fundstrat

Evidence-based research.
150 East 52nd St, 3rd Floor New York, NY 10022

First to Market

September 15, 2026

CARRY ON MY WAYWARD YIELD …

Kent Fung

VICE PRESIDENT, MARKET INTELLIGENCE

Chart of the Day

Russell 1000: BitMine #4 in performance since June 30th

Top 30 Russell 1000 Stocks By Absolute % Change
Since 6/30/2026

4 of top 20 stocks are *Crypto*

	Ticker	Name	Sector	Industry	% Abs Chg.	
		Russell 1000			3	
1	TEAM	Atlassian Corp	Technology	Software	150	
2	MRNA	Moderna Inc	Health Care	Biotechnology	113	
3	NIQ	NIQ Global Intelligence Plc	Comm. Services	Media	101	
4	BMNR	BitMine Immersion Technologies	Technology	Software	99	crypto
5	RNG	RingCentral Inc	Technology	Software	96	
6	PAYC	Paycom Software Inc	Industrials	Professional Services	91	
7	WDAY	Workday Inc	Technology	Software	69	
8	CRM	Salesforce Inc	Technology	Software	69	
9	ESTC	Elastic NV	Technology	Software	69	
10	PATH	UiPath Inc	Technology	Software	68	
11	CTSH	Cognizant Technology Solutions	Technology	IT Services	67	
12	MSTR	Strategy Inc	Technology	Software	67	crypto
13	GWRE	Guidewire Software Inc	Technology	Software	65	
14	CRCL	Circle Internet Group Inc	Technology	Software	65	crypto
15	CHYM	Chime Financial Inc	Financials	Financial Services	64	
16	GTLB	Gitlab Inc	Technology	Software	62	
17	VEEV	Veeva Systems Inc	Health Care	Health Care Technology	60	
18	MANH	Manhattan Associates Inc	Technology	Software	60	
19	PLTR	Palantir Technologies Inc	Technology	Software	56	
20	ACN	Accenture PLC	Technology	IT Services	55	
21	BLSH	Bullish	Financials	Capital Markets	55	crypto

Source: Fundstrat Factset

fundstrat

Good morning!

There's more than one central bank scheduled to make a rate decision this week. The central banks of England, Brazil, and Taiwan will also disclose decisions about their respective countries' benchmark rates. I would argue that the Bank of Japan’s rate decision might even be just as closely watched as our own Federal Open Market Committee's meeting.

As with the Fed, there is a prevailing opinion in the market that the BoJ is likely to raise its policy interest rate (in Japan's case, from 1.0% to 1.25%). That's based on not just the Japanese equivalent of "Fedspeak," but also the recognition that affordability has become an intensifying concern in Japan. While Japan's inflation remains significantly lower than the U.S. (1.9% as of July), it has nevertheless risen in recent years.

Doubtless, policymakers in Tokyo hope that this will not just help to muffle the rise in inflation, but also lessen the attractiveness of the yen carry trade. That's seen as a good thing for Japan because the yen carry trade has contributed to the weakness in the Japanese currency, another reason why affordability has become a matter of concern for officials in Tokyo.

[For the uninitiated, the yen carry trade involves taking advantage of the difference between Japan's relatively lower rates and the higher yields in the U.S. The investor borrows yen at lower rates, converts the borrowed yen to dollars, and (if all goes as planned) uses the funds to reap higher returns in U.S. markets, with the difference between the two ending up as profit, assuming the yen does not strengthen.]

Even if Japanese benchmark rates are hiked on Friday as expected, the carry trade might not unwind right away – not with U.S. yields also rising, and thus at least maintaining the attractiveness of this longtime strategy. Still, the possibility of U.S. yields eventually falling back to lower levels, such as those seen in the spring, has some carry-trade devotees looking for a replacement currency when (or if) that happens.

Speaking to CNBC yesterday, Claudio Piron, Bank of America's head of Asia forex and rates, floated two possibilities: China's yuan/renmenbi and the Canadian dollar.

Commenting on China, he remarked that "I like to quip that Japan is becoming like China was 20 years ago, and China is becoming like Japan."

The timeline sort of fits. The concept of the yen carry trade began dissemination in 1999 or so, becoming wildly popular in the mid 2000s. In some ways, China and the yuan are also a good fit for a carry trade: Chinese yields are lower than their U.S. equivalents with spreads of 120 to 328 bps as of yesterday afternoon, while the yuan itself displays a low level of volatility.

Yet China's Xi Jinping is unlikely to feel flattered by a comparison to Japan circa 2006. In fact, the mere possibility likely keeps him up at night. In 2006, Japan was still uncertain about whether its nascent exit from years of stagnation and deflation would last – and it didn't, because that recovery would be cut short by the Global Financial Crisis. As China itself is struggling itself with tepid consumer spending and worsening property market, it's easy to see why the hypothetical doom-loop parallels might be a bit disconcerting to Beijing.

On the other hand, the currency-weakening effect of a carry trade could easily be seen as a plus for China's still-export-driven economy. In addition, China wants to see its currency someday supplanting the U.S. dollar as the global reserve currency, and anything that increases the yuan's prominence in global markets could be seen as conducive to that long-term goal.

That's not to say that a yuan carry trade is likely to happen any time soon. As we discussed earlier, the yield spreads that make the yen carry trade so attractive are likely to remain after this week. Furthermore, while China and the yuan might share some carry-trade similarities with the yen, there is one key difference – compared to Japan, China is far less inclined to let markets freely determine its currency fluctuations, so adopting an RMB carry trade would arguably introduce an element of geopolitical risk that is absent in the more market-dictated yen.

Share your thoughts

Do you think the days of the yen carry trade are numbered? Click here to send us your response.

✍Here's what a reader commented ✍

Q: Which do you think will give out first – refinery infrastructure, or demand for gasoline?

A: I think that no one has mentioned that refineries will need to shut down for the switchover to winter fuel production. This always causes a temporary shortage. Something to think about.

Catch up with Fundstrat

There are times when market caution and trepidation lead to pricing in the bad news ahead of an event. To us, the selloff of stocks in Sept into CPI and now FOMC rate decision are creating a situation where any decision likely drives a rally.

Technical

I find Monday’s minor “backing and filling” on AI fears to be overblown and not something which should prove long-lasting. Monday’s pullback likely proves an excellent buying opportunity.

Crypto

I remain skeptical that Clarity ultimately gets signed into law on the current timetable even if today's procedural vote succeeds, but I think (1) 60 votes to proceed would result in a meaningful rally and a break of current range highs for the majors, and (2) the market setup is interesting because expectations remain quite low.

News We're Following

Breaking News

- US stock futures drop as 10-year Treasury yield passes 5% BBG

Markets and economy

- Euronext, Deutsche Boerse gain after CEO revives merger talk REU
- China's August retail sales miss forecast while investment slump deepens, piling pressure on Beijing CNBC
- Hedge funds are the wild card in the turbulent bond market WSJ

Business

- Anthropic tells investors it will be profitable for second straight quarter FT
- MediaTek launches new mobile chip using TSMC's most advanced technology REU
- KKR private high-grade debt deals surge to $80 billion this year BBG

Politics/U.S.

- Supreme Court rejects Trump's mail ballot curbs for midterms BBG
- Manchin looks to campaign for Collins SEM
- Sen. Mitch McConnell returns to Capitol after three months WSJ

Overseas

- China tightens control of overseas travel in sweeping new law FT
- NATO jets down drone over Lithuania after alliance warns strikes will drive support for Ukraine AP
- Denmark says Russian warship fired flares at military helicopter BBC

Of Interest

- Welsh actor Matthew Rhys makes Emmy Awards history with double win BBC

Overnight

S&P Futures	-36 ▾ point(s) (-0.46% ▾)
overnight range:	-48 ▾ to +8 ▴ point(s)

APAC

Nikkei	-0.01% ▼
Topix	-0.52% ▼
China SHCOMP	-0.54% ▼
Hang Seng	-1.00% ▼
Korea	-0.85% ▼
Singapore	-1.39% ▼
Australia	-0.88% ▼
India	-0.98% ▼
Taiwan	-0.77% ▼

Europe

Stoxx	50 -0.60% ▼
Stoxx	600 -0.62% ▼
FTSE	100 -0.65% ▼
DAX	-0.58% ▼
CAC	40 -0.68% ▼
Italy	-0.56% ▼
IBEX	-0.25% ▼
Canada	+0.01% ▲
Mexico	+0.46% ▲
Brazil	-0.91% ▼

FX

Dollar Index (DXY)	+0.25% ▲ to 99.641

EUR/USD	-0.11% ▼ to 1.1536
GBP/USD	-0.16% ▼ to 1.3478
USD/JPY	-0.39% ▼ to 154.96
USD/CNY	-0.06% ▼ to 6.7127
USD/CNH	-0.06% ▼ to 6.7133
USD/CHF	-0.07% ▼ to 0.8180
USD/CAD	-0.01% ▼ to 1.3904
AUD/USD	-0.17% ▼ to 0.7128

UST Term Structure

2Y-3M Spread narrowed	-2.2bps ▼ to 58.9bps
10Y-2Y Spread widened	3.0bps to 35.5bps
30Y-10Y Spread widened	0.9bps to 36.5bps

USD HY OaS

All Sectors	+0.2bps ▲ to 303bps
All Sectors ex-Energy	+2.7bps ▲ 287bps
Cons Disc	+2.6bps ▲ to 486bps
Indu	+6.1bps ▲ to 239bps
Tech	+2.2bps ▲ to 187bps
Comm Srvcs	+4.0bps ▲ to 289bps
Materials	+2.8bps ▲ to 249bps
Energy	+3.7bps ▲ to 254bps
Fin Snr	+5.3bps ▲ to 188bps
Fin Sub	-5.5bps ▼ to 257bps

Cons Staples	+4.7bps ▲ to 438bps
Healthcare	+2.3bps ▲ to 304bps
Utes	+4.6bps ▲ to 212bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
9/16	8:30 AM	Aug Import Price m/m	0.5	-0.4
9/16	10:00 AM	Sep Homebuilder Sentiment	34	35
9/16	2:00 PM	Sep 16 FOMC Decision	4	3.75
9/16	4:00 PM	Jul Net TIC Flows	n/a	133.452

Disclosures

This research is for the clients of Fundstrat Global Advisors only. For additional information, please contact your sales representative or Fundstrat Global Advisors at 150 East 52nd Street, New York, NY, 10022 USA.

Conflicts of Interest

This research contains the views, opinions and recommendations of Fundstrat. At the time of publication of this report, Fundstrat does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

Fundstrat Global Advisors is an independent research company and is not a registered investment advisor and is not acting as a broker-dealer under any federal or state securities laws.

Fundstrat Global Advisors is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of Fundstrat (i.e., Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by Fundstrat clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of Fundstrat, which is available to select institutional clients that have engaged Fundstrat.

As registered representatives of IRC Securities, our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

Fundstrat does not have the same conflicts that traditional sell-side research organizations have because Fundstrat (1) does not conduct any investment banking activities, (2) does not manage any investment funds, and (3) our clients are only institutional investors.

This research is for the clients of Fundstrat Global Advisors only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but Fundstrat Global Advisors does not warrant its completeness or accuracy except with respect to any disclosures relative to Fundstrat and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies.

The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein.

Except in circumstances where Fundstrat expressly agrees otherwise in writing, Fundstrat is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, fundstrat.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.