A Magazine for MENA Traders

#011
Q3 2026

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ASWA9

Market Pulse

The Yen Rescue: First Joint US-Japan Intervention Since 2011, Then a BoJ Hike

SpaceX's $75 Billion IPO: The Record Listing That Drained the Space Trade

CLARITY Fails 49 to 50: Why Bitcoin Still Ended the Quarter Up 43%



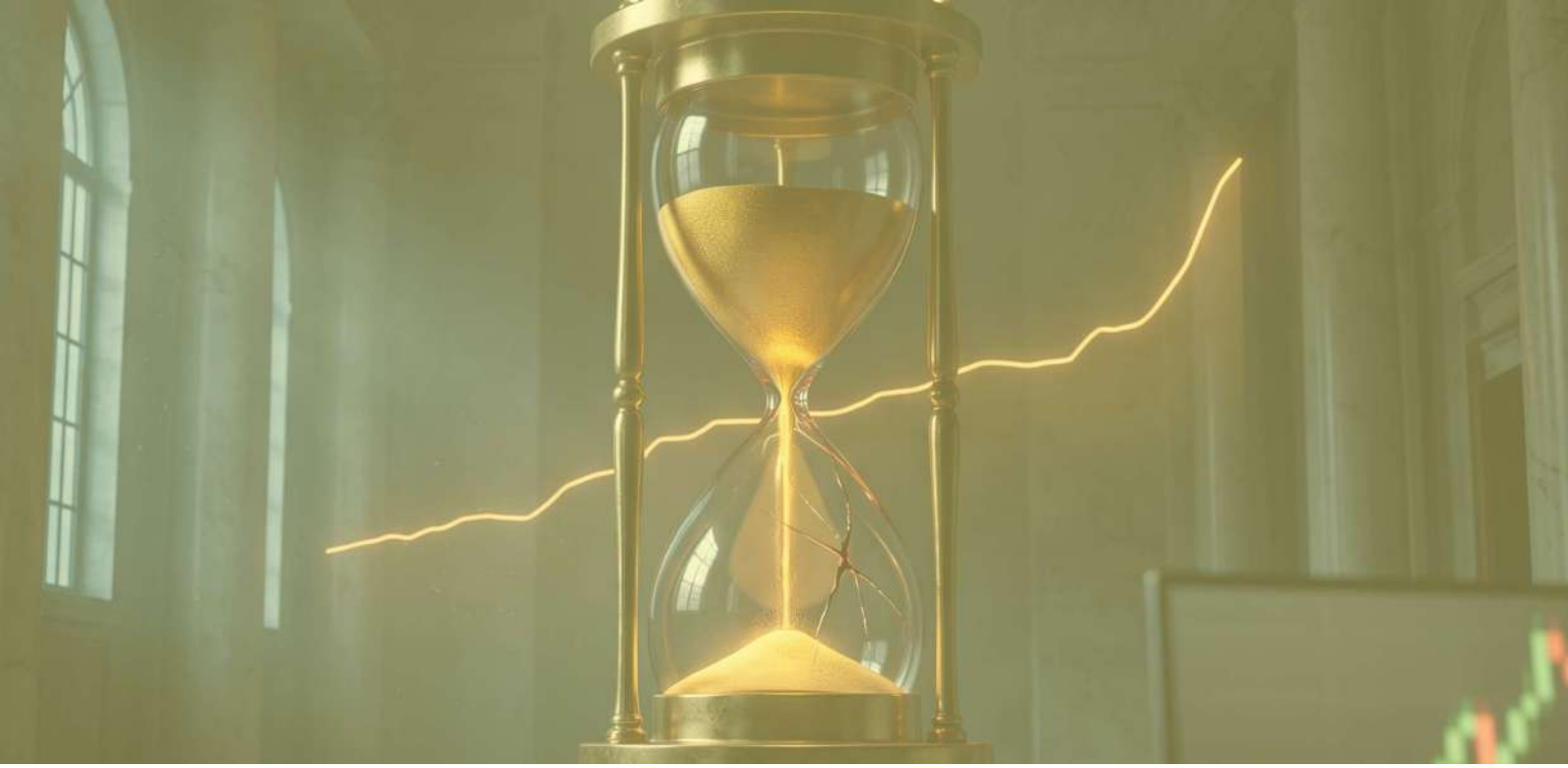
THE FIRST HIKE:

How the Fed and the 30-Year Broke Together, and Why Q4 Decides Who Blinks First

Moderna +177% in One Session: The Melanoma Vaccine That Rewrote the Biotech Quarter

FICO Loses Its Mortgage Monopoly: Half the Share Price Gone in One Quarter

The SEC's Innovation Exemption: Tokenized Stocks Get Their Own Trading Venue



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LETTER FROM THE EDITOR (1/2)

Dear readers,

You are holding the first quarterly edition of ASWA'9 4U Market Pulse. From this issue on, the magazine moves from a monthly to a quarterly rhythm, and we owe you a clear explanation of why.

Why quarterly?

Look back at issues #008 to #010: three months, and one theme that kept returning to our pages. The headlines changed every week, but the forces underneath them barely moved. That taught us something uncomfortable: in a macro environment, a monthly window is mostly noise. Central banks, yield curves, energy shocks and capital flows move in quarters, not in thirty-day slices, and a magazine that chases every month ends up repeating itself.

Let us be direct about what this change is not. It is not a way to work less. A quarterly issue asks more of us: more data to verify, more angles to cross-check, and less room to hide behind the news of the week.

What changes in every issue?

We keep our core role: quant-quality analysis of what happened, measured and sourced, in the same sections you know. But the centre of gravity moves forward. Each issue will now ask one question before any other: what from the last quarter still matters for the next one?

This is not an attempt to predict markets. Nobody can, and we will never pretend to. Our job is to decode what sits between the lines: the vote split behind a decision, the positioning behind a move, the physical market behind the futures screen, the dates already written in the calendar. Put together, these give retail traders a clearer picture, and a clearer picture leads to sharper and more responsible decisions.

Issue #011 covers June to September 2026, since no issue covered June, and carries every story forward into the last quarter of the year. Our cover tells the story of the first hike, and of why Q4 will decide who blinks first.

The EniTrader Partnership Program

We are opening the EniTrader Partnership Program at https://enitrader.com/store/partnership. Approved partners receive an affiliate link for each product in the EniTrader catalogue and access to a partner dashboard. Beyond affiliation, partners can submit their own proposals: courses, workshops, software or mentorships. When a proposal brings real, original value, we host it on our infrastructure, including our learning platform and secure payments, under a revenue share agreed in advance and a contract that protects the partner's ownership.

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New on enitrader.com

Since our last issue, the platform has grown in three directions. EniVersity, our learning platform, is now the home of every programme: Level 1 with its bonus track, Level 2, and the Certified Quant Bootcamp. A free tools suite is live, with fourteen trading calculators, a Monte Carlo Simulator and EniSpector, an audit tool for your MT5 trade history. And the Market Intelligence Tools page now presents EniRadar, MPA and IFFA in one catalogue, with explainer videos and a FAQ.

Stay Connected & Explore our Archives

While we look toward the future as a global entity, our commitment to accessibility remains unchanged:

- **Multi-Language Access**: This issue, like all previous ones, remains available in **English, French, and Arabic** to serve our diverse MENA community.
- **Archives & Podcasts**: All previous issues (#001 to #010) and their corresponding audio podcasts remain fully available for download in our Member Area.
- **The Ecosystem**: Continue the daily conversation on our TikTok channels **@enitrader** for live sessions and **@enitraderhub** for high-impact financial education.

Thank you for being the data that drives our evolution. We are no longer just a laboratory of traders; we are a legally established home for the builders and thinkers of tomorrow's markets.

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INTRODUCTION

The second quarter of 2026 was priced on war headlines. The third was priced on time itself. Between June and September, the cost of money stopped being a forecast and became a fact.

The Federal Reserve held in June, split nine to three in July, and hiked in September for the first time since 2023. The ECB raised twice, the Bank of Japan followed, and the Gulf matched the Fed the same day. Yet the policy rate was not the real story. The long end was: the US 10-year closed the quarter at 5.29% and the 30-year at 5.64%, both at their highs.

Around that spine, the quarter split into currents that rarely agreed. Tokyo and Washington bought the yen together for the first time since 2011. A record $75 billion IPO drained the listed space trade. Semiconductors fell 28% from a June record while cloud revenue soared. Bitcoin gained 43% in the very quarter the crypto bill failed in the Senate. Crypto sentiment went from extreme fear to greed, while equity sentiment ended exactly where it started.

Three working principles structure this issue. First, the price of time is the master variable: when long yields reset, every valuation, carry trade and funding cost is repriced around them. Second, the signal hides in the split, not the decision: vote counts, dissents and positioning extremes told traders more than the headlines did. Third, flows beat narratives: capital moved toward cash flows, scarcity and liquidity, whatever the news of the day.

Q2 was the war premium. Q3 was the price of time. Q4, between the October central bank meetings, the UK Budget, the US midterms and the Treasury refunding, is where someone has to blink first.

QUARTERLY TOP GAINERS & LOSERS



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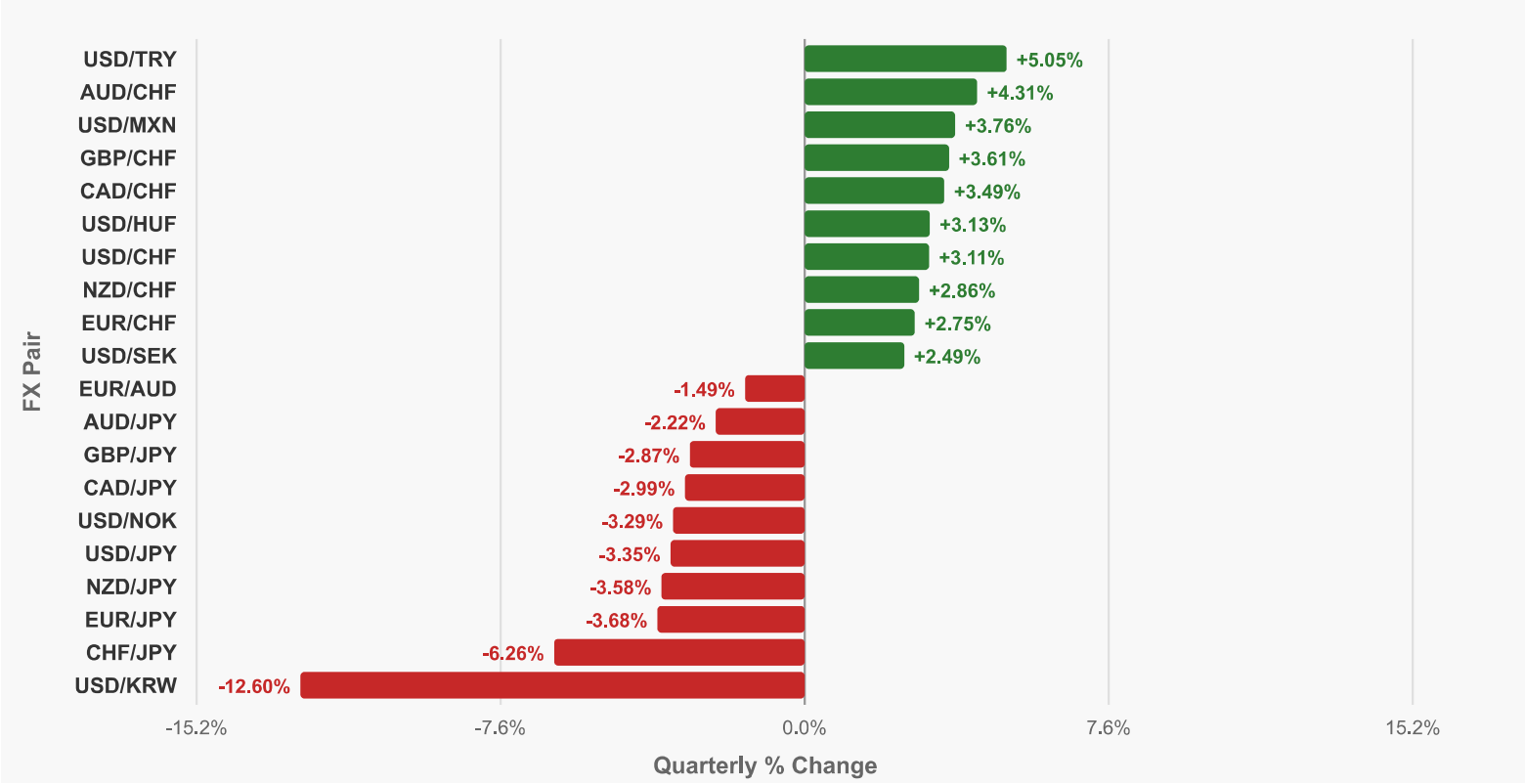
FOREX MARKET

TOP 10 FX GAINERS

- **USD/TRY (+5.05%)** — Managed lira depreciation continues
- **AUD/CHF (+4.31%)** — Franc funds carry, Aussie firm
- **USD/MXN (+3.76%)** — Peso weakens into Fed hike
- **GBP/CHF (+3.61%)** — Franc sold as funding currency
- **CAD/CHF (+3.49%)** — SNB at zero weighs on franc
- **USD/HUF (+3.13%)** — Forint slips as dollar rebids
- **USD/CHF (+3.11%)** — Dollar rebid after Fed hike
- **NZD/CHF (+2.86%)** — Funding demand weighs on franc
- **EUR/CHF (+2.75%)** — ECB hikes widen gap with SNB
- **USD/SEK (+2.49%)** — Krona lags as dollar recovers

TOP 10 FX LOSERS

- **USD/KRW (-12.60%)** — Chip export boom lifts won
- **CHF/JPY (-6.26%)** — Yen short squeeze hits franc
- **EUR/JPY (-3.68%)** — Joint intervention flips yen trend
- **NZD/JPY (-3.58%)** — Carry unwind after yen intervention
- **USD/JPY (-3.35%)** — First joint intervention since 2011
- **USD/NOK (-3.29%)** — Oil rally lifts the krone
- **CAD/JPY (-2.99%)** — Yen rebound outweighs oil support
- **GBP/JPY (-2.87%)** — Yen squeeze meets UK risk
- **AUD/JPY (-2.22%)** — Carry trades unwound on yen
- **EUR/AUD (-1.49%)** — Aussie outpaces euro despite ECB



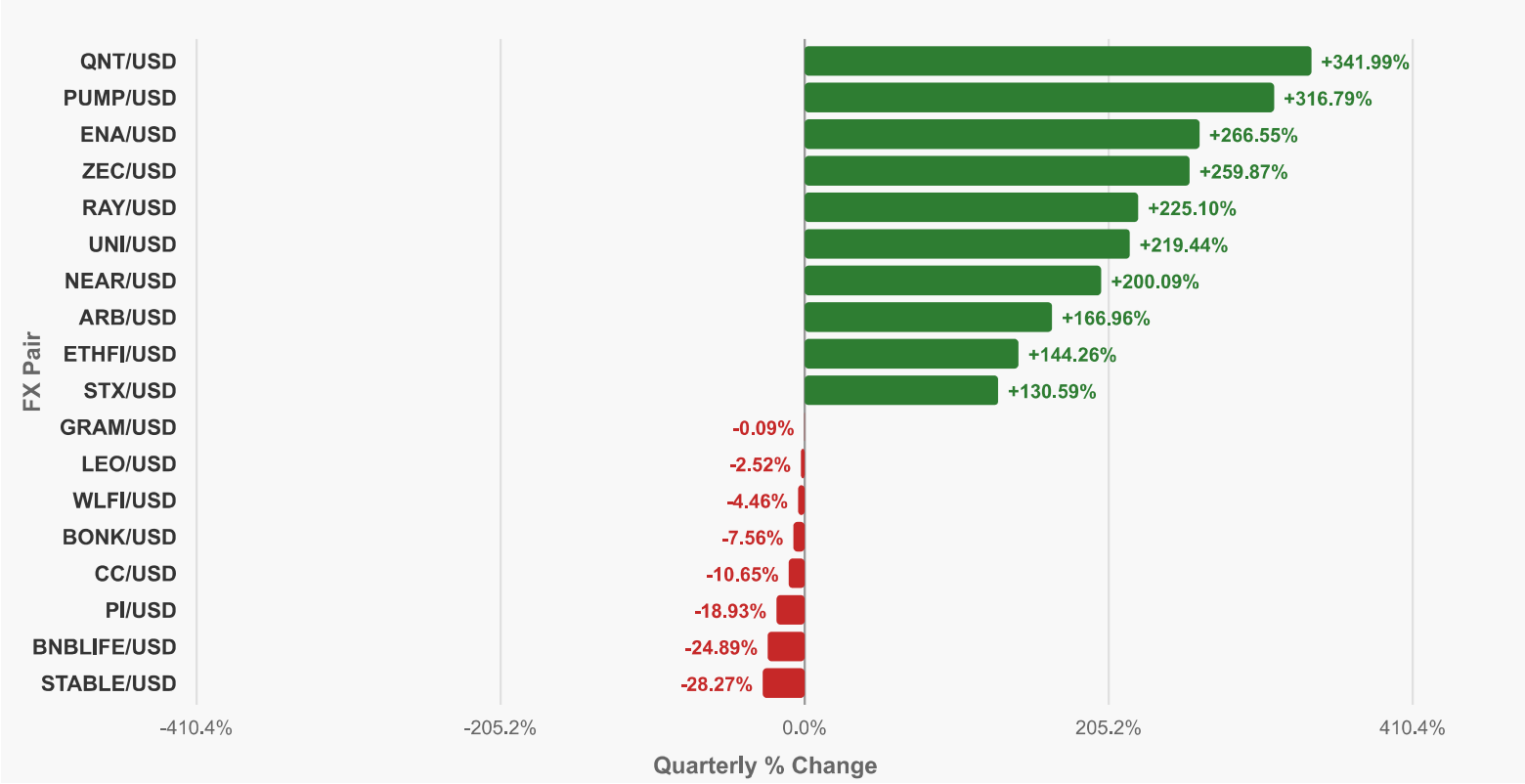
CRYPTO MARKET

TOP 10 CRYPTO GAINERS

- **QNT/USD (+341.99%)** — Picked for tokenized bank deposits
- **PUMP/USD (+316.79%)** — Revenue-funded buybacks drive rally
- **ENA/USD (+266.55%)** — USDe expansion, Standard Chartered coverage
- **ZEC/USD (+259.87%)** — Grayscale ETF and Ironwood upgrade
- **RAY/USD (+225.10%)** — StonkFun launch on LaunchLab
- **UNI/USD (+219.44%)** — Robinhood Chain volume fuels burns
- **NEAR/USD (+200.09%)** — AI rotation and confidential perps
- **ARB/USD (+166.96%)** — Robinhood Chain record fees
- **ETHFI/USD (+144.26%)** — Leveraged ETH restaking beta
- **STX/USD (+130.59%)** — Bitcoin layer-2 narrative

TOP 10 CRYPTO LOSERS

- **STABLE/USD (-28.27%)** — Thin float, no catalyst
- **BNBLIFE/USD (-24.89%)** — Memecoin rotation out of BNB
- **PI/USD (-18.93%)** — Token unlock overhang
- **CC/USD (-10.65%)** — Low liquidity, no catalyst
- **BONK/USD (-7.56%)** — Solana memecoin rotation
- **WLFI/USD (-4.46%)** — Unlock proposal and legal controversy
- **LEO/USD (-2.52%)** — Low-beta exchange token
- **GRAM/USD (-0.09%)** — Flat through Toncoin rebrand



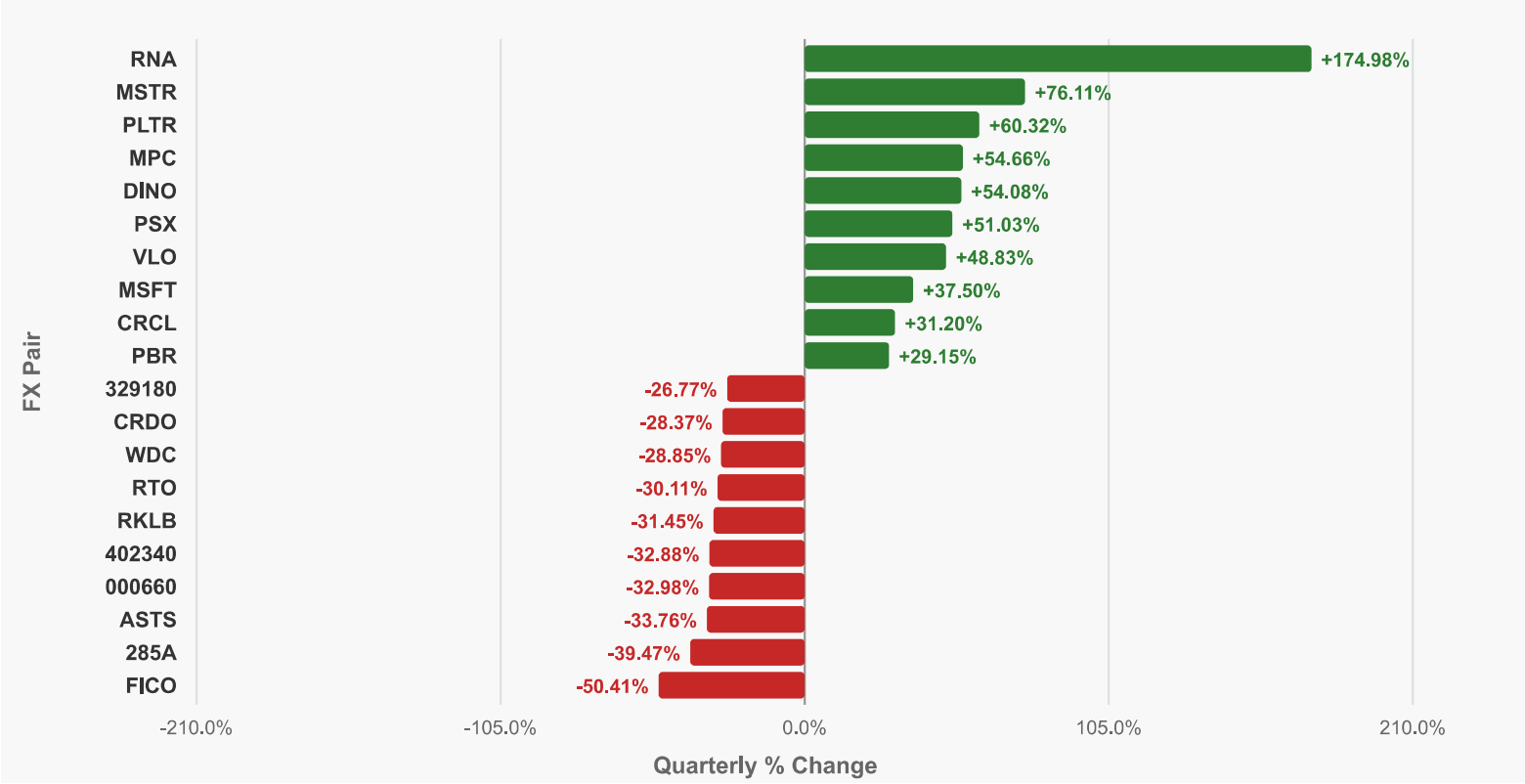
INTERNATIONAL STOCKS MARKET

TOP 10 STOCKS GAINERS

- **RNA (US) (+174.98%)** — Phase 3 melanoma vaccine success
- **MSTR (US) (+76.11%)** — Leveraged bitcoin exposure
- **PLTR (US) (+60.32%)** — Revenue up 93%, guidance raised
- **MPC (US) (+54.66%)** — Diesel margins nearly triple
- **DINO (US) (+54.08%)** — Refining margins surge
- **PSX (US) (+51.03%)** — Refining margin windfall
- **VLO (US) (+48.83%)** — Distillate margins lift refiners
- **MSFT (US) (+37.50%)** — Azure growth hits 43%
- **CRCL (US) (+31.20%)** — Trust charters and crypto tailwind
- **PBR (BR) (+29.15%)** — Brent rally lifts producer

TOP 10 STOCKS LOSERS

- **FICO (US) (-50.41%)** — Loses mortgage scoring monopoly
- **285A (JP) (-39.47%)** — Memory trade unwinds
- **ASTS (US) (-33.76%)** — Convertible dilution and launch delays
- **000660 (KR) (-32.98%)** — Korean memory deleveraging
- **402340 (KR) (-32.88%)** — Tracks SK Hynix slide
- **RKLB (US) (-31.45%)** — Neutron delay, space selloff
- **RTO (GB) (-30.11%)** — Margin target dropped
- **WDC (US) (-28.85%)** — Storage and memory unwind
- **CRDO (US) (-28.37%)** — Margin compression after results
- **329180 (KR) (-26.77%)** — Strong won, Chinese yards gain share



MARKET SENTIMENT ANALYSIS



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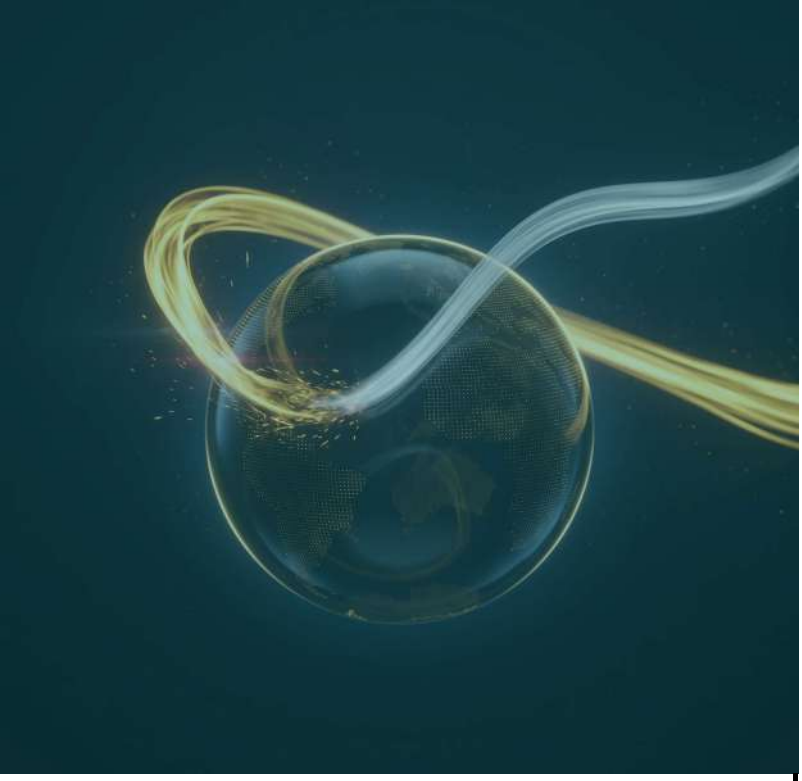


FOREX MARKET SENTIMENT

The quarter's currency mood moved through three phases, and each one ended when positioning ran out of room. June opened with a dollar bid. By late July, pessimism on the yen had reached an extreme: USD/JPY printed 163.99 on 23 July, and short yen was the market's most comfortable trade. Comfort was the risk. When Tokyo and Washington bought the yen together at the end of July, the trade did not unwind gradually; it reversed.

The positioning data shows how complete the reversal was. Leveraged funds still held about 68,000 contracts short yen on 18 August. By the week to 15 September, speculators had flipped to a net long of roughly 120,000 contracts, a 14-month high, after a record two-week buying spree of 216,000. The yen went from the market's favourite short to a crowded long within one quarter. That is why the Bank of Japan's hike on 18 September weakened the yen instead of lifting it: the good news had already been bought. The damage showed across the board. Seven of the quarter's ten weakest FX pairs were priced against the yen, led by CHF/JPY at -6.26%, EUR/JPY at -3.68% and NZD/JPY at -3.58%. When a funding currency is squeezed, every carry trade built on it pays at once.

The second phase was a soft dollar. After Treasury's buyback announcement on 19 August, EUR/USD reached 1.1711. The third phase began with the Fed hike on 16 September: the dollar was bid again, the DXY closed the quarter at 101.48, and EUR/USD ended at 1.1330 despite two ECB hikes.

The quietest shift may last the longest. With the SNB holding at 0% and ready to intervene, the Swiss franc took over the yen's old role as the cheapest funding currency. Franc crosses filled the gainers table: AUD/CHF, GBP/CHF, CAD/CHF and EUR/CHF rose between 2.75% and 4.31%. Carry traders did not abandon carry; they changed the funding leg.

For MENA traders the picture split in two. Gulf pegs held, and SAMA and the CBUAE matched the Fed hike, so Gulf funding costs rose with US rates. North Africa paid through the exchange rate: USD/EGP rose 5.69% and USD/MAD 3.22%, while USD/TND barely moved.

Heading into Q4, the fuel for another yen squeeze is spent, because the shorts that powered it are gone. The watch items are the BoJ meeting on 29 and 30 October, where the vote split will matter more than the decision, and the Fed on 28 October, where hike odds jumped to 51.5% after the September CPI. If the Fed hikes again while the BoJ waits, the crowded yen long becomes the next position at risk.



CRYPTO MARKET SENTIMENT

No market changed its mind more than crypto in Q3. The Crypto Fear and Greed Index stood at 15, extreme fear, on 30 June and touched 11 on 1 July. It closed July at 25 and August at 62, peaked at 78 on 22 September and ended the quarter at 71, in greed. Total market capitalisation rose from $2.08 trillion to $2.86 trillion, and 91 of the top 99 coins finished higher.

The flows explain the turn better than the headlines. Spot bitcoin ETFs went from roughly $5 billion of net outflows in Q2 to $6.34 billion of net inflows in Q3. Spot ether ETFs added $3.1 billion, and Solana products reached about $1.66 billion of cumulative inflows. The real test came on 15 September, when the CLARITY Act failed in the Senate: bitcoin fell below $76,000 after the vote, yet closed the quarter 42.7% higher. Flows outweighed the legislative setback.

Dominance tells you what kind of rally it was. Bitcoin's share edged up from 57.90% to 58.72%, so this was not a broad altcoin season. The biggest percentage gains came from mid-caps tied to specific stories, tokenized money and the Robinhood Chain ecosystem above all, while the weakest coins were thin, unlock-heavy or memecoins losing the rotation. Capital was selective even when the index said greed. The final week of September showed it clearly, as money chased tokenized deposits and synthetic-dollar yields rather than the whole market.

Notice also what sentiment ignored. The index moved from fear to greed in a quarter when the Fed hiked and US long yields closed at their highs. Crypto mood was driven by its own flows, not by the cost of money, and that independence is rarely permanent.

The contrarian flag is leverage. The market added about 40% in value on lower spot volume and rising open interest, and perpetual open interest passed $100 billion. A rally built more on derivatives than on spot buying can extend, but it unwinds faster, and it leaves the market more exposed to funding costs and to any shock coming from the bond market.

Heading into Q4, sentiment starts from greed rather than fear, and that changes the balance of risk: much of the good news is priced and leverage is high. The watch items are whether ETF inflows persist, the US midterms on 3 November and what they mean for crypto legislation, and whether rising US yields finally reach crypto valuations. In a market that already sits in greed, risk management matters more than conviction.



STOCKS MARKET SENTIMENT

Equity sentiment ended Q3 exactly where it began. CNN's Fear and Greed Index read 30.0 on 30 June and 30.3 on 30 September, both in fear. The path between was anything but flat: a low of 25.6 on 29 July after the semiconductor break, a spike to 66.1, greed, on 13 August, then a slow slide back as yields climbed. In the same quarter, crypto sentiment went from 15 to 71. Two risk markets, two opposite moods.

The surveys explain the July break. In the July Bank of America fund manager survey, cash fell to 3.6%, a classic sell signal, and long semiconductors became the most crowded trade on record, named by 82% of managers. Crowding is not a timing tool on its own, but when the catalyst came the exit was narrow: the Philadelphia Semiconductor Index fell more than 28% from its June record within weeks.

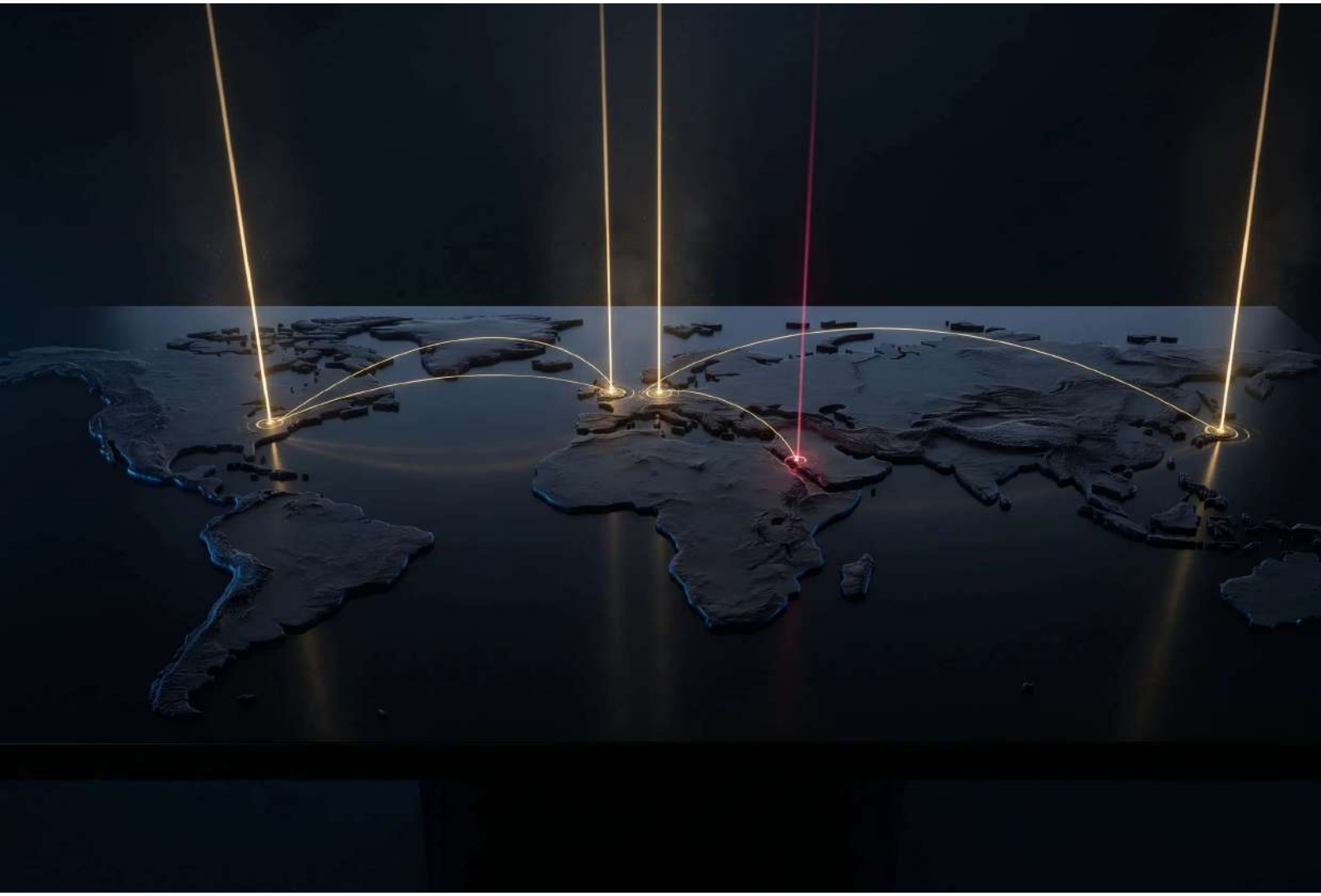
By September, fear had changed its object. The top tail risk in the September survey was a disorderly rise in bond yields, cited by 33% of managers, and the bond underweight was the largest since May 2022. Cash rose back to 3.9%.

Retail was more defensive still: the AAII survey closed the quarter at 34.6% bulls against 46.5% bears.

The most important signal was breadth. About 75% of S&P 500 stocks fell in September while the index sat near its high. Over the quarter, the equal-weight S&P 500 lost 2.2% while the cap-weighted index gained about 2%, small caps fell 7.2% and the Dow 2.7%. Energy was the best US sector, up 16% to 17%, and utilities the worst at -12.4%: a market paying for inflation protection and punishing bond proxies. Outside the US, Asia was colder: the Nikkei lost 4.72% and Shanghai 6.16%, MSCI Emerging Markets slipped 0.2%, while MSCI EAFE held at +0.9%.

That is the paradox to carry into Q4, and the S&P 500 and Nasdaq records of 6 October only sharpened it. Surveys say fear, yet the VIX closed the quarter at only 16.34 and a narrow group of leaders held the index up. When the average stock falls while volatility stays low, the market depends on a few names to hold the line. The watch items are the 28 October FOMC, where a second hike is now close to a coin flip, the long end after the 10-year closed Q3 at 5.29%, and an earnings season that must justify the concentration. If yields keep rising, the tail risk managers fear most becomes the base case.

MAJOR FINANCIAL AND GEOPOLITICAL EVENTS



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THE FIRST HIKE: How the Fed and the 30-Year ...

On the afternoon of 16 September 2026, the Federal Reserve did something it had not done in more than three years. By a vote of twelve to zero, the Federal Open Market Committee raised its policy rate by a quarter point, to a range of 3.75 to 4.00 percent. It was the first hike since July 2023. There was no dissent, no hedging in the vote count, and, most strikingly, no promise about what would come next. The chair offered no forward guidance at all. The committee had moved, and it refused to say whether it would move again.

Markets had seen it coming. The August inflation report, published five days earlier, showed headline prices up 0.4 percent on the month and core prices up 0.3 percent, and by the eve of the meeting futures were pricing a hike with a probability of 83 to 90 percent. So the decision itself was not the shock. The shock was where it landed: on a bond market that had already broken.

This is the cover of our first quarterly issue not because the Fed hiked, but because the hike arrived after the long end of the curve had already done the tightening for it. Between the last day of June and the last day of September, the cost of borrowing for ten and thirty years rose faster than the policy rate that is supposed to anchor it. The Fed and the long bond broke together, in the same quarter, for related but different reasons. Q4 is about which of them gives way first.

The road to the hike, in four steps

The first step was June. On 17 June, at the first meeting chaired by Kevin Warsh, the committee held rates at 3.50 to 3.75 percent by twelve votes to zero. The hold was unanimous, but the projections were not neutral: the median dot for the end of 2026 moved up to 3.8 percent from 3.4 percent. In plain terms, the committee had stopped pencilling in cuts and started pencilling in a

hike. The message was delivered quietly, in a chart rather than a statement, and much of the market chose to read the statement.

The second step was July. On 29 July the committee held again, but this time the vote split nine to three. Three regional presidents, Beth Hammack, Neel Kashkari and Lorie Logan, dissented in favour of an immediate hike. For traders who track how central banks change their minds, this was the most important print of the summer. A committee that splits three ways toward tightening is rarely more than one or two meetings away from acting, and the vote count carried more information than the decision itself.

The third step was late August. The chair's Jackson Hole keynote on 28 August was read by the market as hawkish, and the August inflation report on 11 September confirmed the direction: monthly inflation running too hot for a central bank that wanted to pause. One sentence of context matters here and only one: energy prices were a large part of why inflation stayed firm, and they fed directly into the inflation expectations that long bond investors demand to be paid for.

The fourth step was 16 September itself: a unanimous hike, no guidance, and a committee that, as the minutes released on 7 October later showed, had all nineteen participants behind the decision, with most of them seeing another hike as likely.

The long end breaks first

Here is the part of the story that the policy decision alone does not tell. Over the quarter, the US Treasury par yield curve moved as follows. The two-year yield rose from 4.14 percent on 30 June to 4.88 percent on 30 September, a rise of 74 basis points. The ten-year rose from 4.44 percent to 5.29 percent, 85 basis points. The thirty-year rose from 4.91 percent to 5.64 percent, 73 basis points. The policy rate itself rose by 25.

Read those numbers again. The market added more than three times as much to the cost of ten-year money as the Fed added to the cost of overnight money. The ten-year closed at 5.00 percent for the first time on 15 September, the day before the hike, its highest level since July 2007. The thirty-year had already been trading near 5.3 percent in mid-August, and it touched 5.401 percent intraday on that same 15 September. Even the five-year, a maturity that usually tracks the Fed closely, ended the quarter at 5.09 percent, well above the new policy range. And the quarter did not end with a pause or a relief rally. It ended at the highs: the last six sessions of September alone added roughly 30 basis points to the ten-year.

The shape of the move matters as much as its size. The ten-year led, rising more than both the two-year and the thirty-year. The gap between the two-year and the ten-year widened from 30 to 41 basis points, while the gap between the ten-year and the thirty-year narrowed. That is not the signature of a market simply pricing more Fed hikes, which would push the short end hardest. It is the signature of a market demanding more compensation for holding duration itself: for

inflation uncertainty, for the sheer volume of government debt to absorb, and for a central bank that will no longer say what it plans to do.

With the policy rate at a midpoint of 3.875 percent and the ten-year at 5.29 percent, investors were asking for more than 140 basis points of extra yield to lock their money away for a decade. That premium is the real price of time, and in Q3 it was repriced in the open. For anyone valuing a stock, a property or a business, it is also the discount rate, which is why a quarter of rising long yields reaches far beyond the bond market.

The Treasury's quiet counter-move

If the bond market was demanding a higher price for duration, the US Treasury tried to reduce the amount of duration it had to sell. On 19 August it announced that it would double the size of its long-end buyback operations to at least 4 billion dollars each, focused on bonds maturing in ten to twenty years and twenty to thirty years, effective from 9 September through 4 November.

The buyback programme reveals more than it seems to at first glance. Through 18 August, dealers had offered 520.4 billion dollars of long bonds into Treasury's 2026 buyback windows. Treasury bought 42.2 billion. In other words, for every dollar of old long bonds that Treasury was willing to take back, holders tried to hand it more than twelve. That is not a market quietly holding its positions. It is an exit queue, a visible line of investors who would rather own something shorter.

There is also a paradox inside the programme, and it is the angle that matters most for Q4. Buybacks retire old coupon bonds and are financed by issuing more short-term bills. That shortens the average maturity of the debt. A shorter debt stock rolls over faster, which means the government's interest bill becomes more sensitive to the policy rate. So at the very moment the Fed began raising that rate, the Treasury was making its own finances more exposed to it. The two institutions were not working against each other by design, but their actions pulled in opposite directions: one tightening the price of money, the other increasing the government's dependence on it.

Silence as a volatility input

The decision to offer no forward guidance deserves its own paragraph, because it changes how traders should think about volatility. For most of the past fifteen years, central banks told markets where they were going, and that guidance compressed uncertainty between meetings. Without it, every inflation print and every payrolls report carries more weight, because each one becomes a vote on the next decision. A systematic reader should expect volatility in the long end to cluster around data days in Q4, and should size positions with that in mind rather than relying on the calmer behaviour of a guided regime.

Contagion: Europe and the UK follow

The US long end did not break alone. In Germany, the ten-year Bund yield rose above 3.45 percent on 10 September, the day of the European Central Bank's second hike of the year, its highest level since April 2011. The ECB story itself belongs to our Major Events section; what matters here is that even the market traditionally treated as Europe's safe haven was repricing the cost of time.

The pressure then moved to the weaker fiscal balance sheets as Q4 opened. In the United Kingdom, the thirty-year gilt yield reached 6.029 percent on 1 October, its highest since 1998, and 6.034 percent on 7 October. In France, the ten-year OAT briefly traded above 5 percent on 2 October, a level not seen since 2002, and the spread over Bunds stood near 147 basis points on 5 October. The pattern is clear: when the price of duration rises globally, markets with large deficits and contested budgets pay first and pay most.

The MENA transmission

For readers in the Gulf, the Fed's decision was not imported with a lag. It arrived the same day. The Saudi Central Bank raised its repo rate by 25 basis points to 4.50 percent, with the reverse repo at 4.00 percent, on 16 September. The Central Bank of the UAE raised its Base Rate from 3.65 percent to 3.90 percent, effective 17 September. Currency pegs held without strain, but the cost of that stability rose: every Fed hike becomes a Gulf hike, whatever the local credit cycle needs.

North Africa paid through a different channel. Without hard pegs, the adjustment came through exchange rates. The dollar rose 5.7 percent against the Egyptian pound over the quarter and 3.2 percent against the Moroccan dirham. For importers, borrowers in dollars and anyone pricing goods from abroad, that is the first hike in its most concrete form.

Why Q4 decides who blinks first

The quarter ended with three actors locked in a standoff. The Fed has started hiking and will not say when it stops. The Treasury is managing its debt in a way that makes higher rates more expensive for itself. And the bond market is demanding a higher price for duration, with no sign at quarter end of being satisfied. Someone has to give way.

Part of the answer has already arrived. On 14 October, the September inflation report showed headline inflation at 3.7 percent year on year against 3.6 percent expected, up 0.6 percent on the month, with core inflation at 2.6 percent and up 0.3 percent on the month against 0.2 percent expected. Futures pricing for another hike at the 28 October meeting jumped to 51.5 percent from 23.8 percent the day before. A second hike went from a tail risk to a coin flip in a single morning.

The calendar for the rest of the quarter is unusually dense, and almost every date touches the price of time. The French National Assembly votes on the budget on 20 and 27 October. The UK presents its Budget on 28 October, the same day the FOMC decides. The ECB meets on 29 October, with markets pricing a further hike at roughly 60

percent. The US midterm elections follow on 3 November, setting the fiscal path. On 4 November, the Treasury's quarterly refunding will show whether the buyback programme is extended, enlarged or quietly retired. The Bank of England meets on 5 November. The Fed's final meeting of the year, with new projections, comes on 9 December, and the stopgap government funding deal expires on 11 December.

Each of these dates is a moment when one of the three actors could blink. A Fed that pauses would relieve the front end but might push the long end higher if markets read it as tolerance for inflation. A Treasury that enlarges buybacks or cuts long-dated issuance at the refunding would ease supply pressure directly. A rejected budget in Paris or London would test whether the long-end repricing can stay orderly.

Three scenarios for Q4

In our base case, the Fed delivers one more hike by December and the ten-year holds in a 5.0 to 5.4 percent range. The long end stays expensive but stable, and the market keeps charging a high price for duration without forcing a disorderly adjustment.

In the relief case, the 4 November refunding enlarges the buybacks or cuts long-dated coupon issuance. Supply pressure eases, and the ten-year moves back below 5 percent even if the Fed stays on hold at its new level.

In the disorderly case, weak auctions or a rejected UK or French budget push the thirty-year above 5.75 percent. In that world, the question is no longer whether the Fed hikes again, but whether the authorities step in to stabilise the long end, and at what cost to their credibility on inflation.

What it means for a systematic reader

We do not forecast which scenario wins. Our job is to show what each one would require and what to watch. Three practical points follow from the quarter. First, the vote split told the story earlier than the decision did: the nine-to-three July vote was the real signal of the September hike. Second, the long end now carries its own risk premium, separate from the policy rate, so models that treat ten-year yields as a simple function of expected Fed policy will misread the moves. Third, without forward guidance, the calendar itself becomes a risk factor: position sizes and stops should reflect the higher volatility of data days.

The first hike closed one chapter and opened another. Q3 told us that the price of time is going up. Q4 will tell us who is willing to pay it, and who blinks first.

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Tokyo and Washington Buy the Yen

On 23 July, USD/JPY traded at 163.988, the weakest level for the yen in the quarter. A week later, Japan acted. On 30 July, Japan sold an estimated 53 billion dollars to buy yen. On 31 July, the United States joined in, making it the first joint yen-buying operation since 2011. A unilateral intervention signals discomfort; a joint one signals that both governments agree the move has gone too far, and markets price the difference.

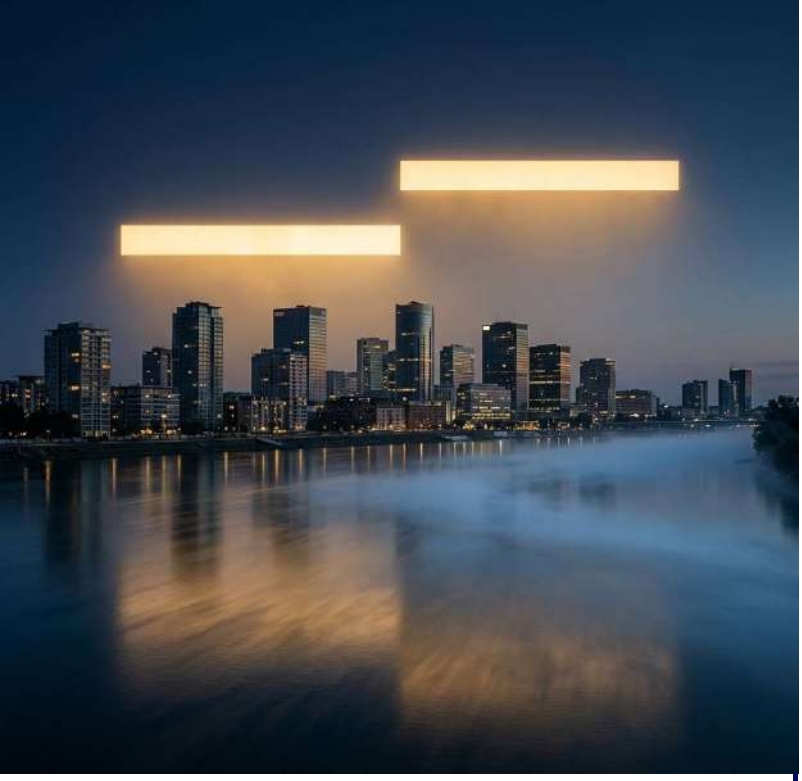
The effect was not a single-day spike but a regime change. By 8 September, USD/JPY had fallen to a quarter low of 152.89, a move of more than eleven yen from the July peak. The trade that had looked safest all year, borrowing in yen to buy higher-yielding assets, became the trade everyone wanted to leave at the same time.

Then came the Bank of Japan. On 18 September, it raised its policy rate to about 1.25 percent, its highest level since 1995, effective 24 September. On paper this was the final confirmation of the yen's turn. In practice, the yen weakened after the decision. The reason sat in the vote: the board split seven to two, with members Asada and Sato dissenting. A divided board tells the market that the next step is not guaranteed, and a market that had already bought the yen on the intervention had no fresh reason to keep buying.

That is the tradable lesson of the episode. The hike was the headline; the vote split was the signal. Traders who read only the decision saw a hawkish central bank and expected a stronger yen. Traders who read the dissent saw a committee near the limit of its consensus, and positioned for a pause.

For MENA traders, the yen story matters more than its distance suggests. Carry trades funded in yen sit behind a large share of the leveraged flows that move emerging market currencies and risk assets, including those touching the Gulf and North Africa. When the funding currency rallies sharply, those flows unwind everywhere at once. Over the quarter, USD/JPY fell 3.35 percent, a large move for the most traded currency pair in Asia.

The watch item for Q4 is the Bank of Japan meeting on 29 and 30 October. The board now faces a market that is no longer short the yen, which removes the squeeze that powered the summer move. A unanimous decision to hold or hike would be a clearer signal than September's split. Another divided vote would keep the yen trading on every comment from Tokyo, and on every Fed decision from Washington.



The ECB's Two-Hike Mini-Cycle

The European Central Bank raised rates twice in the window this issue covers, and both moves were full, symmetrical steps of 25 basis points on all three key rates. On 11 June, it lifted the deposit facility rate to 2.25 percent, the main refinancing rate to 2.40 percent and the marginal lending rate to 2.65 percent, effective 17 June. It was the ECB's first hike since 2023. The bank held in July, then moved again on 10 September: deposit rate 2.50 percent, refinancing rate 2.65 percent, lending rate 2.90 percent, effective 16 September.

The motivation was inflation driven by energy, and the bank's own staff made the risk explicit. Their severe scenario showed inflation above 5 percent in 2027, a number designed to justify acting early rather than waiting for second-round effects to appear in wages and services prices.

Here is the paradox for currency traders. Two hikes in one quarter should, on textbook logic, support the euro. Instead, EUR/USD fell from 1.1422 at the end of June to 1.1330 at the end of September. The reason is that the ECB was not alone. The Federal Reserve was moving toward its own first hike, and US yields were rising sharply. A hike only strengthens a currency when it surprises relative to the other side of the pair, and the ECB's moves were largely priced while the Fed's were still being discovered.

The clearer winner of ECB tightening was the gap with Switzerland. With the Swiss National Bank holding at 0 percent, the rate difference between the euro and the franc widened with each ECB move, and EUR/CHF rose 2.75 percent over the quarter. The ECB did not lift the euro against the dollar; it lifted it against the cheapest funding currency in Europe.

The bond market also took notice. On 10 September, the day of the second hike, the German ten-year Bund yield rose above 3.45 percent, its highest since April 2011. Our cover story covers the global long end; here the point is simply that even Europe's safest bond repriced on the ECB's resolve.

The watch items for Q4 sit close together. The ECB meets on 29 October, with markets pricing about a 60 percent chance of a further hike to a 2.75 percent deposit rate. Before that, the French National Assembly votes on the budget on 20 and 27 October, with the spread between French and German ten-year yields near 147 basis points on 5 October. A third hike into a fragile French budget would test how much tightening the eurozone's weaker members can absorb.



The Red Sea Front: Strikes on Saudi Tankers

On 23 July, Houthi forces attacked Saudi tankers in the Red Sea and declared a blockade of Saudi oil exports. Brent crude settled at 100.69 dollars that day, up 7 percent in a single session. This is the only item in this issue connected to the wider regional conflict, and we include it for one specific reason: it struck the route that was supposed to be the safe alternative.

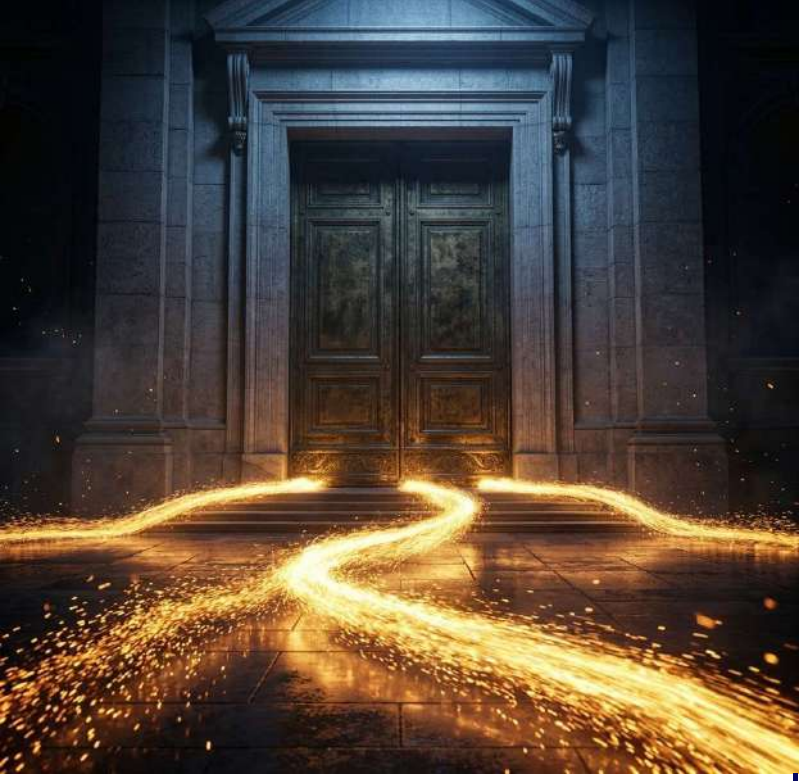
For months, the market's comfort had rested on geography. Saudi Arabia can move a large share of its crude across the kingdom by pipeline to Red Sea terminals, avoiding the Strait of Hormuz entirely. That bypass was the insurance policy against disruption in the Gulf. The July attacks targeted precisely that insurance. When the backup route itself becomes contested, the market loses its hedge, and the risk premium has to be rebuilt from scratch.

The price reaction showed how little spare comfort was left. A 7 percent move in a single session is not a market adjusting gradually to a known risk; it is a market discovering that a risk it had assumed was contained was not. The move also pushed Brent through the 100-dollar level, a psychological threshold that feeds directly into inflation expectations and, through them, into the bond market pressures described in our cover story.

For the MENA region, the Red Sea is not a distant shipping lane. It carries trade for Egypt through the Suez Canal, for Saudi Arabia's western ports, and for every importer along its coasts. Higher insurance costs and rerouted vessels raise the landed cost of goods across the region, and they hit importers hardest at a time when several North African currencies were already weakening against the dollar.

The broader energy picture of the quarter, including the gap between physical and futures prices, belongs to our Market Movements section, where we explain Brent's quarter in detail. What matters here is the structural lesson: chokepoint risk is asymmetric. Disruptions are quick to arrive and slow to be priced out, because once a route has been shown to be vulnerable, shippers, insurers and buyers keep paying for that knowledge long after the headlines fade.

Heading into Q4, the watch items are whether the declared blockade is enforced or fades, how shipping and insurance costs on the Red Sea route evolve, and whether the risk premium in crude holds without new incidents. A route that was attacked once now carries a premium that will not disappear quickly.



CLARITY Fails 49 to 50: Flows Beat Legislation

On 15 September, the US Senate voted 49 to 50 on cloture for the CLARITY Act, the bill meant to set the rules for digital asset markets. Cloture needs 60 votes, so the bill fell 11 votes short. Every one of the 49 votes in favour came from Republicans; no Democrat voted to proceed. Four Republicans, Susan Collins, Josh Hawley, Jerry Moran and Thom Tillis, voted against, with Tillis voting no in order to keep the right to bring a motion to reconsider.

The failure came despite a long effort to win support. The sponsors had made 126 concessions to the text, yet the bill still could not cross the procedural threshold. Prediction markets reacted immediately: the Polymarket odds of the bill passing in 2026 fell from 29.5 percent to 6.5 percent.

The first market reaction looked like a verdict. Bitcoin fell below 76,000 dollars after the vote. But the quarter tells a different story. Bitcoin closed Q3 up 42.7 percent, at about 83,550 dollars. The biggest legislative defeat of the year for the crypto industry arrived in a quarter when the asset class rose strongly. The reason is that the demand driving the market was not waiting for Congress. Spot bitcoin ETFs took in 6.34 billion dollars of net inflows over the quarter, after outflows in Q2. Institutional capital had already decided that it could hold the asset under existing rules.

That is the lesson worth keeping: in this cycle, flows have outweighed legislation. Regulatory clarity would help, but its absence has not stopped allocation. For traders, this means that legislative headlines create volatility but have not set the direction. A sell-off on a failed vote, without a change in flows, has been a sentiment event rather than a trend change.

Some caution is still needed. Our verification found no reliable support for the claim, circulated after the vote, that a single ethics clause sank the bill. The record shows a partisan split and a procedural defeat, not one decisive provision. Traders should be wary of simple explanations for complex votes, because they often lead to wrong predictions about the next one.

The watch items for Q4 are clear. The motion to reconsider means the bill is not formally dead. The US midterm elections on 3 November will reshape the Senate arithmetic for any future attempt. And ETF flows remain the real test: if they hold, the market can keep ignoring Washington; if they turn, the absence of clear rules will matter much more.



Starmer Resigns: How the Political Premium Moved

On 22 June, Keir Starmer resigned as Prime Minister of the United Kingdom. For a major economy, the departure of a head of government is the kind of event that usually triggers a sharp currency move. This time it did not. Sterling traded around 1.319 against the dollar, and the ten-year gilt yield stood near 4.85 percent. The market had largely seen the political crisis coming, and the resignation itself delivered little fresh information.

That calm was misleading. Political risk did not disappear from UK assets; it changed location. Instead of showing up in the currency on the day of the announcement, it moved into the price of long-dated government debt, where it could build more quietly over the following months. This is a pattern worth recognising, because it changes where traders should look for the cost of political uncertainty.

The logic is straightforward. A change of leadership raises questions about fiscal policy: spending plans, borrowing needs and the credibility of budget rules. Those questions do not need an answer on the day of a resignation. They are answered over time, through budgets and debt issuance, and the investors who absorb that uncertainty are holders of long gilts, who are exposed to every future decision. The currency reflects the next few months; the thirty-year gilt reflects the next few decades.

By the start of Q4, that premium had become impossible to miss. As our cover story details, the UK thirty-year gilt reached its highest yield since 1998 in early October. The political premium that the currency barely registered in June had moved, almost entirely, to the long end of the curve.

Sterling's quarter also carried the signal in a quieter form. GBP/JPY fell 2.87 percent, caught in the yen squeeze, while GBP/CHF rose 3.61 percent as the franc weakened. Against the funding currencies, sterling's path reflected global flows more than domestic politics, which confirms that the political risk was being priced somewhere else.

The watch items for Q4 are the 28 October Budget and the Bank of England meeting on 5 November. The Budget is the moment when the fiscal questions raised in June finally receive answers. A credible plan could start to drain the premium from the long end. A plan that disappoints, or one that the market judges unfunded, would push it higher, with consequences that our cover story outlines for the global long end. For traders, the lesson is that a calm currency on a political shock does not mean the shock was ignored. It means the market chose a different place to price it.

MOST IMPACTFUL NEWS EVENTS



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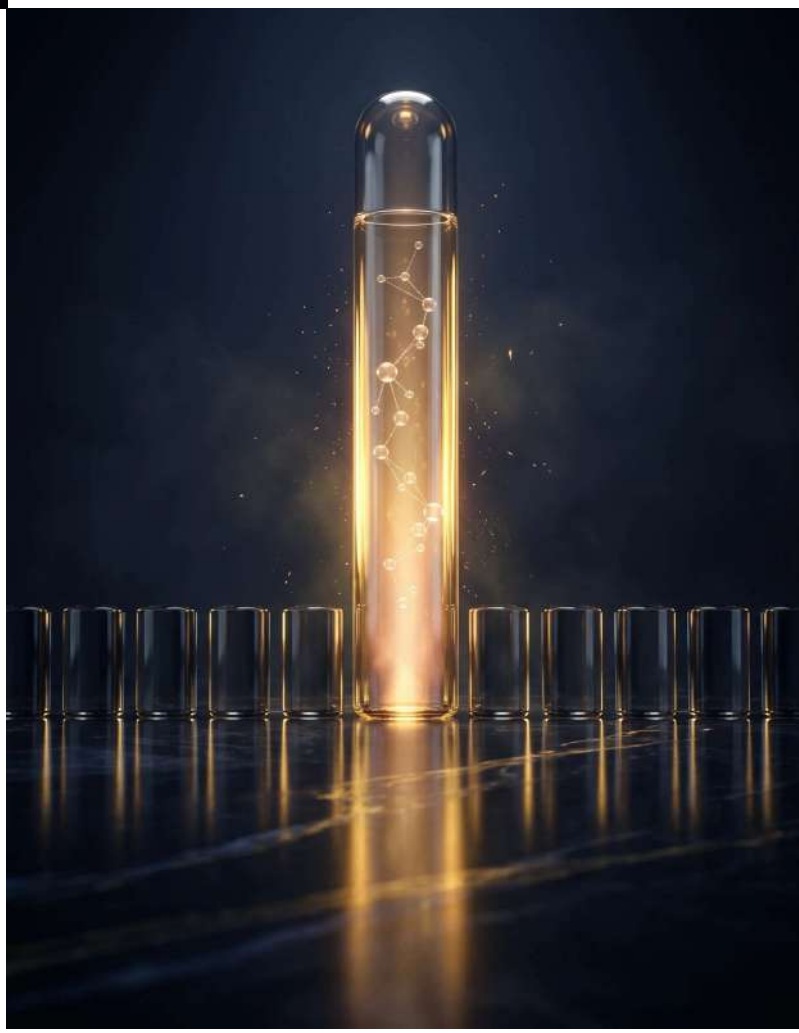
Moderna +177% in One Session: The Melanoma Vaccine

On 19 August, Moderna and Merck announced that their personalised melanoma vaccine had met its primary endpoint in the INTerpath-001 Phase 3 trial. Moderna shares closed that day at 174.38 dollars, up from 62.96, a gain of 177 percent in a single session. Over the full quarter the stock rose 175 percent, the best performance in our international stock screen.

The size of the move tells its own story. Moderna had spent years being priced as a company whose best days were behind it. A late-stage success in cancer, outside the vaccine franchise that defined its past, forced the market to reprice the entire platform in one day rather than one asset. In a quarter dominated by interest rates and energy, the best-performing large stock in our screen came from a laboratory, not from a macro theme.



For traders, the lesson is about event risk in single stocks. A binary trial result can erase or create years of valuation overnight, and no technical setup anticipates it. Position sizing, not prediction, is the only defence. For MENA investors, who rarely hold US biotech directly, the lesson still travels: the biggest single-stock gains of a quarter often come from outside the macro story everyone is watching.

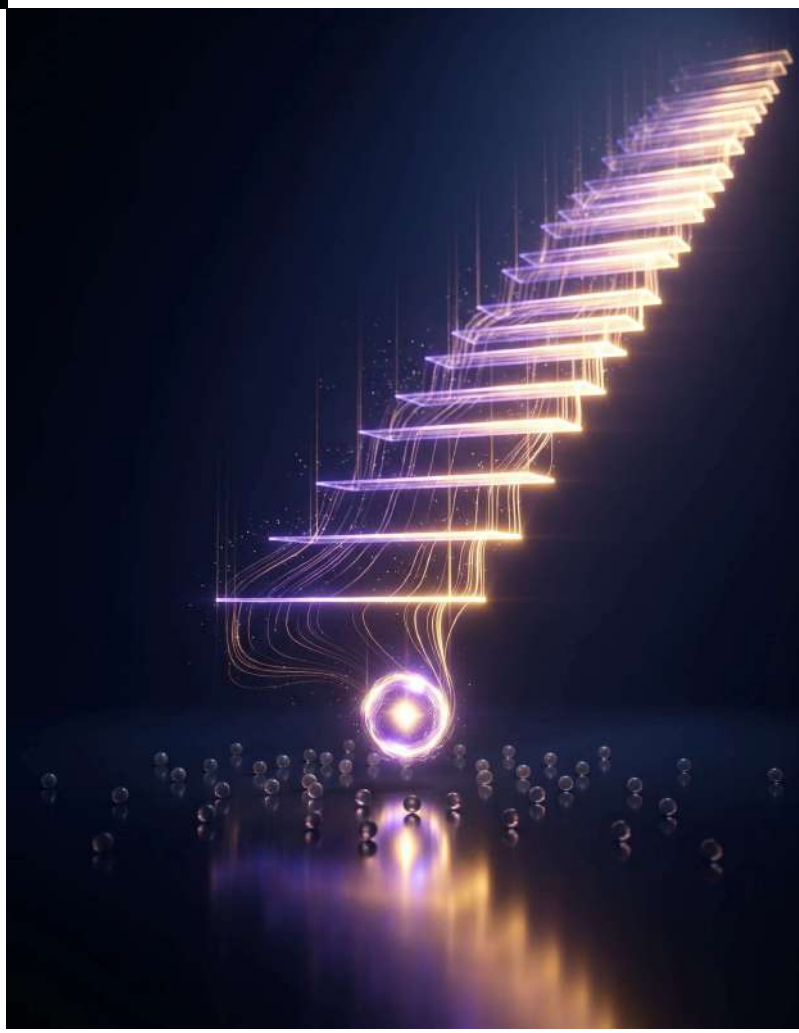
The watch item for Q4 is what comes next on the path to approval, and whether the market's one-day repricing holds once the excitement fades.



Meta Launches Muse: The Personal AI Agent the Market Bought

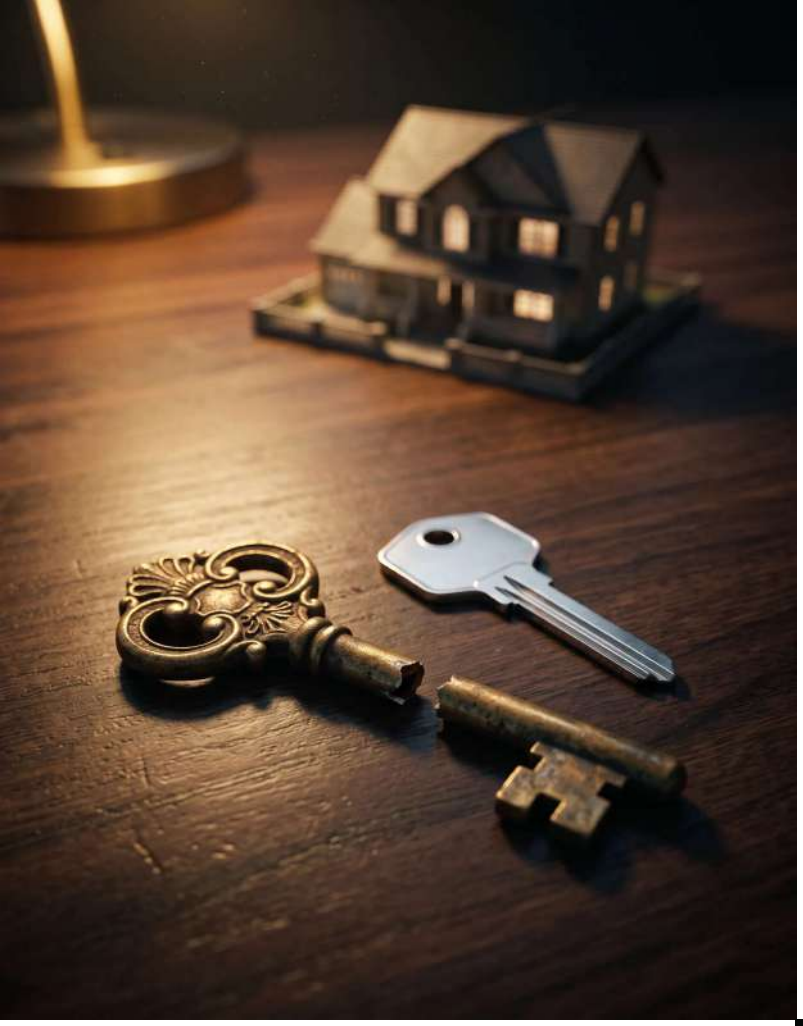
On 9 September, Meta launched Muse, a personal AI agent for its users. The market's response was immediate. Meta shares rose 26.7 percent from the August close of 572.34 dollars to the September close of 725.18, and touched an intramonth high of 779.82 on 24 September, 36 percent above the August close. Over the quarter, the stock gained 28.7 percent.

Muse matters because it shifts the AI race from models to products. Investors have spent two years paying for infrastructure; Meta offered something closer to a consumer service, with a clear path to its existing audience of billions. Meta did not need to prove new revenue on day one; it needed to show that years of AI spending could reach users at scale, and the market accepted that case. The rally came in a month when most US stocks fell, which made it even more selective.



For traders, the gap between the intramonth high and the month-end close is the lesson. Launch euphoria is fast and partly temporary, and the September close kept only part of the peak gain.

The watch item for Q4 is adoption. Usage data, not launch headlines, will decide whether Muse becomes a revenue line or a news cycle.



FICO Loses Its Mortgage Monopoly: Half the Share Price Gone in One Quarter

For decades, a FICO score was the gateway to a US mortgage. In Q3 that gate opened. On 8 September, the head of the Federal Housing Finance Agency told Fannie Mae and Freddie Mac to approve all lenders for VantageScore 4.0, ending a pilot limited to 50 lenders. On 29 September, the agency placed VantageScore beside FICO in the pricing grids of the two mortgage giants, and FICO fell about 27 percent in that session.

Over the quarter, FICO dropped from 1,194.78 dollars to 592.47, a loss of 50.4 percent and the worst result in our stock screen. The credit bureaus did not benefit either: TransUnion fell 15.3 percent and Equifax 13.5 percent. The market did not read the change as a simple transfer of value from one company to another, but as lower pricing power across the whole credit-scoring chain.



The lesson is about regulatory moats. A monopoly built on a rule can disappear with a rule, and the market prices that risk only when it arrives. For borrowers, competition between scoring models may eventually lower costs; for FICO shareholders, it removed the pricing power that justified the valuation.

The watch item for Q4 is lender adoption, and whether the agency moves from its current three-bureau credit report requirement to the two-bureau model it is considering.



SpaceX's Record IPO: The Listing That Drained the Space Trade

On 12 June, SpaceX completed the largest IPO on record, raising about 75 billion dollars at a valuation near 1.7 trillion. It was a landmark for capital markets, and it carried a lesson that had little to do with rockets.

The shares closed June at 170.86 dollars and September at 150.86, a fall of 11.7 percent over Q3. The rest of the listed space sector fell harder. Rocket Lab lost 31.5 percent and AST SpaceMobile 33.8 percent over the quarter. Investors who wanted space exposure no longer needed the smaller names: they could own the leader directly, and 75 billion dollars of new supply had to be funded by selling something else.



For traders, the lesson is that a mega-listing is a supply event before it is a valuation event. It absorbs capital from its own sector, and peers often pay the price. Funds that want to hold the new giant at its full weight usually make room by trimming related positions, which is why a listing can move a whole sector for weeks. The same mechanism can apply in the Gulf, where large listings can pull liquidity from smaller local stocks around their debut.

The watch item for Q4 is index inclusion and lock-up timing, which can bring new demand or new supply to a stock this large.



Microsoft's Azure Quarter: The AI Winner Was the Landlord

On 29 and 30 July, Microsoft reported results that set the tone for the AI trade. Azure, its cloud platform, grew 43 percent and passed 100 billion dollars for the year, and the shares rose about 16 percent on the news. Over Q3, Microsoft gained 37.5 percent, from 373.02 dollars to 512.90.

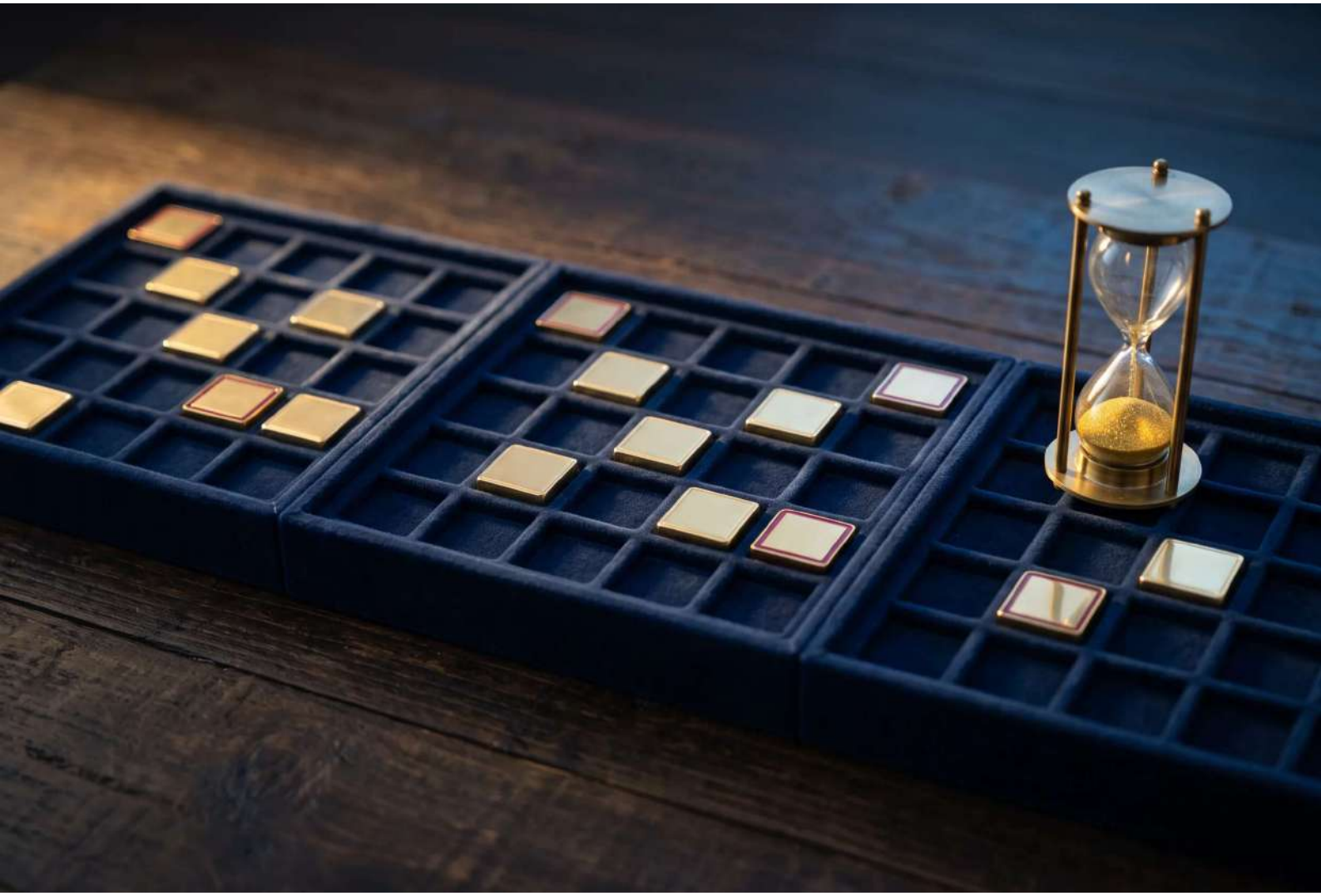
The contrast is what makes this result important. In the same quarter, the semiconductor index fell more than 28 percent from its June record, and memory makers such as SK Hynix and Western Digital lost around 30 percent. The AI boom did not lift everything connected to it. Capital moved to the companies that rent out computing power and collect recurring revenue, and away from the suppliers whose earnings depend on the next order.



For traders, this is dispersion inside a single theme. Owning AI was not enough in Q3; owning the right layer of AI was what mattered. Recurring cloud contracts give investors visibility; chip orders can be delayed or cancelled. In a quarter of rising yields, visibility was worth paying for. Microsoft's gain was also more than double Nvidia's 14.1 percent over the quarter: the market paid more for AI revenue than for AI hardware.

The watch item for Q4 is the next earnings season, and whether cloud growth keeps justifying the concentration of the market in a few large names.

MOST IMPACTFUL ECONOMIC CALENDAR EVENTS



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1

US July Payrolls (7 August 2026)

US payrolls fell by 23,000 in July against a forecast of 85,000, and revisions removed 103,000 jobs from May and June, while unemployment held at 4.1%. Market odds of a September Fed hike dropped from about 60% to 45%. The 2 year Treasury yield fell about 9 basis points to 4.16%, the dollar index lost 0.4% to 99.58, and gold rallied about 2% to near $4,338.

2

Jackson Hole Keynote (28 August 2026)

In his first Jackson Hole keynote, Fed Chair Kevin Warsh said inflation was still too high and signaled the Fed may need to raise rates, without committing to a September move. Markets read the speech as hawkish. CME FedWatch odds of a September hike jumped from about 35% to 57%, the dollar index rose 0.6% within the hour, and EUR/USD fell 0.6% to 1.1586.

3

US August Payrolls (4 September 2026)

US payrolls rose 162,000 in August, nearly triple the 55,000 forecast, with July revised up to 21,000 and unemployment steady at 4.1%. The rebound erased the recession scare left by the July drop and revived the hike case. The 2 year Treasury yield climbed to 4.38%, the dollar index gained 0.35% to 99.26, gold fell as much as 2.4%, and September hike odds rose from about 55% to 65%.

4

ECB Rate Decision (10 September 2026)

The ECB raised all three key rates by 25 basis points, taking the deposit rate to 2.50%, the main refinancing rate to 2.65% and the marginal lending rate to 2.90%, effective 16 September. It was the second hike of 2026, agreed unanimously, with no commitment on the next step. With the move fully priced, EUR/USD dipped below 1.1600 before steadying near 1.1610.

5

FOMC Rate Decision (16 September 2026)

The Fed raised its target range by 25 basis points to 3.75% to 4.00% in a 12 to 0 vote, its first hike since July 2023, a day after the 10 year Treasury yield first closed at 5.00%. The statement gave no forward guidance, but 16 of 18 officials projected at least one more hike this year. The dollar index rose from about 99.7 to 100.3, while gold and US stocks slid.

6

BoJ Rate Decision (18 September 2026)

The Bank of Japan raised its policy rate by 25 basis points to about 1.25%, the highest since 1995, effective 24 September. The 7 to 2 vote, with Asada and Sato dissenting, and the lack of a clear signal on further hikes were read as dovish. The yen weakened against the dollar, pushing USD/JPY back above 157, while the Nikkei 225 gained 1.5%.

7

SNB Rate Decision (24 September 2026)

The SNB held its policy rate at 0% for a fifth straight meeting and said it remained ready to be active in the FX market as necessary, softer wording than at its previous meeting. It raised its 2026 inflation forecast to 0.7% and its growth forecast to 1.5% to 2%. The franc weakened on the softer tone, with EUR/CHF touching 0.9433 and USD/CHF rising to about 0.827.

8

RBA Rate Decision (29 September 2026)

The RBA raised its cash rate by 25 basis points to 4.60% in a unanimous 9 to 0 vote, its fourth hike of 2026 and the highest level since November 2011. The move was fully priced, and Governor Bullock said a pause had also been considered. AUD/USD briefly rose to 0.7030, then fell below 0.70 to a two month low of 0.6978 during the press conference.

EXPLANATIONS FOR MARKET MOVEMENTS



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CHF/JPY Falls 6.26%: The Carry Trade Turned Upside Down

What Moved?

CHF/JPY fell from 200.65 to 188.09 over Q3, a drop of 6.26 percent and the largest move among the 28 major crosses we track.

The Three Causes (in order of importance)

One, the yen squeeze. The joint US-Japan intervention at the end of July forced record short-yen positions to close at once.

Two, the franc as funder. With the SNB at 0 percent, the franc became the cheapest currency to borrow, and carry traders sold it to fund positions.

Three, inverted rate arithmetic. After the BoJ moved to 1.25 percent, the yen paid more than the franc for the first time in years.

Portfolio Impact

A pair long treated as two safe havens behaving alike became a carry trade in reverse. Positions funded in yen lost on both price and carry, and Q4 risk now sits with the BoJ meeting of 29 and 30 October. For MENA traders running carry through CFD accounts, it is a reminder that funding currencies can rally hard and fast.



USD/KRW Falls 12.6%: The Won's Chip-Powered Quarter

What Moved?

USD/KRW fell from 1,550.9 to 1,355.4 over Q3, a 12.6 percent drop and the largest move in our entire FX universe. Korean authorities bought about 20 billion dollars to slow the rally.

The Three Causes (in order of importance)

One, chip exports. Semiconductor exports rose 169.6 percent year on year, bringing a flood of dollars to convert.

Two, the current account. July delivered a record surplus of 42.1 billion dollars.

Three, the regional bid. The yen rebound lifted Asian currencies together, and the won had the strongest fundamentals behind it.

Portfolio Impact

The paradox is worth noting: the won gained about 14 percent against the dollar while SK Hynix fell 33 percent in local terms. For a dollar-based investor, the currency cut that loss to about 23 percent. In Asia this quarter, the currency leg mattered as much as the stock. The Q4 watch item is whether exporters keep converting dollars at this pace.



Brent Rises About 44%: The Physical Barrel Versus the Paper Barrel

What Moved?

Brent front-month futures rose from about 72 dollars at the start of July to about 103.7 on 30 September, roughly 44 percent, with a futures peak of 109 on 15 September. The physical dated barrel peaked near 132. WTI rose about 27 percent. The July Red Sea attack, covered in our Major Events section, added a risk premium on top.

The Three Causes (in order of importance)

One, physical tightness. The premium of dated Brent over futures widened from about 3.5 dollars to more than 21.

Two, thin buffers. The US Strategic Petroleum Reserve stood at its lowest since 1982.

Three, diesel demand. Distillate margins ran near triple their year-ago level, and US refineries operated at 95 percent of capacity.

Portfolio Impact

Traders who watched only the futures screen underestimated the shortage. Refiners were the clearest winners, with four US names up 48 to 55 percent, while energy costs fed the inflation that lifted long-term yields.



Ether Rises 71%: The Quarter the Settlement Layer Woke Up

What Moved?

Ether rose from 1,569.58 dollars to 2,683.68 over Q3, a gain of 71.0 percent and its best third quarter on record, well ahead of bitcoin's 42.7 percent.

The Three Causes (in order of importance)

One, ETF demand. Spot ether ETFs took in 3.1 billion dollars of net inflows.

Two, leverage. Crypto perpetual open interest rose 40.6 percent to above 100 billion dollars, amplifying every move.

Three, on-chain activity. Robinhood Chain and the wider Ethereum ecosystem drove record usage and fees.

Portfolio Impact

Ether worked as a high-beta version of the crypto rally, and its ecosystem tokens moved further still, with ARB up 167 percent and ETHFI up 144 percent. The same leverage that lifted it is the main Q4 risk: a rally built on derivatives unwinds faster than one built on spot buying. ETFs, however, have widened the buyer base into Q4.



The Semiconductor Index Breaks: More Than 28% Off the June Record

What Moved?

The Philadelphia Semiconductor Index hit a record 14,634.72 on 22 June, then fell more than 28 percent by late July. Unlike most of the market, it never fully recovered within the quarter.

The Three Causes (in order of importance)

One, crowding. Long semiconductors had become the most crowded trade in global markets, leaving a narrow exit; the survey data sit in our Market Sentiment section.

Two, Korean memory deleveraging. Forced selling in the memory leaders spread across the whole supply chain.

Three, valuation reset. Micron alone fell 26.5 percent in July as investors questioned how long peak margins could last.

Portfolio Impact

The memory leg took the deepest damage over Q3: Kioxia lost 39.5 percent, SK Hynix 33.0 percent, Western Digital 28.8 percent, SanDisk 23.5 percent and Tokyo Electron 23.4 percent. Books that treated all AI hardware as one trade learned that its parts can break separately.

INVESTMENT IMPLICATIONS AND OUTLOOK



ASWA'9

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KEY TAKEAWAYS FOR TRADERS

Q3 2026 was the quarter the price of time was repriced in the open. The Fed hiked for the first time since 2023, the long end of the curve broke before it did, the yen reversed on a joint intervention, and crypto went from extreme fear to greed while equities ended exactly where they started. Behind these very different stories sit a few lessons that will outlast the quarter. Eight stand out.

One. Watch the vote split, not only the decision. The nine-to-three Fed vote in July announced the September hike two months early. The seven-to-two Bank of Japan vote in September explained why the yen weakened after a hike. In a world where central banks give less guidance, the dissent count is the closest thing to a forecast the committees publish. Track it at every meeting, and treat a growing minority as a signal that the majority is about to move. For a systematic book, the dissent count can be coded as a simple input: a rising number of dissents in one direction raises the probability of action at the next meeting, whatever the statement says.

Two. Crowding is a measurable risk, but it needs a catalyst to pay. Long semiconductors were the most crowded trade on record in July, and the index fell more than 28 percent within weeks. Yet crowding alone did not set the timing; it set the speed once something gave way. The practical rule is not to sell whenever a survey says a trade is crowded, but to reduce size and tighten risk while the crowding lasts, and to act decisively once the catalyst appears. Crowding tells you how violent the exit will be, not when it will start. That is why the most useful response is to

cut position size in advance rather than to bet on the turn.

Three. Official intervention changes the payoff of carry. Borrowing in yen looked like the safest trade of the year until Tokyo and Washington bought the yen together. One coordinated action turned a slow, steady carry return into a fast loss. Any carry position funded in a currency that officials have openly defended carries a hidden option sold to the government. Size it as if that option will be exercised, because in Q3 it was. The warning signs are visible in advance: repeated official comments, a currency at multi-decade extremes and a crowded position on the same side.

Four. Check the physical market before trusting the futures screen. Brent futures peaked at 109 dollars, but the physical dated barrel traded near 132, and the premium of physical over paper widened from about 3.5 dollars to more than 21. Traders who watched only the futures curve underestimated the shortage. In commodities, the gap between the physical and the paper price is a measure of real stress, and it often moves first. Refiners, shippers and physical traders read that gap every day. Retail traders can follow the same signal through public data on dated prices, inventories and refinery margins.

Five. A hike does not guarantee a stronger currency. The ECB raised rates twice and the euro still fell against the dollar. The BoJ raised rates and the yen weakened on the day. A rate decision moves a currency only when it surprises relative to the other side of the pair. Before trading a central bank meeting, ask what is already priced and what the other central bank in the pair is likely to do. A currency pair is always a race between two policies, and the faster of the two usually wins.

Six. Index level and market health can diverge for a full month. In September, about 75 percent of S&P 500 stocks fell while the index sat near its high, and over the quarter the equal-weighted index lost 2.2 percent while the cap-weighted index gained about 2 percent. A portfolio benchmarked only to the headline index can look fine while most of its holdings lose money. Breadth measures belong next to price on every screen. The share of stocks above their moving averages, or the gap between equal-weighted and cap-weighted indices, are simple tools that would have flagged September's weakness early.

Seven. Mean reversion paid inside the quarter. The first half's winners fell 6.9 percent in Q3, while the first half's losers gained 8.8 percent. The pattern is not a law, but it is a reminder that momentum built over six months can reverse within three, especially when positioning is stretched and

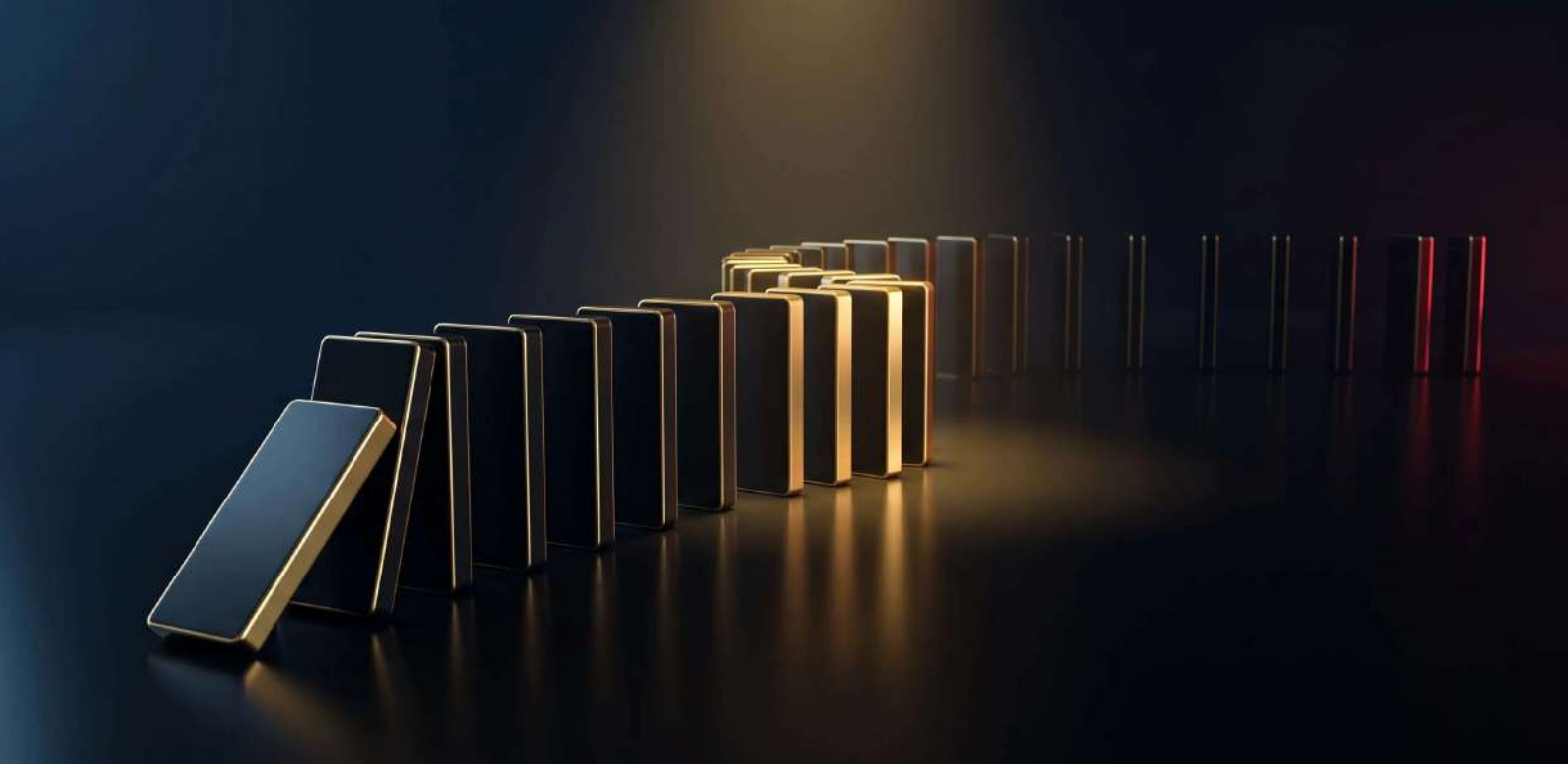
the cost of money is rising. Rebalancing discipline is a source of return, not only of risk control. Taking part of the profit on the strongest winners and reviewing the case for the weakest losers at each quarter end is a habit, not a forecast.

Eight. Flows can outlast headlines. The crypto market bill failed in the Senate, and bitcoin still closed the quarter 42.7 percent higher, carried by 6.34 billion dollars of ETF inflows. A legislative defeat produced a sell-off of a few days, not a change of trend. When headlines and flows disagree, follow the flows and use the headlines as volatility, not as direction. ETF flow data are published daily and are among the most useful free indicators available to a retail trader in crypto today.

It is also worth naming what did not work. Selling the yen after the July intervention, on the view that officials could not hold the line, lost money for weeks. Buying the yen on the day of the BoJ hike lost money too. Shorting crypto on the Senate vote caught a few days of weakness and then missed a quarter of gains. Treating AI as a single trade missed the gap between cloud revenue and chipmakers. And judging the equity market by its headline index hid a September in which most stocks fell. Each mistake had the same root: trading the headline instead of the mechanism behind it.

For MENA traders, three of these lessons apply with extra force. The Gulf pegs import every Fed decision, so the vote split in Washington is also a forecast for Riyadh and Abu Dhabi. Energy exporters and importers in the region sit on opposite sides of the physical oil market, so the gap between dated and futures prices matters for budgets as much as for trading books. And for traders in North Africa, where the dollar rose 5.7 percent against the Egyptian pound and 3.2 percent against the Moroccan dirham, a dollar position is never neutral: currency risk sits underneath every trade.

The thread running through all eight is simple to state and hard to apply: the decision is rarely the signal. The signal sits in the vote, the positioning, the physical market, the breadth and the flows. Q4 will test whether these lessons hold under a calendar even denser than the one we just left.



Q4 2026 CATALYSTS

Q4 opened with part of the answer already on the table. Payrolls on 2 October came in weak, OPEC+ held output on 4 October, the S&P 500 and Nasdaq set records on 6 October, the Fed minutes on 7 October showed all nineteen participants behind the September hike, Hurricane Isaias shut in 63 percent of Gulf of Mexico oil output on 9 and 10 October, and September CPI on 14 October printed at 3.7 percent. The odds of a second Fed hike jumped to 51.5 percent. Eight scheduled catalysts now structure the rest of the quarter.

One. The FOMC, 28 October. After the hot September inflation report, a second hike is close to a coin flip. With no forward guidance, the decision itself and the vote count carry all the information. A hike would confirm a tightening cycle rather than a single move; a hold with dissents would keep the debate open into December. For MENA readers, the Gulf central banks matched the September hike on the same day, so this decision is also a Gulf rate decision. Watch the two-year Treasury yield into the meeting: it is the cleanest market measure of how much of a second hike is already priced.

Two. The UK Budget, 28 October. The thirty-year gilt yield reached 6.034 percent on 7 October, near its highest since 1998. The Budget is the first full answer to the fiscal questions raised since the June change of leadership. Markets will judge it on credibility more than generosity: a plan seen as funded could ease the long end; a plan seen as unfunded would test the gilt market directly, on the same day as the Fed. The watch items are the size of the borrowing

plan, the projected path of debt and the first reaction of the thirty-year gilt in the hours after the speech.

Three. The French budget votes, 20 and 27 October. The spread between French and German ten-year yields stood near 147 basis points on 5 October. The National Assembly votes are the first fiscal test of the quarter for the eurozone. A rejected or heavily amended budget would widen that spread and push the pressure toward the ECB just days before its meeting. For euro traders, the OAT-Bund spread is the gauge to follow: a move well above 150 basis points would signal that fiscal stress, not inflation, is driving European rates.

Four. The ECB, 29 October. Markets price about a 60 percent chance of a third hike, to a 2.75 percent deposit rate. The decision arrives one day after the Fed and in the same week as the French votes. The variable to watch is not only the rate but how the ECB weighs inflation against fiscal stress in its weaker members. A hike combined with a widening French spread would be the clearest sign that the eurozone is tightening into fiscal weakness.

Five. The Bank of Japan, 29 and 30 October. After a seven-to-two vote in September and a yen that is no longer heavily shorted, this meeting decides whether the yen's turn continues. A unanimous decision would be a clear signal; another split vote would keep the yen sensitive to every comment from Tokyo and every move from the Fed. USD/JPY closed Q3 near 157 on the ECB fixing, so the watch item is whether the yen holds its gains if the Fed hikes and the BoJ does not.

Six. The US midterm elections, 3 November. The results will shape the fiscal path, the size of future deficits and the Senate arithmetic for any renewed attempt at crypto market legislation. Election outcomes move bond supply expectations, the dollar and digital assets at the same time, so expect volatility across all three in the days around the vote. The Senate result matters most for crypto, because it decides whether the CLARITY Act can return.

Seven. The Treasury quarterly refunding, 4 November. This is the moment the Treasury announces how it will finance the deficit, and whether its long-end buyback programme is extended, enlarged or quietly ended. Enlarged buybacks or fewer long-dated bonds would be the clearest relief for the thirty-year; unchanged plans would leave the long end to find its own level. This is the most underestimated date of the quarter: it sets the supply of duration that the market will have to absorb into 2027.

Eight. The FOMC with new projections, 9 December. The last Fed meeting of the year

will show, through the dot plot, whether the committee sees the September hike as the start of a cycle or a one-off adjustment. Two days later, on 11 December, the stopgap funding deal expires, setting up a possible December fiscal cliff. The combination of a Fed decision and a funding deadline in the same week makes mid-December the second high-risk window of the quarter after late October.

Between these dates, the data matter more than usual. With no forward guidance from the Fed, each monthly payrolls and inflation report for October and November becomes a vote on the December decision. The Q3 earnings season, running through late October and November, will test whether the concentration of the equity market in a few large names can be justified by results. And the oil market enters the quarter with low US strategic reserves and a physical premium that widened sharply in Q3, so any supply disruption will reach prices quickly.

Reserve dates worth keeping on the screen: the Bank of England on 5 November, the day after the refunding, and the ECB on 17 December, its last meeting of the year.

For MENA readers, three channels carry these dates home. The Fed decisions pass straight into Gulf policy rates through the currency pegs. Oil reacts to OPEC+ and to the end of the hurricane season. And the dollar's path sets the pressure on the Egyptian pound and the Moroccan dirham, which both weakened in Q3.

How to use this calendar. The densest cluster comes in the last week of October: the French vote on the 27th, the UK Budget and the Fed on the 28th, the ECB on the 29th and the Bank of Japan on the 29th and 30th. Four major policy decisions in three days is a volatility event in itself, whatever each decision turns out to be. Positions that cannot survive a large move in rates, currencies and bonds at the same time should be reduced before that week rather than during it. The second cluster, from 9 to 11 December, combines a Fed decision with new projections and a funding deadline. Between the two, the midterms and the refunding on 3 and 4 November decide the supply side of the bond market.

The quarter's calendar has one common thread. Almost every date touches the price of time, through policy rates, fiscal plans or debt supply. Q3 told us that price was going up. Q4 will tell us who is willing to pay it.

THE COMMUNITY CORNER



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Three Conversations, One Standard: The Quarter the Community Sat Down with the Professionals

Some quarters are measured in trades. This one is better measured in conversations. Between June and September, our community stepped outside its own chat rooms and sat down, on camera and on the record, with three people who work in or around the institutional side of markets. Each session was hosted by Khairi, our trading engineer and advisor (KS Advisor), and each one came from a different corner of the profession: a Tunisian price action veteran with nearly twenty years of practice, an institutional trader who asked to remain anonymous, and a quant who works as a derivatives Middle Officer at BlackRock. And yet, by the end of the quarter, the same standard kept coming back in every exchange: if a method cannot be measured, tested and explained, it is not a method. What follows is what each conversation taught us.

Trading Sans Filtre: the classical school meets the quantitative approach

The first conversation, recorded in Tunisia for our Trading Sans Filtre format, brought together Khairi and Mr. Ramzi Saoud, a trainer and active trader since 2008 who has lived through three major crises: 2008, Covid and the current geopolitical turbulence. He has also lectured on financial markets at Tunisian universities since 2018. On paper, the old guard of price action and the advocate of quantification should have clashed. In practice, they agreed on the foundation: trading is a profession, a measurable craft, and anything that strays from that is at best an illusion and at worst a scam.

Both speakers drew a line that our readers should keep in mind. Learning the markets is a universal and legitimate right. Practising in them is a matter of individual responsibility and must comply strictly with the rules of one's country of residence, whether that is Tunisia, Canada or anywhere else. What damages the image of trading in the Arab world is not finance itself but the dream sellers: banknotes spread across the screen, sworn promises of profit,

quick gains.

The exchange then became an X-ray of the fake economy on social media. Ramzi Saoud described reporting fraudulent accounts with more than 100,000 followers until he could no longer keep up. Khairi explained how engagement is bought for a few dollars, so that a visitor sees 60,000 likes and thousands of glowing comments and believes he is facing a master. The scheme extends to rented servers hosting fake track records, published outside verifiable platforms. One parent's son spent up to 15,000 euros on foreign "training" without being able to explain the asset he claimed to trade; another course was sold at 9,000 euros for about twenty hours of hollow content. The message is simple: a storefront is not proof.

The most instructive moment was a test. Khairi showed a chart stripped of all context and asked: buy or sell? Ramzi Saoud refused to answer, and that was the right answer, because the chart could just as well have shown a shop's sales or students' grades. Deciding on a shape alone, without knowing the asset, its fundamentals and its dominant actors, is not trading.

The two men also agreed that the market itself has changed. According to the figures cited, algorithmic execution has risen from about 50 percent of activity in 2010 to 86 percent today. Facing machines, a retail trader has two coherent paths: rigorous algorithmic execution, or long horizons where speed no longer decides. Discretionary scalping against algorithms is a battle lost in advance. On returns, the realism was just as blunt: the largest quantitative funds target around 10 percent a year, and anyone promising to double capital every week is describing either a scam or a statistical accident.

The philosophical heart of the session was that the school does not matter, whether price action, Elliott Wave or any other. What matters is whether the method becomes measurable, reproducible and testable. Every trader should answer three questions before each position: why am I entering, why am I exiting, and what is my edge? Two safeguards complete the discipline: removing the psychological factor as far as possible, because a chart becomes a mirror of what we want to see, and backtesting automatically rather than replaying charts by hand.

The session ended in an open macro debate on gold. Ramzi Saoud judged the metal overvalued in the short term and read Kevin Warsh's first press conference as a deliberate signal of independence. Khairi argued that "it has risen a lot" is not an argument, and that the drivers must be modelled: the dollar index, rate expectations, real yields and central bank buying, with Poland and Uzbekistan among recent buyers while Turkey sold to defend the lira. A surprisingly strong payrolls report released on the day of the recording became the sticking point. The two men converged on method: imported inflation, born of geopolitics and energy, is not the same as inflation born of a strong economy.

The professional trader: what the word actually means

The second conversation was a live session of more than two hours with a professional from institutional trading. She asked to remain anonymous, which is itself a piece of information: in this business, discretion is part of the contract.

Her first point was the path. A trading floor recruits at master's level, through business or engineering schools specialised in finance,

applied mathematics, statistics, financial engineering or data science. Financial engineering leads mostly to statement analysis and the large audit firms; market finance, with its negotiation module, leads to the front office; data science is the fastest rising profile.

She then described the floor itself. The front office negotiates and executes with clients. The middle office validates market risk and daily profit and loss and manages the life cycle of each trade. The back office settles, delivers and accounts. The clients are not individuals but importers, exporters and other banks, and every call is recorded and becomes a contractual document.

The densest part covered certifications in three levels. First, regulation and tools: SIE in the United States, the AMF certification in France, Bloomberg Market Concepts. These open audit and consulting doors, not the trading floor. Second, the series that grant real access to the job: Series 7, 57, 63, 66 and Series 3 for futures and commodities. Third, globally recognised expertise: CAIA, CMT, FRM and the CFA, whose full route can take four to eight years.

Then came the numbers. Gross starting pay quoted for a beginner: 170,000 to 250,000 dollars in the front office, around 110,000 in the middle office, up to about 85,000 in the back office. The other side is stress, discretion and an implicit ban on existing publicly as a trader. A professional on a trading floor does not exceed 25 percent a year, bonuses trigger from targets around 3 to 5 percent depending on the desk, and more than 90 percent of people trading their own account lose money.

On retail traps, she was direct. A broker offering a bonus on your deposit is a warning sign. A serious broker asks questions and restricts you. Giving recommendations or managing capital without authorisation are among the most serious offences in finance. And she added that ignorance is not a fault; the fault begins when you let someone else decide your positions for you. On tools, she noted that moving averages, RSI and stochastics appear in the CFA curriculum while hand-drawn chart patterns do not, that replaying a chart for hours is not a backtest, and that gold is one of the hardest assets to speculate on, because on gold it is states that compete.

She closed on payrolls, which should be read in three phases: the indicators before, the unemployment rate and average hourly earnings during, and the chain reaction in rates, the dollar, indices and commodities after. For Tunisian readers, she noted that access runs through local brokerage intermediaries and collective funds, that data tools remain limited, and that funding an account abroad runs into the exchange control code. Her final image: the market is a forest and you are the hunter. A stone may bring down a pigeon, but one day a boar comes out of the woods.

Markowitz and Black-Litterman with a BlackRock Middle Officer

The third conversation went from headlines to covariance matrices. Our guest, Firas Aouadi, is a derivatives Middle Officer at BlackRock who ranked 8th worldwide in the CFA Institute Quant Awards and has co-authored quant research with Carlo Zarattini.

He started with bonds. A state borrowing in its own currency is the closest thing to a risk-free borrower; a company must pay that yield plus a spread for its extra risk. SoftBank bonds yielding close to 10 percent illustrated the open question behind the AI boom: hundreds of billions spent, with returns still

unproven. His advice for bond investors in this climate was to keep duration short. He also linked the yen carry trade to the Swiss franc, exactly the mechanism our Market Movements section describes.

The Tunisian part was uncomfortable. Banks can borrow from the central bank at around 6 to 7 percent and buy Treasury bonds paying around 8.25 to 8.5 percent, and according to our guest they hold something like 70 percent of their exposure to the state. An index dominated by banks can therefore rise strongly while the real economy creates little value. The speakers linked the July 2026 trading halts on the Tunindex, after a gain of around 60 percent since January, partly to a new law requiring profitable banks to fund honour loans.

On diversification, the lesson was clear: owning many stocks is not the same as owning different risks. Any real allocation starts with the three questions every portfolio manager asks a new client: what is your objective, what is your risk tolerance, and what is your horizon? A broad index can be concentrated in a few names, correlations rise toward one in a crisis, and the sources of risk must differ, not only the tickers. Markowitz showed that portfolio risk depends on how assets move together, but his model is very sensitive to expected returns: moving one asset's expected return from 10 to 11 percent can push its recommended weight from 40 to 70 percent. Black-Litterman reverses the problem, starting from an existing portfolio, inferring the returns it implies, then adding the investor's views with an explicit level of confidence. Firas used a football analogy: if one player is on the pitch half the time and another a third of the time, you can infer how much the coach expects from each. The model reads a manager's implicit expectations in the same way. With no views, it simply returns the reference allocation. His practical advice: start from your current portfolio rather than a blank page, add views one by one with honest confidence, then keep the portfolio as passive as possible, because frequent trading costs fees and fees eat returns. The next session will move to a coded, live backtest.

One standard for the next quarter

Three guests, three desks, one message. Understand the asset before the chart. Demand methods that are measured and backtested. Calibrate expectations against institutional reality, not influencer promises. And respect, in all circumstances, the rules of your country of residence. These sessions will continue in Q4, and the community will keep asking the same uncomfortable questions.

This section is an editorial summary of public discussions held for educational purposes. It does not constitute investment advice, a recommendation or a solicitation. Figures reflect the speakers' statements. K&A Quant Holdings Ltd is not authorised by the FCA and provides no personalised advice, no signals and no account management.



THE QUARTER IN SIGNALS

From August to September, the community ran our three market intelligence tools every week and brought the output back to the group. This page does not replay those weekly calls one by one. It asks a quarterly question instead, one that matters more for the months ahead: what did each tool see early, and what did the end of September confirm or reject?

ENIRADAR (asset scanner) | August to September 2026

EniRadar's weekly top and avoid lists tracked the quarter's turning points closely. It flagged gold's breakout in early August, with the metal near $4,353 on 9 August and $4,437 a week later, then moved gold to its avoid list on 30 August near $4,506 after the hawkish Jackson Hole keynote. Gold ended the quarter at $4,158, so the avoid call held. The scanner also put bitcoin on its top list on 23 August near $77,700, during its best week in two years; bitcoin closed September at $83,554. USD/JPY sat on the avoid list through August and early September as the yen strengthened, a signal that worked until the Bank of Japan hike reversed it. The misses were honest ones: the scanner's repeated XRP avoid calls in early August missed the token's late-August surge, and crude's top slot at $100 on 13 September came just before oil turned lower. Its last list placed Solana on top near $121.78 on 27 September; the token closed the quarter at $117.99, a reminder that a weekly momentum screen is not a quarterly forecast.

MPA (Macro Prompt Assistant) | August to September 2026

MPA's eight agents spent August on one theme: a weak dollar, with institutions long and retail traders heavily short. Its top idea was long EUR/USD for three straight weeks, a call that worked as the pair climbed to 1.1711 after the Treasury buyback news, before the September hike pulled it back to 1.1330. The most valuable read came on 20 September: MPA identified that the zero-yield Swiss franc had inherited the yen's role as the funding currency, with institutions adding fresh franc shorts, and moved to long USD/CHF. USD/CHF ended the quarter up 3.11 percent, and franc crosses filled our FX gainers table. MPA also flagged its own weakness: by late September its book collapsed to 1.59 effective bets out of 8, meaning every idea was really the same dollar trade. A tool that warns you about its own concentration is doing its job.

IFFA (Institutional Fund Flow Analysis) | August to September 2026

IFFA traced where capital moved each week, and the quarter's rhythm was rotation. Money flowed into AI hardware in early August, out of it after Jackson Hole, and back in on 6 September, before memory makers turned into the clearest outflow a week later. That whipsaw matches the memory leg's poor quarter, with Kioxia, SK Hynix and Western Digital all down close to 30 percent or more. IFFA's other reads aged well: energy inflows in mid-August pointed to the quarter's best US sector, and outflows from regulated utilities on 23 August pointed to the worst, down 12.4 percent. Its last call of the quarter, on 27 September, showed capital leaving oil producers for travel and lower-input-cost industries as crude fell.

What the three tools agree on for Q4

Read together, the tools describe a dollar bid by institutions, a funding role shifting to the franc, and sector leadership that changes fast. None of them predicts the next quarter, and none should be read as a trading signal on its own. Each one helps traders see sooner what the market is already doing.

Tool outputs are shared for educational purposes and do not constitute investment advice.



STRATEGIES AND IDEAS BY MEMBERS

Two projects defined the quarter. One started as a single message in our community chat. The other is the fourth version of a system more than a year in the making. Both share one rule: an idea is worth nothing until it has been tested.

EMARSI by @BelaidBousnina | From a Telegram message to a five-year backtest

Belaid posted an idea he had no way to test himself. Two exponential moving averages, 50 and 200, applied to the High and the Low of each candle so that each becomes a band; a crossover to define the trend; RSI above or below 50 as confirmation; and two refinements, the gap between the averages and the retest of the band after the cross. Three of those four elements exist to fix the known weaknesses of a plain golden cross: it is late and it whipsaws in ranges.

Turning the idea into code forced decisions. A naive minimum-gap filter blocks every trade, because the gap is zero at the exact bar of the cross, so the entry waits for the gap to expand within a confirmation window. The retest became a defined second entry, capped per trend leg, and exits always run before entries.

The first screen was deliberately brutal: default settings, 17 assets, every timeframe from M1 to D1, five years from 2021 to 2026. Most combinations blew the account. H4 stood out, and three pairs, EURUSD, USDJPY and NZDUSD, produced rising curves with drawdowns under 5 percent and roughly 15 percent over five years each. Combined, still untuned, they returned about

30 percent with a 10 percent drawdown. Only then came optimisation, four years in sample and one out of sample, ending at 197 percent with a 10.39 percent drawdown over 92 trades. The honest limits are stated: a small sample, a headline lifted by optimisation, and three pairs that are really one dollar exposure. The full study is publicly accessible on EniTrader Labs at https://emarsi-backtest.labs.enitrader.com/

MPA v4.0 by @azymel87 | A multi-agent trading desk that argues with itself

MPA was built to fight the main weakness of language models in trading: confident answers with no evidence behind them. Its fourth version runs eight specialised agents covering macro, COT positioning, the economic calendar, news sentiment, order flow, multi-timeframe technicals, retail positioning and correlation. A training framework replays more than 20 saved weeks of data, scores each agent against what the market actually did, and rewrites weak prompts with documented reasons.

The correlation agent is the quiet innovation. It splits each pair into currency factors, works on log returns, applies Ledoit-Wolf shrinkage and converts average correlation into a number of effective independent bets. That is the reading quoted in our Quarter in Signals page, when eight ideas collapsed into fewer than two real bets. Above the agents, a coordinator issues the weekly view, and refuses to call a high-conviction trade unless the evidence converges. In the week shown in our live video, its two calls were buy USD/CHF and sell USD/JPY, each backed by macro, technicals and COT data, and naturally opposed so that the book stayed diversified. The next step is an execution agent that reassesses open positions every week. MPA-4 is available to anyone interested on a monthly subscription at https://enitrader.com/market-intelligence-tools

The common thread

One idea came from the community, the other from the desk, and both were judged the same way: on data, with their limits in plain view. Have an idea of your own? Post it in the group. It might end up on this page.

Backtested results describe historical behaviour only. Nothing here is investment advice or a signal service.

EniDETECTIVE THE TRUTH BEHIND



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THE NEWS FILE: Ten Years, Seven Majors, and the Minute That Decides Everything

Every trader has heard both verdicts. "Never trade the news, it is a casino." And "the news is where the real money moves." Both cannot be right, so this quarter EniDetective reopened one of its oldest cases and brought it to trial with ten years of evidence.

The cold case

In 2024 we investigated news trading entirely by hand. One year, the JPY crosses, 921 high impact releases listed, filtered and measured one screenshot at a time, then backtested with a straddle: two pending orders placed just before the release, one above price and one below. The conclusions were promising, but one year is a witness, not a proof. So we rebuilt the case from the ground up.

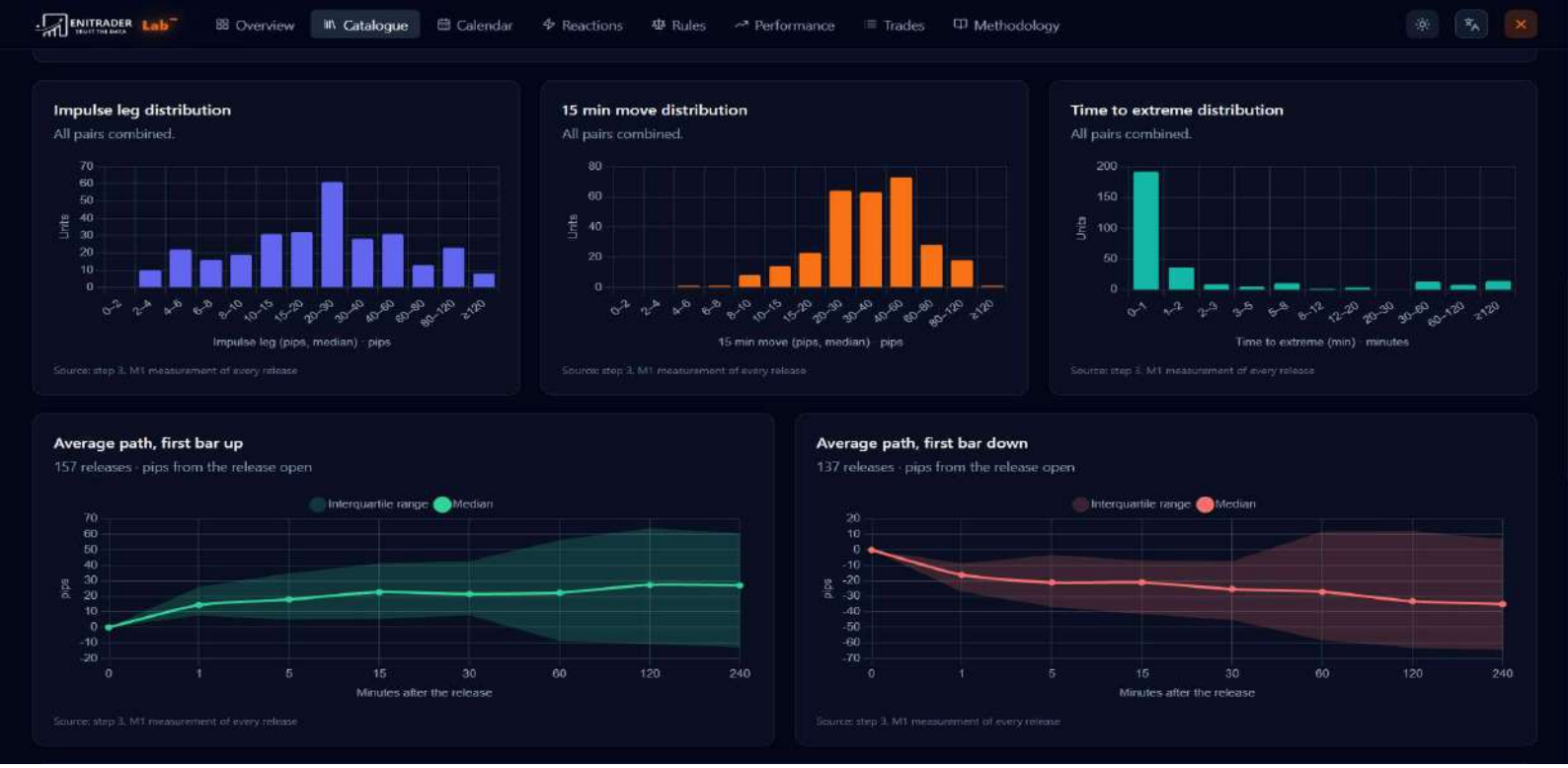
The new evidence

The redo covers 10.7 years, from 1 January 2016 to 22 September 2026, on the seven FX majors: EURUSD, GBPUSD, USDJPY, USDCHF, AUDUSD, NZDUSD and USDCAD. Instead of choosing the "important" news first, we measured everything: 51,571 calendar entries of every impact level and 91,403 market reactions, minute by minute. Each reaction was compared with the same pair at the same minute on the 20 previous quiet days, so every release is judged against what the market normally does at that time, not against an opinion.

The timing was checked on the prices themselves, not just on the calendar. On 6,474 isolated high impact releases, the one-minute candle at the release averages 7.5 times its normal size, against 1.3 an hour before. That signature holds in every year and on every pair, including the awkward weeks when US and European clocks change on different dates. The calendar is also more crowded than it looks: only 34% of high impact releases are alone at their minute, 48% fall in the London and New York overlap, and since every pair in the study contains the dollar, a US release can collide with any other currency's news.

Clue one: the colour of the folder lies

Low impact news is noise. Fifteen minutes after the release, a low impact item moves the market 1.07 times its normal amount, and its direction follows the surprise against the forecast 53% of the time, a coin flip. High impact releases move it 2.03 times normal and follow the surprise 72% of the time. The real surprise sits in the middle: about a



quarter of medium impact releases come from events that clearly move prices, such as ADP, Core PCE, the German flash PMIs, UK Retail Sales and Tokyo Core CPI. And not every red folder deserves its rank: Crude Oil Inventories, CB Consumer Confidence and most central bank speeches barely register. The data, not the label, decides what is worth trading.

Clue two: the first minute is a trap

More than half of the strongest first candles spike through their opening price before choosing a direction, exactly the whipsaw that triggers both sides of a straddle and stops out the impatient. That is why the study enforces a rule experienced news traders know by instinct: no stop loss during the release spread. The orders are placed 1 to 2 minutes before the release, and the stop only becomes active at the open of the third one-minute candle, once spreads are back to normal. And the moves rarely last: even for the strongest events, 59% of continuation legs return to their opening price within an hour.

Clue three: the money is made in the first minutes

This is the central finding. For the strongest tier of events, it barely matters whether the trade exits after 5 minutes or after 60, or whether the stop is wide or tight: out of sample, the result stays between about +2.9 and +3.2 pips per trade before costs. Only a modest take profit destroys the edge, by cutting the winners short. The profit of a news trade is created in the first minutes after the release; after that, the market behaves like noise. A flat result like this is good news, because the edge does not hang on one lucky setting. It also means one thing decides the outcome: what you pay to execute.

The verdict

To avoid fooling ourselves, the events and rules were selected on 2016 to 2022 only, then tested blind on 2023 to 2026. Each event type gets its own stop and target on each pair, derived from its own history: the stop for NFP on EURUSD is not the stop for NZD CPI on NZDUSD. Releases at the same minute on the same pair count as one trade, and results are measured in R, multiples of the risk taken, so they apply to any account size.

At a cost of 2 pips per trade, the rules already positive by the end of 2022 produced 6,959 trades over the full period, a 50.2% win rate, +2,972 R, a profit factor of 1.74, a maximum drawdown of 79 R and 95 positive months out of 129. On the blind 2023 to 2026 test alone: +762 R with a profit factor of 1.50,

and still +466 R at 3 pips of cost. Every pair finished positive, led by USDCAD (+723 R), USDJPY (+545 R) and AUDUSD (+517 R), with USDCHF the quietest at +153 R. The strongest names in the file are familiar: the NFP cluster across the dollar pairs, US CPI on AUDUSD and NZDUSD, the Bank of Canada statement on USDCAD, the German flash manufacturing PMI on EURUSD, and the RBNZ rate statement on NZDUSD, the single best group of the blind test.

What a good detective also reports

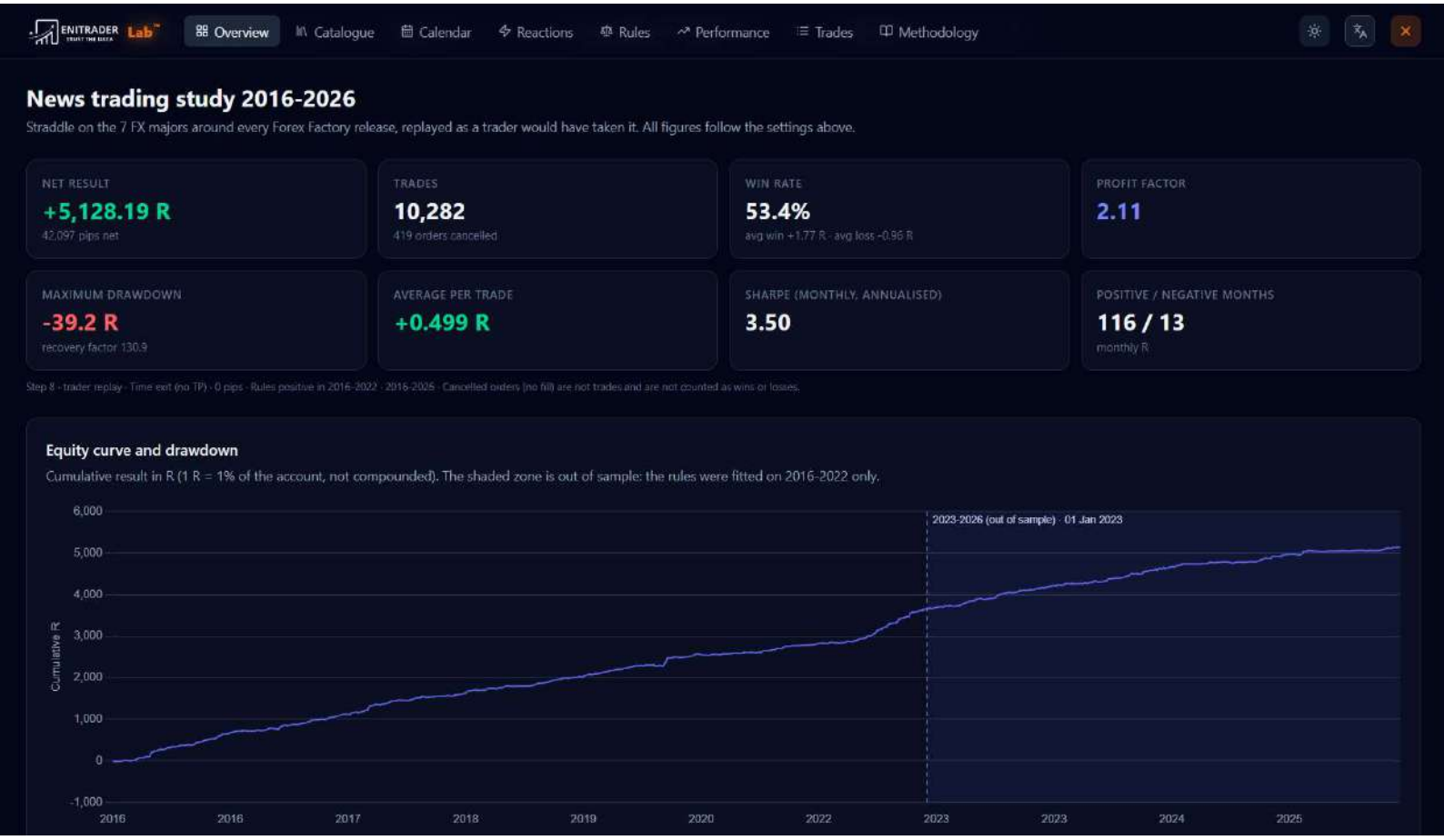
The study does not hide its weak points. Costs are modelled at 0 to 3 pips, not measured live. Because the stop waits for the third candle, a loss can exceed 1 R: 639 trades closed at the stop activation for an average of 2.2 R, and the worst cost 22 R. A single USD release can open trades on seven pairs at once, so risk must be sized per release, not per trade. And 2025 (+69 R) and 2026 to date (+16 R) are well below the earlier average; weak years happened before and were followed by strong ones, but we are watching. Every figure was recomputed by a second, independent calculation, with zero differences. The next step is a demo forward test of at least one month and 15 trades, the same standard we ask of our bootcamp students.

Open the file yourself

The full study is now available in EniTrader Lab: the catalogue of 618 event types with their impact verdict and reaction timing, the stop, exit and target of every event on every pair, stability and reversal statistics, results month by month and year by year for each pair, and the complete equity curve. Get it at https://enitrader.com/enitrader-lab.

Want to see it before you decide? A free public demo is open to everyone at https://news-backtest.labs.enitrader.com/ with every New Zealand dollar release on NZDUSD. It includes the RBNZ statement, the strongest group of the whole study, so you can judge the method on our best evidence before you buy.

Backtested results are not a promise of future returns, and nothing here is investment advice. The case is open and the evidence is on the table: the verdict is yours.



TECHNOLOGY AND TOOLS



ASWAQ

Market Pulse

A Magazine for MENA Traders

The SEC Opens the Door to Tokenized Stock Venues

On 17 September the SEC granted a five-year conditional exemption that lets new Tokenized Securities Venues trade tokenized US stocks through automated market makers and restricted liquidity pools, without registering as exchanges. It gives US shares on blockchain rails an official framework set by the regulator, instead of leaving the field to offshore platforms. The conditions are strict: each token must carry full shareholder rights, issuers can block third parties from tokenizing their shares, every trade must be published in dollar terms, and trading halts must mirror the primary market. Volume and instrument caps are tied to the Limit Up-Limit Down bands that already police US stocks. For quants, this is a new kind of venue with fully public trade data, a price set by a liquidity curve rather than an order book, and halts locked to Wall Street. An automated market maker prices each trade from the balance of a pool, so every order moves the price along a known curve, which makes slippage measurable in advance. Three things are worth building from day one: a monitor of the gap between the tokenized price and the official US best price, a test of whether the liquidity curves lag at the open and close, and a log of how often the caps are hit, as a liquidity signal. Our next article shows why prices outside market hours need careful handling.



When Two Prices Agree but Say Nothing

Equity perpetual contracts on crypto venues trade around the clock, so they need a reference price, often called an oracle, while Wall Street is closed on nights and weekends. Funding payments and liquidations depend on that price, so its quality is not a detail. A paper published on 10 August by Seo and co-authors (arXiv 2608.09188) shows the trap: when you only see the marks, you cannot tell whether a venue follows an outside anchor or simply copies itself. Standard lead-lag and information-share tests then lose their power, and two prices that agree prove nothing about who discovers the price. What separates the cases is disclosure of how the reference price is built, or the cash market reopening on Monday; one OKX case passes the authors' pre-open test, which shows the problem can be solved when a venue explains its method. The lesson for traders is simple: weekend and overnight moves in equity perpetuals may carry no information at all, and treating them as a signal needs proof. The same caution applies to any 24/7 price on an asset whose main market sleeps, including tokenized stocks. Measure weekend perpetual moves against Monday cash opens before you trust them, and treat undisclosed reference prices as noise in any gap model. Agreement between venues is not evidence; transparency is.



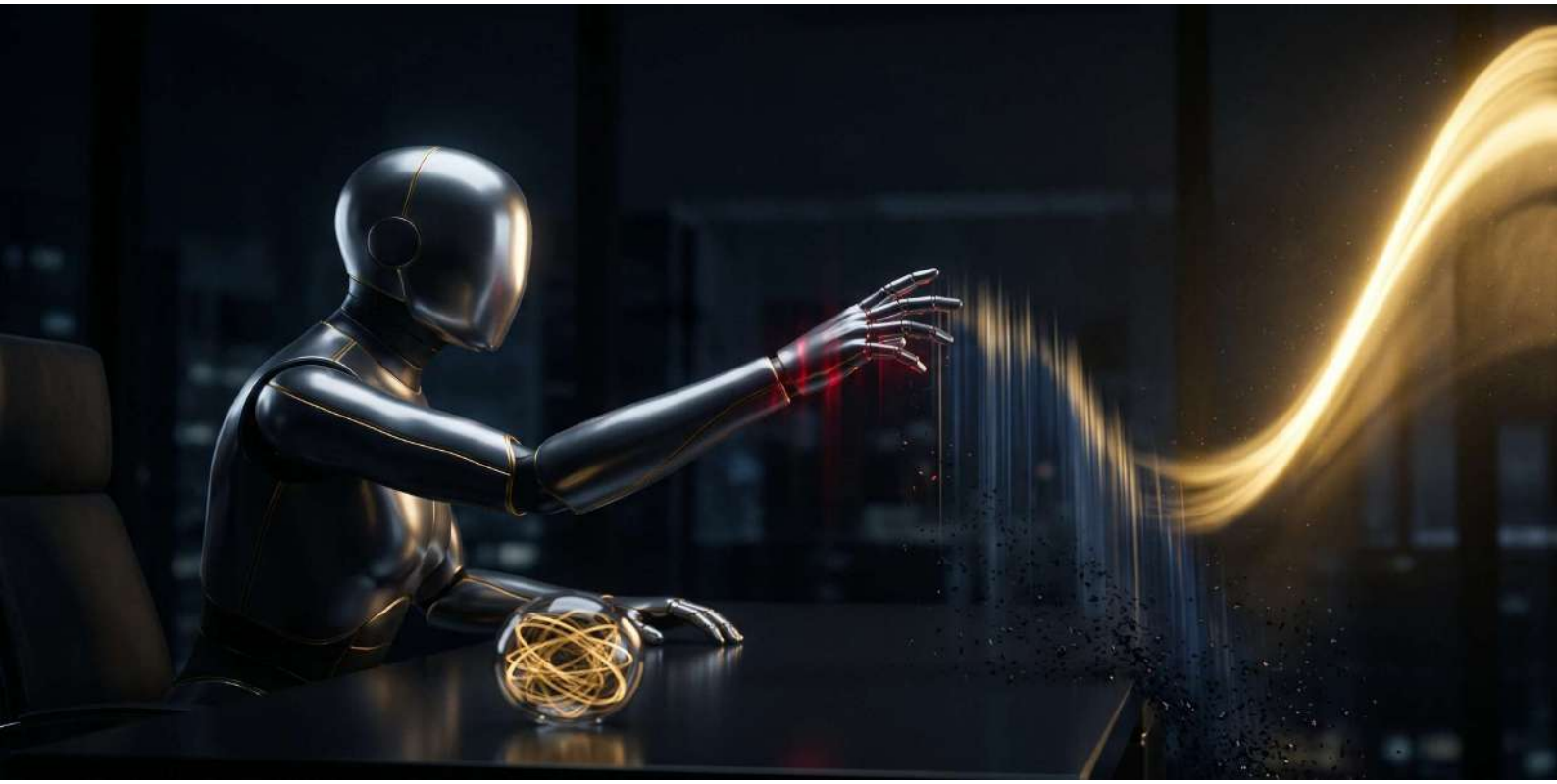
High-Frequency Trading Finally Gets a Public Measure

Until now, measuring high-frequency trading needed proprietary exchange data that retail researchers never see, so most studies relied on rough proxies such as message traffic or order cancellations. On 1 August, Ibikunle, Moews, Muravyev and Rzayev (arXiv 2608.00858) trained machine-learning models on private Nasdaq data to read HFT activity from public intraday variables. The result is a daily measure for every US stock from 2010 to 2023, split between HFT that supplies liquidity and HFT that consumes it. The new measures contain the information of the usual proxies and more, and they also work on Euronext Paris, a sign that the method travels beyond one market. The paper was revised on 1 September. The split matters: liquidity-supplying HFT goes with tighter spreads and more information gathering before announcements, while liquidity-demanding HFT goes with the opposite. For a quant, this is a free stock-day factor for liquidity and adverse selection risk. Two practical uses: condition your execution cost model on days of heavy versus light liquidity-demanding HFT, and check whether event strategies, such as trading earnings or news, behave differently on those days. Replicating it on your own tick data is a solid weekend project, and a good reminder that public data hides more structure than it seems.



AI Trading Agents Have a Timing Problem

A paper published on 28 August by Zhang and co-authors (arXiv 2608.28399), titled RetailAgent, tested large language model agents that decide, along intraday price paths, whether to hold a position or stay flat. The finding is uncomfortable: across models, horizons and market conditions, the agents earn less while they hold than while they are flat. In other words, they tend to be in the market at the wrong moments, and out of it when the move happens. The agents were multimodal, reading charts as well as numbers, so the problem is not a lack of information. Shuffling their decisions weakens the effect, which shows the bad timing is a structured pattern, not bad luck. Giving agents a memory of their own past decisions makes their behaviour even stickier. The setting matters: intraday decisions are exactly what most retail AI agents are built for. Two consequences follow. If more retail flow comes from AI agents, that flow may become predictable, and professionals could learn to trade against it. And anyone building an agent should measure its hold-versus-flat timing before trusting it with capital. It is a test worth adding to any multi-agent pipeline, ours included, and one every builder should run, especially before adding memory features. A clever explanation on screen is not the same as good timing in the market.



Can AI Read Currency Fundamentals?

FX is the market where fundamentals usually fail to predict prices: decades of research show that a simple random walk is hard to beat, even with good economic data. A paper by Amin Izadyar published on 1 August (arXiv 2608.00761) suggests large language models may change that, by turning the reading of economic news into a number. ChatGPT and DeepSeek read economic releases and score the fundamental strength of each currency, release after release; a portfolio buying the strongest and selling the weakest earns a Sharpe ratio above 0.7 a year, after controlling for the standard currency factors such as carry and momentum. The author runs checks against look-ahead bias, a real risk when models may have seen the future in their training data, and finds that the Taylor rule channel, inflation and the output gap set against the policy rate, does much of the work. For quants, this is a reproducible path from text to an FX factor, built with tools any trader can access, not only large banks. Worth trying: rebuild the score on the G10 plus emerging currencies such as TRY, MXN, KRW and ZAR, check whether it would have caught this quarter's moves in the won and the Swiss franc covered in Market Movements, and test it only on data published after the model's training cutoff. If the edge survives there, it is real.



FINAL PULSE

Three months ago, we promised that a quarterly issue would trade speed for depth. Q3 tested that promise from its first week. The Fed hiked for the first time since 2023, the 30-year broke before it did, Tokyo and Washington bought the yen together, and the physical oil barrel ran far ahead of the futures screen. Yet the S&P 500 ended the quarter close to where it started. A trader watching only the headline level would conclude that nothing happened. Almost everything did.

That is the real lesson of this issue. Noise is what fills the screen every day: the headline, the viral post, the first one-minute candle after a release. Variance is what remains once you measure: the vote split behind a decision, the gap between physical and paper oil, the breadth beneath an index, the flows beneath a failed bill. Our ten-year news study says the same thing in numbers: the edge lives in a few minutes, and what follows behaves like noise. Knowing which of the two you are looking at is most of the work.

Q4 opens with four major policy decisions in three days at the end of October, a US election in November and a funding deadline in December. Nobody, including us, knows how those dates will resolve. What we can do is arrive prepared: positions sized to survive a large move, a short list of the variables that truly carry information, and the discipline to ignore the rest. The calendar is in this issue; the judgement stays yours.

Thank you for reading our first quarterly issue, and thank you to every community member who shared an interview, a strategy, an analysis or a critique. This magazine is built with you, not only for you.

Until next quarter — trade the variance, not the noise. See You in **#012**

Your journey into the markets doesn't end here!

Whether you are just starting to get curious about trading, looking for quality mentorship to refine your edge, or an experienced practitioner with an idea to share, our community is your space to grow. We believe the best tools are the ones we build together.

Drop us a message and become part of a community dedicated to a scientific and collaborative approach to the financial markets.

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