



MONEX

Week Ahead

12th - 16th October 2026

Fiscal concerns weigh on
the euro (again)

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INTRODUCTION

As expected, fiscal worries remained the dominant market theme in the week just gone, with government bonds setting the tone for currency price action. Europe continues to be central to market concerns, with France in the crosshairs, though rising yields across DM economies again favored dollar upside, with the euro simultaneously under pressure. That has left EURUSD hugging the 1.12 mark to close out the week, a 16-month low for the pair. A light data calendar has offered little relief, with central bank speak also having minimal impact, one comment from ECB President Lagarde aside, noting that the bank has the necessary tools to counter unwarranted market dynamics. While not quite a “whatever it takes” moment, that intervention has helped to arrest the euro’s slide heading into the weekend.

Whether that line holds in the coming week is likely to be key for FX. The data calendar is again sparsely populated, albeit headlined by Australian jobs data and US CPI. The latter, in particular, could compound the euro’s worries if the data prompts a reacceleration of Fed tightening bets. That said, we look for an in line print on this occasion, meaning minimal change in market expectations, which could allow French fiscal worries to cool a little. That would provide a path higher for the euro, albeit possibly at sterling’s expense, with the UK’s month-end budget the next big fiscal event of note. If traders start to shift their focus, we expect downside pressure on the pound as speculation builds.

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ECONOMIC CALENDAR

All times in BST

Monday 12/10

Time	Country	Event	Period	Estimate	Prior
9:00	Switzerland	Total Sight Deposits CHF	9-Oct		464.2b
10:30	United Kingdom	BOE's Breeden Speaks in Atlantic Council Interview			
13:50	United Kingdom	BOE's Mann Speaks at NABE Annual Meeting			
17:10	United States	Fed's Hammack Speaks at NABE Conference			

Tuesday 13/10

Time	Country	Event	Period	Estimate	Prior
1:30	Australia	RBA Minutes of Sept. Policy Meeting			
4:00	United Kingdom	BOE's Greene Speaks in Bangkok			
8:45	United States	Fed's Waller Speaks at Bloomberg New Economy Forum			
11:00	United States	NFIB Small Business Optimism	Sep	98	98.7
17:00	United Kingdom	BOE's Dhingra Speaks on Panel in London			
18:00	United States	Fed's Barkin Speaks in Moderated Discussion			
21:00	United States	Fed's Collins Speaks at Banking Conference			

Wednesday 14/10

Time	Country	Event	Period	Estimate	Prior
1:00	Singapore	GDP YoY	3Q A	5.00%	5.90%
		GDP SA QoQ	3Q A	1.20%	1.40%
2:30	China	CPI YoY	Sep	1.00%	0.80%
4:30	Eurozone	ECB's Zigman, BOE's Breeden Speak on Digital Money			
4:45	Eurozone	ECB's Moulin Speaks in Bangkok			
7:00	United Kingdom	BOE's Pill Speaks at Roundtable in Bangkok			
9:30	Eurozone	ECB's Pereira, Peru's Velarde Speak in Bangkok			
		ECB's Lagarde Speaks on Europe's Digital Future			
10:20	Eurozone	ECB's Escriva, Makhlouf Speak at IIF in Bangkok			
10:40	United States	Bowman in Moderated Conversation			
13:30	United States	CPI MoM	Sep	0.60%	0.40%
		Core CPI MoM	Sep	0.20%	0.30%
		CPI YoY	Sep	3.60%	3.40%
		Core CPI YoY	Sep	2.50%	2.40%
		Core CPI Index SA	Sep	338.419	337.765
18:30	United States	Fed's Barkin Speaks in Fireside Chat			
19:00	United States	Fed Releases Beige Book			
TBC	Canada	BoC Governor Macklem Joins IIF Fireside Chat in Bangkok			

Thursday 15/10

Time	Country	Event	Period	Estimate	Prior
1:30	Australia	Employment Change	Sep	20.0k	39.5k
		Unemployment Rate	Sep	4.60%	4.60%
		Participation Rate	Sep	67.00%	67.10%
2:35	Eurozone	ECB's Pereira Speaks in Bangkok			
4:35	Eurozone	ECB's Kocher, Simkus Speak in Bangkok			
4:40	United Kingdom	BOE's Pill Speaks on Panel in Bangkok			
5:30	Eurozone	ECB's Moulin, SNB's Schlegel Speak in Bangkok			
7:00	United Kingdom	Monthly GDP (MoM)	Aug	-0.10%	0.40%
		Monthly GDP (3M/3M)	Aug	0.50%	0.40%
7:45	United Kingdom	BOE's Greene Speaks on Panel in Bangkok			
9:45	United Kingdom	BOE's Breeden Speaks on IIF Panel in Bangkok			
10:00	Canada	BoC Senior Deputy Governor Rogers Speaks in Bangkok			
13:00	Poland	CPI Core MoM	Sep	0.00%	0.30%
		CPI Core YoY	Sep	3.10%	3.30%
13:30	United States	Retail Sales Advance MoM	Sep	0.30%	1.20%
		Retail Sales Ex Auto and Gas	Sep	0.20%	1.20%
		Retail Sales Control Group	Sep	0.30%	1.40%
		Initial Jobless Claims	10-Oct		197k
21:30	United States	Fed's Hammack Participates in a Moderated Discussion			
TBC	Japan	BOJ Board Member Koeda Speaks in Kumamoto			

Friday 16/10

Time	Country	Event	Period	Estimate	Prior
3:00	United Kingdom	BOE Governor Speaks in Fireside Chat in Bangkok			
3:30	Eurozone	ECB's Nagel, Germany's Klingbeil Speak in Bangkok			
4:30	United States	Fed's Warsh in Fireside Chat with IMF's Georgieva			
5:15	Canada	BoC Governor Tiff Macklem Speaks at IMF Panel in Bangkok			
7:00	Sweden	Unemployment Rate SA	Sep		8.90%
8:00	Turkey	Expected Inflation Next 12 Mth	Oct		23.70%
13:00	Canada	BoC External Deputy Governor Alexopoulos Speaks in Halifax			
TBC	Japan	BOJ Deputy Governor Uchida Speech			

DATA PREVIEWS

US CPI preview: Hotter, but not enough for action in October

Wednesday's September CPI report is the final consumer inflation reading before the FOMC's October 28th decision, and the last real chance for the data to reopen a debate that Fed leadership has spent the past fortnight trying to close. Consensus looks for headline CPI to rise 0.6% MoM, up from 0.4% in August, lifting the annual rate from 3.4% to 3.6%.

"Core prices are expected to rise a more modest 0.2% MoM, down from 0.3%, though base effects should still nudge the annual core rate up a tenth to 2.5%.."

Looking at the details, the gap between headline and core should remain almost entirely an energy story. With Hormuz flows still impaired through September and the US blockade of Iranian oil exports in place, gasoline averaged a record \$4.33 a gallon last month. But as we noted following the August data, the more important question is whether that shock is broadening. Last month's core beat was led by a 0.5% jump in supercore services, alongside firmer shelter and a 2.7% rise in airline fares, hinting at energy costs bleeding into the wider basket. Set against that, rents and owners' equivalent rent rose just 0.2% apiece, while a methodology-driven jump in telephone services should not repeat and used car prices look set to correct. On balance, we lean towards a 0.2% core print, in line with consensus, with risks tilted modestly higher given continued airfare pass-through. If correct, that should be a little too hot for the FOMC to feel fully comfortable, without necessitating immediate action.

This would align with recent Fed communications. Comments from Williams saw "no need for urgency" ahead of September's 29k payrolls print. And, while last week's minutes showed all 19 participants backed September's hike, with most expecting another by year-end, most Fed speakers have also hinted that a move this month is unlikely. Accordingly, a core reading of 0.3% or above, led by services, would likely be needed to revive October. Even then, we doubt the Committee would hike six days before the midterms, having already steered markets in the opposite direction.

Given our expectation of a 0.2% core figure, we anticipate little dollar impact from Wednesday's release, with September CPI likely to leave October tightening unlikely, but with a December move remaining on the table. Still, the likely reaction is asymmetric for the buck. With current market implied

odds of an October move below 20%, a hot core print could well lift expectations and extend the DXY's grind above 102. A soft reading, in contrast, can only trim near-term pricing at the margin, leaving the balance of risks tilted to the upside for the greenback.

Australian jobs preview: Building slack should favour a November hold

Thursday's September Labour Force Survey (01:30 BST) is the first of two key domestic releases before the RBA meets on November 3rd, with Q3 CPI following on October 28th. Consensus looks for a 20k rise in employment, unemployment steady at 4.6%, and participation easing to 67.0%. We see risks skewed toward a softer headline, and to unemployment rounding up to 4.7%.

Underpinning our view, August was stronger on the surface than underneath. While employment rose 39.5k, double expectations, full-time jobs fell 6.3k. At the same time, participation jumped to 67.1%, close to a record, and labour supply outran demand, lifting unemployment to 4.6%, the highest since late 2021 and a rounding error short of 4.7%. The ABS has since flagged that residual seasonality from its survey redesign may have flattered August, with some payback likely this month, while its own measure of vacancies declined again.

This matters for the November policy meeting, where swaps still price some residual tightening risk. The Board's fourth hike of the year on September 29th took the cash rate to 4.60% and left the door open for further hikes, but also judged that labour conditions had eased broadly as anticipated. Given our expectations for the September data, we look for labour market weakness to act as a growing counterweight to the otherwise solid domestic backdrop. That would also align with Governor Bullock recent comments, noting that unemployment between 4.5% and 5% would probably take enough heat out of the labour market.

"Admittedly, Middle East hostilities remain unresolved, and with headline CPI at 4.0%, this remains the main argument for a fifth hike."

Our view, however, is that building slack should keep underlying inflation contained and the cash rate at 4.60% for the foreseeable future. A print in line with our expectations should see November odds pared further, implying modest aussie downside. But with AUDUSD already 3.5% lower over the past month, and the dollar driven by Fed pricing and haven flows, we doubt it is enough to force a decisive break lower. An upside surprise, by contrast, would revive hike bets and offer the pair a short-term lift, though that is a tail risk to our baseline.

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