MACRO REPORT

DAILY EDITION

Monday, 17 August 2026 | Day 171 | The curve is already talking

The destination question does not start from a blank slate, because the curve is already answering it. The front end has rallied to 3.49 percent as the market priced the September cut and a dovish pace, but the long end has held near 4 percent, so the curve has bull-steepened, and that shape is itself a statement about the terminal rate. It says the market is pricing a measured normalisation toward a moderate neutral rate rather than an aggressive easing toward a low one, which is the classic soft-landing curve: the front end falls as the cuts arrive, and the long end holds because a healthy economy with no recession does not need the deep cuts a low terminal rate would imply. The benign destination is already in the curve. Friday's Jackson Hole keynote is the test of it, and the long end is where a terminal-rate signal will register first. A positioning session into that, with the market at records, the dollar at cycle lows, and Bitcoin above 78,000 at $78,600. This is the short word on what the curve has already said.

1. THE OPEN

The market opens Jackson Hole week at records. Futures are flat to slightly firm, holding the highs the confirmed landing produced, the dollar sits at cycle lows near 94.9, gold holds its record, and Bitcoin holds above 78,000. The calendar is light today, with homebuilder sentiment the only item of note, and the week is a quiet build toward the Friday keynote where the chair may frame the destination of the cutting cycle. This is a positioning session into that, and the read is set from the weekend.

The destination question the weekend framed has a starting point worth marking, which is the shape of the curve. The market has already priced a view on the terminal rate through the way the front and long ends have moved, and reading that shape clarifies what Jackson Hole would confirm or challenge. The book carries the re-established dovish positioning at records, and the one thing worth setting out today is what the curve has already said about the destination, because it is the baseline the keynote will be measured against.

METRIC	READING	CONTEXT
S&P 500 futures	**+0.1%**	holding the records
S&P 500 (Fri)	**7,958.20**	record
Dow Jones (Fri)	**54,180.10**	record
Nasdaq (Fri)	**27,940.20**	record
Bitcoin	**$78,600**	holds above 78K
Ethereum	**$4,055**	firm
Solana	**$271**	holding
UST 2Y	**3.49%**	front end rallied on cuts
UST 10Y	**4.02%**	long end held near 4%
2s10s spread	**+53bp**	bull-steepened
The curve	**measured normalisation**	moderate neutral priced
DXY	**94.9**	cycle lows
Gold (spot)	**$4,203**	record
Silver	**$49.20**	above $49
WTI crude	**$79.00**	quiet near $80

METRIC	READING	CONTEXT
VIX	**12.2**	low, records
Homebuilder sentiment	**today**	minor
FOMC minutes	**Wed 19 Aug**	the July colour
Jackson Hole	**keynote Fri 21 Aug**	the terminal-rate test
Terminal rate	**the question**	the long end registers it
September cut	**fully priced**	the destination the question
Nvidia	**~late Aug**	the direct semis test
Sept FOMC	**~16-17 Sep**	the cut and new dots
Semis position	**neutral**	into Nvidia
Breadth	**the core**	at records
Macro leg	**at cycle lows**	terminal rate its anchor
Growth check	**the ongoing watch**	the durable question
Regime	**dovish, records**	the destination ahead

2. THE OVERNIGHT

Asia and Europe held the record tone. The Nikkei traded at its own highs on the confirmed soft landing and the dovish regime, and European markets opened firm, the risk complex carrying the records into the new week without a weekend fade. There was no data of consequence overnight, and the tone was the constructive calm of a market that has resolved its near-term questions and sits at highs into a week whose event is a Friday framing rather than a decision.

The dollar holds at cycle lows near 94.9 and gold at its record, the macro leg steady at trend. The overnight is quiet and constructive, a market at records waiting on the Jackson Hole keynote. The feature worth marking today is not in the overnight price action, which is calm, but in the shape of the curve that the confirmed landing has produced, because that shape is the market's existing answer to the destination question the keynote will address.

2A. THE CURVE IS ALREADY TALKING

The curve has bull-steepened, and the shape is a statement about the terminal rate. The front end has rallied hard, the two-year at 3.49 percent as the market priced the September cut and the dovish pace beyond it, while the long end has held, the ten-year near 4 percent, so the spread between them has widened. That steepening is the classic soft-landing-easing shape: the front end falls because the Fed is cutting, and the long end holds because a healthy economy with cooling inflation and no recession does not require the deep cuts that would pull the long end down with it. The curve is pricing the front end toward a moderate neutral rate while anchoring the long end to a healthy economy.

Read as a destination statement, the curve says the market expects a measured normalisation to a moderate terminal rate rather than an aggressive easing to a low one. A market pricing a low terminal rate would rally the long end alongside the front, flattening the curve as it priced the Fed cutting deep into a weakening economy, and the fact that the long end has held while the front rallied says the opposite: the cuts are a normalisation from restrictive toward neutral, not an emergency easing, and the neutral rate the market anchors to is moderate. That is the benign destination the weekend described, already encoded in the curve. Jackson Hole is the test of it, and the long end is where a terminal-rate signal registers first: a dovish framing implying a lower neutral rate would rally the long end and flatten the curve, while a more cautious framing stressing a higher neutral rate would hold or back up the long end and steepen it further. The curve has already spoken, and the keynote will confirm or challenge what it said.

3. THE MACRO LEG

The macro leg holds at cycle lows, the dollar near 94.9 and gold at a record, and the curve shape supports it. A measured normalisation to a moderate neutral rate is enough to carry the leg, since the front-end cuts pressure the dollar and support gold regardless of where exactly the long end settles, and the bull-steepening is consistent with the dovish regime the leg runs on. Silver above 49 is the higher-beta version. The leg is at trend, and the Jackson Hole framing of the destination is its catalyst this week.

The terminal rate is the leg's deeper anchor, and the keynote is the input. A dovish framing implying a lower destination would extend the leg as the long end rallied and the dollar fell further, while a more cautious framing would trim it. The curve says the market prices a moderate neutral rate, which is enough for the leg to hold at trend, and the keynote could push it either way. The leg is held into the Friday framing, anchored by a destination the curve has already priced as a measured normalisation, and the keynote is the test of whether that pricing extends or reverses.

4. BITCOIN HOLDS ABOVE 78,000

Bitcoin holds above 78,000 at $78,600, the forward gauge consolidating the breakout at records with the prior high ground the objective. Holding above the level into Jackson Hole week says the risk bid is intact, consistent with the constructive tape, and it enters the week with 78,000 the support and the keynote the catalyst. Its stability at the highs is the constructive lead.

The Jackson Hole framing is the catalyst through the destination it implies. A dovish normalisation framing pointing to a lower terminal rate would support the next leg toward the prior highs, while a more cautious framing would trim the risk bid. As the highest-beta expression of the dovish regime it responds to the destination signal the way the macro leg does, and its hold above 78,000 into the week is the constructive signal. Bitcoin remains the cleanest real-time read on the risk complex as the terminal-rate question comes into focus at the keynote.

5. POSITIONING

The book is set for the destination question and the day changes nothing in it. Long the breadth as the core, the semiconductors neutral into Nvidia, the macro leg at cycle lows and anchored by the terminal rate, and Bitcoin above 78,000 as the forward gauge. Conviction is restored with both sides of the landing confirmed, and the posture is constructive into a week whose event is a Friday framing.

The discipline is to read the keynote against what the curve has already said. The bull-steepening encodes a measured normalisation to a moderate neutral rate, the benign base case, so the keynote matters for whether it confirms that or points to a lower or higher destination, and the long end is where the signal registers. Hold the breadth as the core, keep the semiconductors neutral into Nvidia, carry the macro leg anchored by the destination, watch the growth data as the ongoing gate, and weight the Friday keynote for the terminal-rate signal against the curve's existing pricing. The curve is already talking, and Jackson Hole is the test. Day 171. The destination is priced as a measured normalisation, and the keynote is Friday.

6. ALL-ASSET SUMMARY DASHBOARD

FX

PAIR	BIAS	RISK	KEY CATALYST	VOL	RANK
EUR/USD	Long	★★★★☆	Dollar at cycle lows	M	A-
USD/JPY	Short	★★★☆☆	Yen bid on the low 2Y	M	B
GBP/USD	Long	★★★☆☆	Firm	L	B
AUD/USD	Long	★★★★☆	Commodity-FX firm	M	B+
USD/CHF	Short	★★★☆☆	Haven unwound	L	B-
DXY	Short	★★★★☆	Cycle lows, terminal rate the anchor	M	A

COMMODITIES

PAIR	BIAS	RISK	KEY CATALYST	VOL	RANK
WTI	Short	★★★☆☆	Pinned, oil tail dormant	M	B
Brent	Short	★★★☆☆	War premium gone	M	B
Gold	Long	★★★★★	Record, terminal rate ahead	M	A
Silver	Long	★★★★★	Above $49, higher-beta	M	A
Nat gas	Neutral	★★☆☆☆	Demand drift	L	C
Copper	Long	★★★★☆	Growth proxy firm	L	B+

INDICES

PAIR	BIAS	RISK	KEY CATALYST	VOL	RANK
S&P 500	Long	★★★★☆	Record, destination priced	M	A-
Nasdaq	Long	★★★★☆	Record, rate-sensitive bid	H	B+
Dow	Long	★★★★☆	Record	M	A-
Russell 2000	Long	★★★★★	Breadth, at records	M	A
Semis	Neutral	★★★☆☆	Neutral into Nvidia	H	B
Nikkei 225	Long	★★★★☆	Record	M	A-

CRYPTO

PAIR	BIAS	RISK	KEY CATALYST	VOL	RANK
Bitcoin	Long	★★★★☆	Holds above 78K, JH ahead	H	A
Ethereum	Long	★★★★☆	Firm	H	A-
Solana	Long	★★★☆☆	Holding	H	B+
Total mcap	Long	★★★★☆	Risk bid, destination in focus	H	A-

THE DAY AHEAD

The destination question starts from what the curve has already said. The front end has rallied to 3.49 percent on the cuts while the long end held near 4 percent, so the curve has bull-steepened, the classic soft-landing shape, and that shape is a statement: the market prices a measured normalisation to a moderate neutral rate rather than an aggressive easing to a low one, the benign destination already encoded. A market pricing a low terminal rate would rally the long end and flatten, and the held long end says the opposite. Friday's Jackson Hole keynote is the test, and the long end is where a terminal-rate signal registers: a dovish framing implying a lower neutral rate would rally the long end and flatten, a cautious one stressing a higher neutral rate would steepen further. A quiet data week builds toward it, with homebuilder sentiment today and the July minutes Wednesday. Hold the breadth as the core, keep the semiconductors neutral into Nvidia, carry the macro leg anchored by the destination, and weight the keynote against the curve's existing pricing. The curve is already talking, and Jackson Hole is the test. Day 171.