Markets Daily Commentary 09.09.26
By Shaun French, Multi-Asset Trading & Research, SF Advisory

GB 💷 / US 💵 It's been a minute.... however before the "back-to-school" trade kicks in we are seeing reasons to reduce our GBPUSD short recommendations from June-July entry points and run the rest of the position. Equally reduce our outright Dollar (DXY) long positions too. We also expressed these recommendations in GBPAUD shorts.

Given our views persisting since the SF Advisory July Market Commentary note (link below), US 10Yr Yields remain buoyed above 4 handle, given term premium, financing volatility perhaps influenced by US-Iran flare ups. Similarly, US Dollar resilience near term supported by 98 handle, along with US Fed Warsh, Jackson Hole clues around latest sticky 3.3% Core PCE & "Work to do"... with money markets rapidly repricing swaps from 40% to a 60.2% probability of a 25bps rate hike in Sept.

We also think the US-Iran flare ups (back and forth) are being underpriced by energy markets and consequently the Dollar and havens.

https://lnkd.in/eBa8xj5h

https://lnkd.in/eB-Ffssv

By Shaun French, Multi-Asset Trading & Research