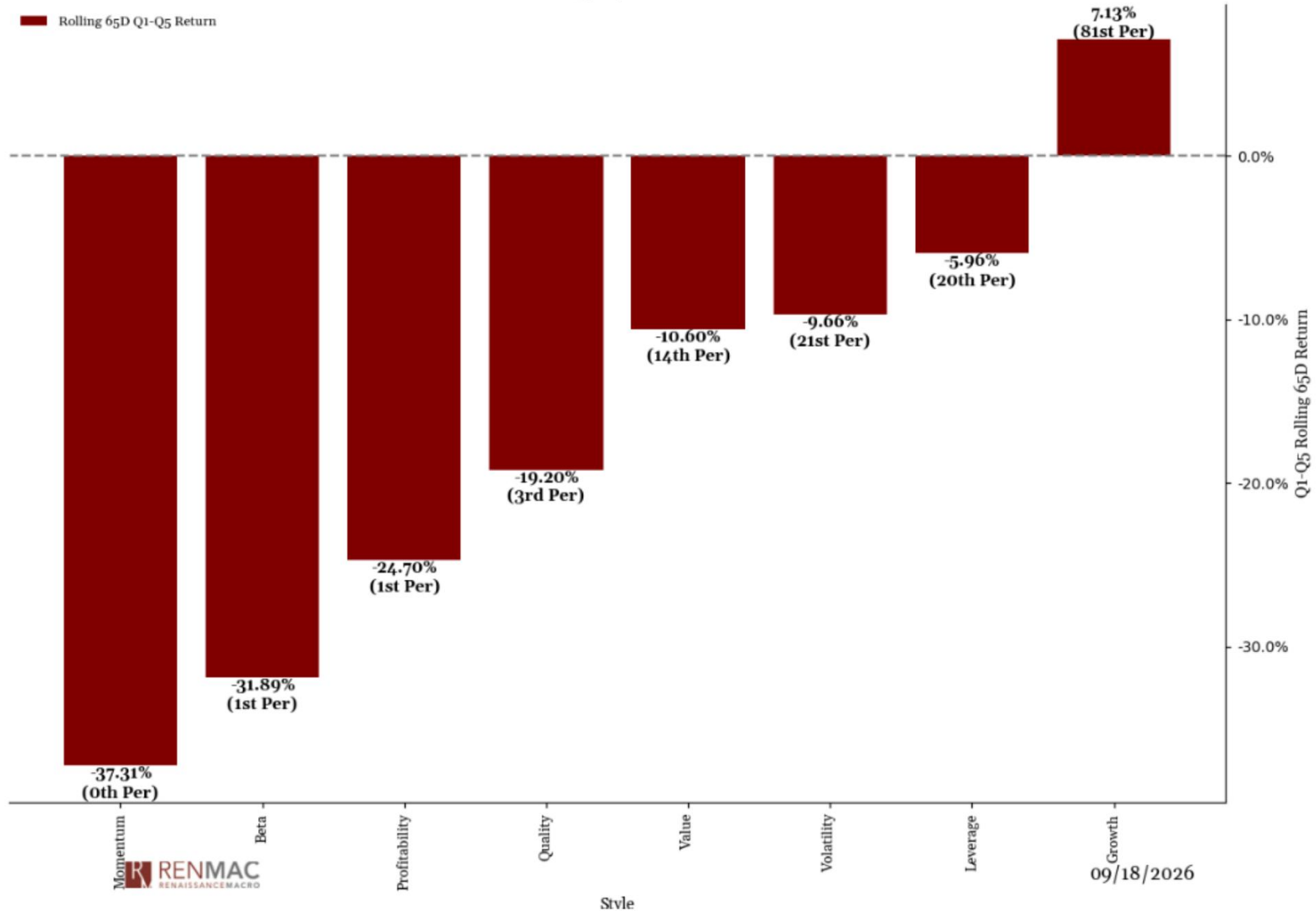


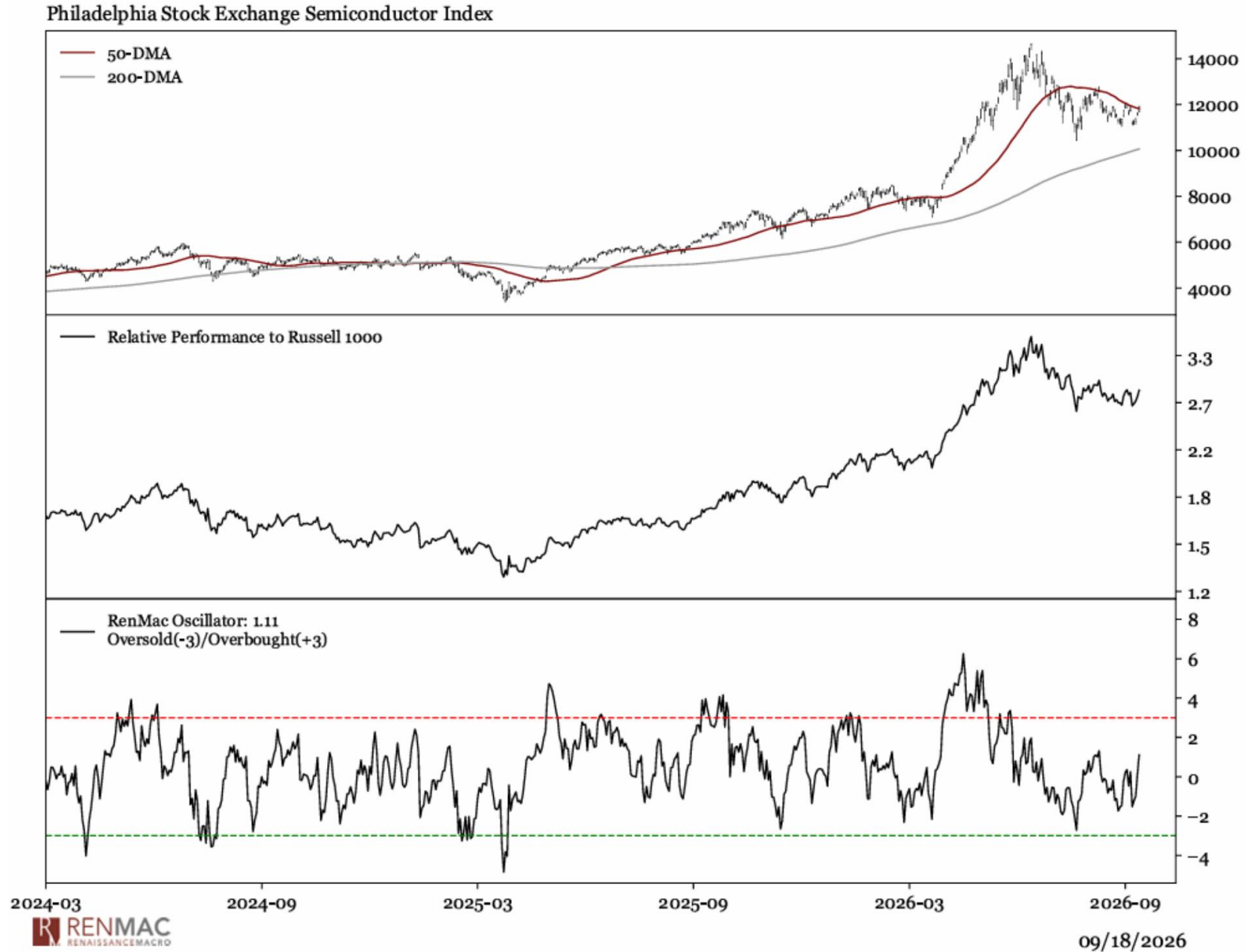
Underneath, It's Washed Out



Tech Momentum in 0th Percentile

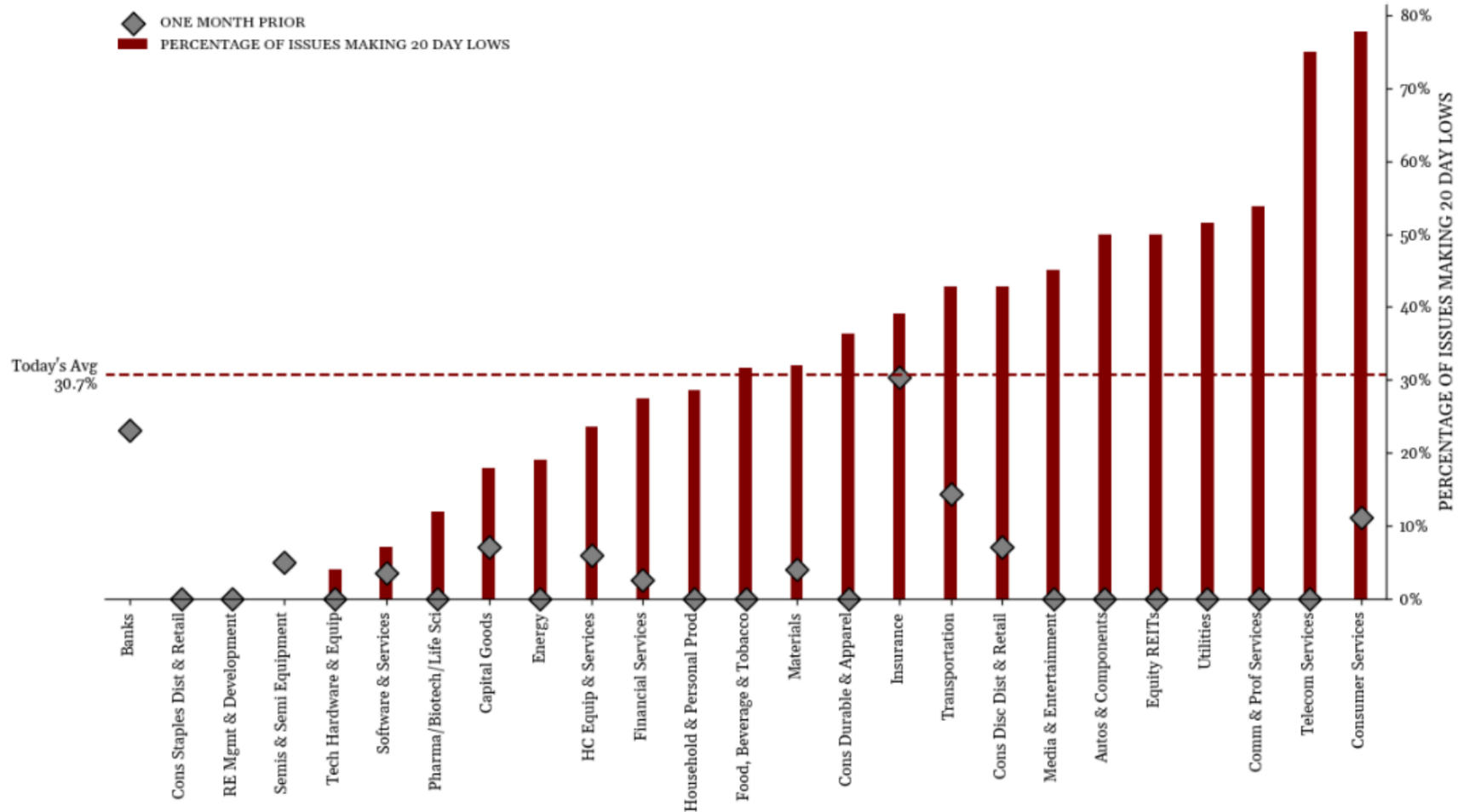
Russell 1000 (Information Technology) Q1-Q5 Rolling 65D Return
09/18/2026





Where the Damage Actually Sits

S&P 500 Industry Groups PERCENTAGE OF ISSUES MAKING 20 DAY LOWS
09/18/2026



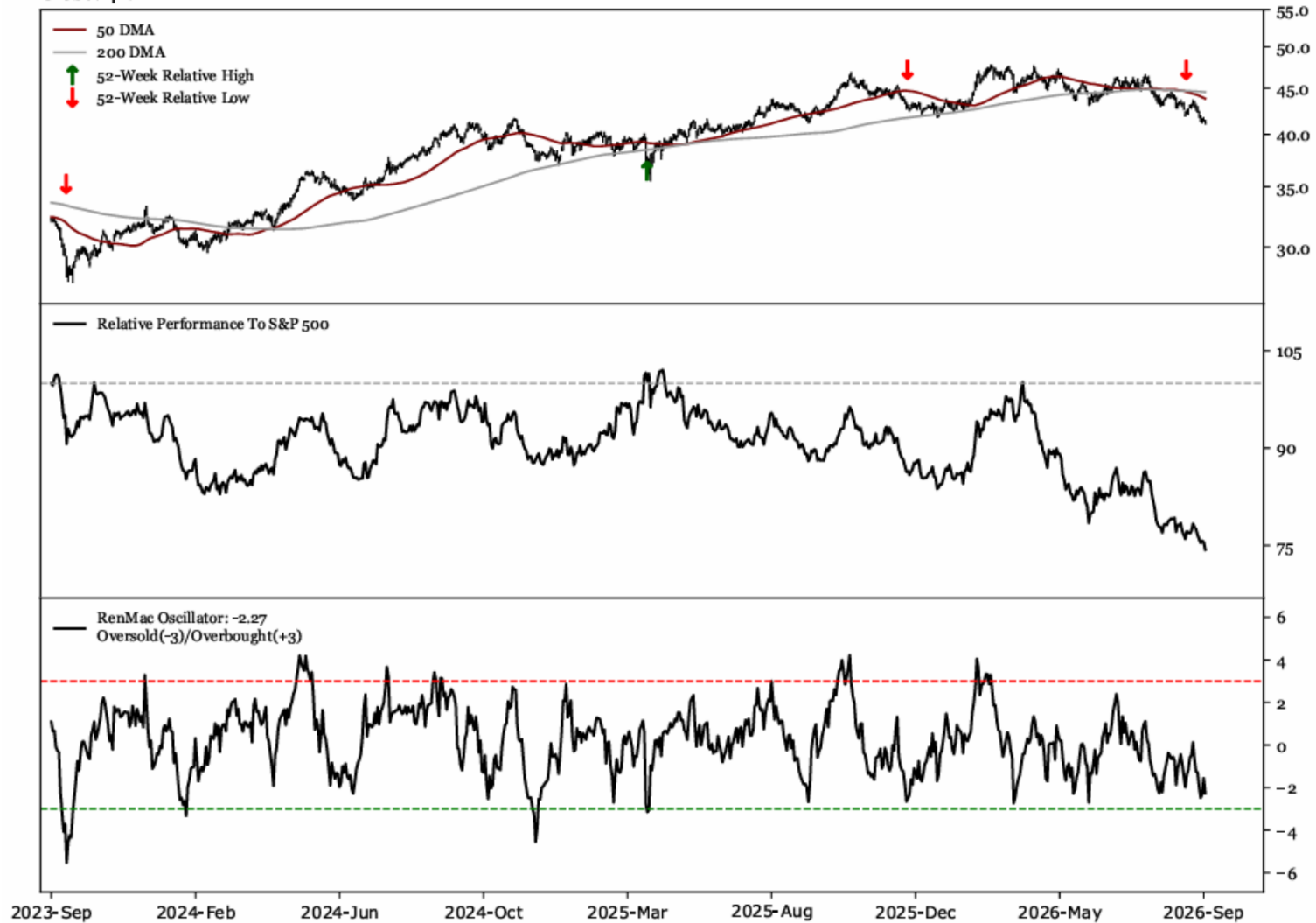
Utilities Not Indicating Growth Scare

(XLU) State Street Utilities Select Sector SPDR ETF

RenMac Rank: 5

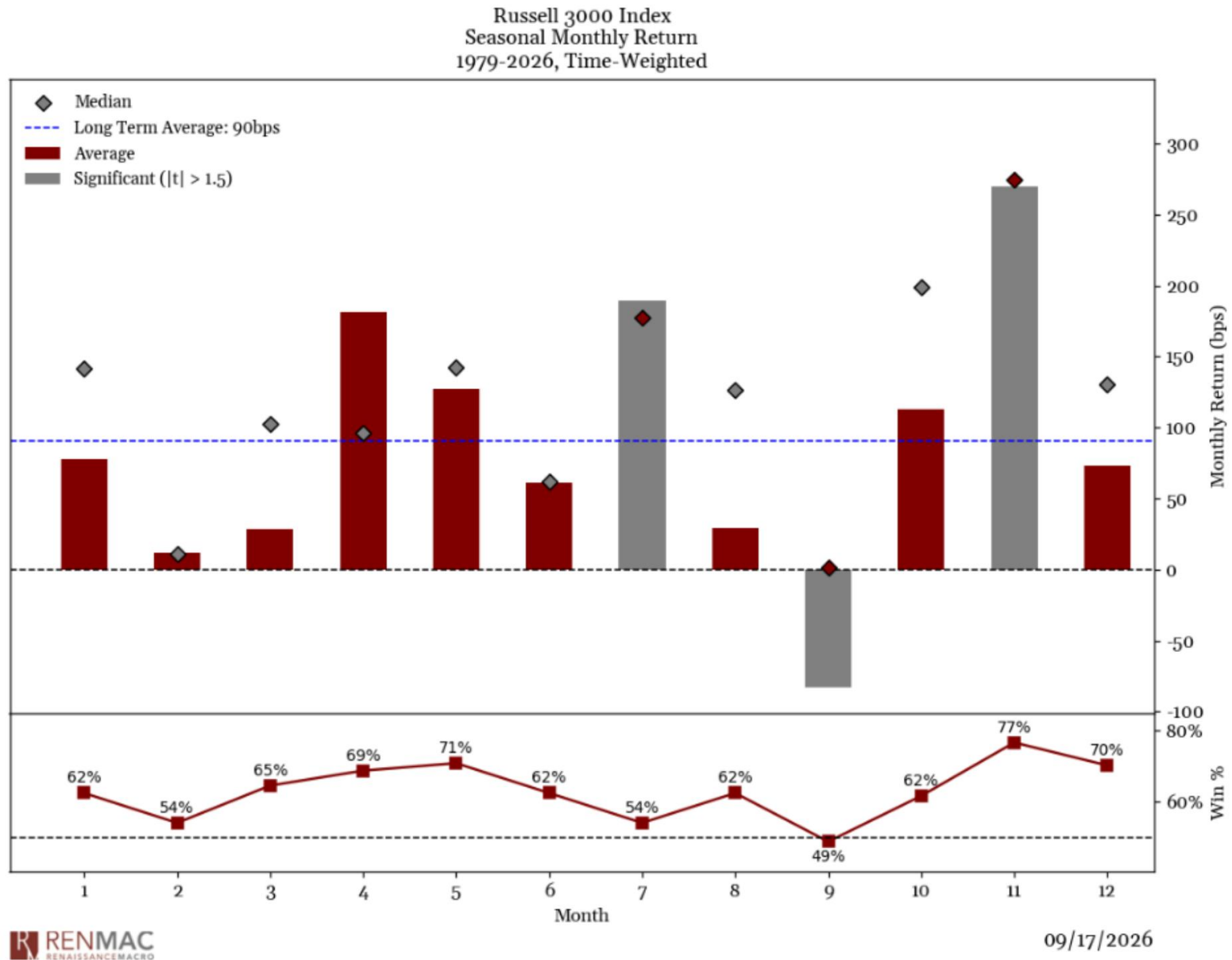
Close: 41.1

Market Cap: 21.15B





The Calendar Turns in a Few Weeks



Market Intelligence Calendar — September 21–25, 2026

MON Sep 21	TUE Sep 22	WED Sep 23	THU Sep 24	FRI Sep 25
ECONOMIC DATA 8:30 AM Chicago Fed National Activity Index (Aug) ECONOMIC DATA 11:00 AM NY Fed SCE Household Spending Survey TREASURY AUCTIONS 11:30 AM 13-Week & 26-Week Bill Auctions — Settlement Sep 24 POLITICAL / D.C. CRITICAL All Week FY2027 Funding Deadline — House/Senate CR Reconciliation Before Sep 30 Lapse POLITICAL / D.C. HIGH All Week Fed Speak Window Open — Post-FOMC (Sep 16 Hike to 3.75–4.00%) CENTRAL BANKS & INTL HIGH All Day PBoC Loan Prime Rate Decision (Sep) — Hold at 3.00% Expected	ECONOMIC DATA 8:15 AM ADP Weekly Private Employment Change ECONOMIC DATA 8:30 AM Philadelphia Fed Non-Manufacturing Survey (Sep) ECONOMIC DATA HIGH 10:00 AM Richmond Fed Manufacturing Survey (Sep) TREASURY AUCTIONS 11:30 AM 6-Week Bill Auction — Settlement Sep 24 TREASURY AUCTIONS 1:00 PM 2-Year Treasury Note Auction (~\$69B) — Settlement Sep 30 POLITICAL / D.C. HIGH TBD Fed Speak: Richmond Fed President Barkin POLITICAL / D.C. HIGH All Week UNGA 81 General Debate Opens (Sep 22–26) — Geopolitical Headline Risk	ECONOMIC DATA CRITICAL 9:45 AM S&P Global Flash U.S. Manufacturing & Services PMI (Sep) TREASURY AUCTIONS 11:30 AM 17-Week Bill Auction — Settlement Sep 29 TREASURY AUCTIONS 11:30 AM 2-Year FRN Reopening — Settlement Sep 25 TREASURY AUCTIONS 1:00 PM 5-Year Treasury Note Auction (~\$70B) — Settlement Sep 30 CENTRAL BANKS & INTL HIGH All Day Eurozone / Germany / UK Flash PMIs (Sep) — S&P Global	ECONOMIC DATA HIGH 8:30 AM Initial Jobless Claims (Week Ended Sep 19) ECONOMIC DATA HIGH 10:00 AM New Home Sales (Aug) ECONOMIC DATA 11:00 AM Kansas City Fed Manufacturing Survey (Sep) TREASURY AUCTIONS 11:30 AM 4-Week & 8-Week Bill Auctions — Settlement Sep 29 TREASURY AUCTIONS 1:00 PM 7-Year Treasury Note Auction (~\$44B) — Settlement Sep 30 CENTRAL BANKS & INTL HIGH All Day Swiss National Bank Rate Decision & Press Conference EARNINGS After Close COST	ECONOMIC DATA CRITICAL 8:30 AM Durable Goods Orders (Aug) — Advance Report ECONOMIC DATA HIGH 10:00 AM U. Michigan Consumer Sentiment (Sep) — Final ECONOMIC DATA 11:00 AM Kansas City Fed Services Survey (Sep) OTHER All Day Q3 2026 Quarter-End Rebalancing Window — Quarter Closes Sep 30

■ ECONOMIC DATA
 ■ EARNINGS
 ■ TREASURY AUCTIONS
 ■ POLITICAL / D.C.
 ■ LEGAL & REGULATORY
 ■ CENTRAL BANKS & INTL
 ■ OTHER

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September 30th DC policy group lunch

October 22nd ECNY luncheon with
Charlie Cook previewing midterms

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