



MONEX

Week Ahead

5th - 9th October 2026

A stronger dollar to start
October

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The end of Q3 and the beginning of Q4 have seen a notable dollar strengthening, with the DXY index trading close to 102 as of writing late on Friday, levels last seen on a sustained basis in early 2025. And yet, perhaps surprisingly, near-term policy rate expectations have leaned in the opposite direction. The past week has seen plenty of pushback from Fed officials, while US jobs data landed soft. Combined, this saw October rate hike odds sink from 70% to just 20%. Rather, broad bond market volatility, prompted by growing fiscal concerns, seems to be a primary culprit, triggering an unwind of carry trades and a flight to quality. In that environment, the dollar stands out, while the yen and the Swiss franc have also emerged as notable beneficiaries.

This theme is likely to remain in focus over the week ahead, with concerning levels of government spending in the US, eurozone, Japan and the UK hardly odds-on to be trimmed before Monday morning. Granted, a presidential election in Brazil over the weekend could see hopes of fiscal consolidation building there, though with a run-off all but certain, FX impacts are likely to remain muted in the short term. Elsewhere, inflation readings in Europe dominate the calendar, with Canadian jobs data also due. For the dollar, facing a lighter docket of events, debt concerns and Middle East risks are likely to remain top of mind, favouring the buck holding onto recent gains.

ECONOMIC CALENDAR

All times in BST

Monday 05/10

Time	Country	Event	Period	Estimate	Prior
6:00	Japan	Consumer Confidence Index	Sep	35.3	35.5
8:00	Turkey	CPI YoY	Sep	30.30%	31.51%
		CPI MoM	Sep	2.30%	1.84%
		CPI Core Index YoY	Sep	28.83%	30.07%
	Eurozone	ECB's Kocher, Buch, BIS's de Cos speak in Vienna			
8:45	Eurozone	ECB's Nagel Speaks in Sorrento, Italy			
9:00	Switzerland	Total Sight Deposits CHF	2-Oct		456.8b
	Eurozone	ECB's Lane Speaks in Frankfurt			
10:00	Eurozone	ECB'S Schnabel Speaks in Frankfurt			
	Eurozone	ECB's Escriva Speaks in Madrid			
12:15	Eurozone	ECB's Kocher Speaks in Vienna			
15:00	United States	ISM Services Index	Sep	55.2	55.4
		ISM Services Prices Paid	Sep	73	72.6
		ISM Services New Orders	Sep	60.5	60.9
		ISM Services Employment	Sep	49	47.8

Tuesday 06/10

Time	Country	Event	Period	Estimate	Prior
1:30	Australia	ANZ-Indeed Job Advertisements MoM	Sep		2.50%
8:00	Switzerland	Unemployment Rate SA	Sep	3.10%	3.10%
9:30	United Kingdom	BOE's Mann Speaks in Fireside Chat			
12:45	Eurozone	ECB's Zigman Speaks in Vienna			
14:00	Eurozone	ECB's Cipollone Speaks at MNI Event			
14:05	United States	Fed's Williams Moderates Panel			
TBC	Japan	BOJ Governor Ueda Speech			

Wednesday 07/10

Time	Country	Event	Period	Estimate	Prior
0:00	United States	Fed's Logan Moderates Conversation			
0:30	Japan	Labor Cash Earnings YoY	Aug	3.80%	4.70%
		Cash Earnings - Same Sample Base YoY	Aug		2.80%
7:00	Sweden	CPI MoM	Sep P		-0.30%
		CPI YoY	Sep P	1.20%	0.30%
		CPIF MoM	Sep P		-0.20%
		CPIF YoY	Sep P	1.50%	0.70%

Time	Country	Event	Period	Estimate	Prior
		CPIF Excl. Energy MoM	Sep P		-0.50%
		CPIF Excl. Energy YoY	Sep P	0.70%	0.50%
7:30	Hungary	CPI YoY	Sep	1.80%	1.30%
		CPI MoM	Sep	0.40%	0.20%
19:00	United States	FOMC Meeting Minutes	16-Sep		
TBC	Poland	Poland Base Rate Announcement	7-Oct	3.75%	3.75%

Thursday 08/10

Time	Country	Event	Period	Estimate	Prior
0:01	United Kingdom	RICS House Price Balance	Sep	-29.00%	-28.00%
9:05	Switzerland	SNB's Martin Speaks in Martigny			
10:15	United Kingdom	BOE's Greene Speaks in South Africa			
11:00	Eurozone	ECB's Lane Speaks in London			
11:30	United Kingdom	BOE's Pill Speaks in London			
12:30	Eurozone	ECB Publishes Account of Sept. 9-10 Policy Meeting			
13:00	Mexico	CPI MoM	Sep	0.42%	0.20%
		CPI YoY	Sep	3.45%	3.26%
		CPI Core MoM	Sep	0.23%	0.16%
		CPI Core YoY	Sep	3.79%	3.88%
13:15	United Kingdom	BOE Governor Speaks in Turkey			
13:30	United States	Initial Jobless Claims	3-Oct		197k
14:00	United Kingdom	BOE's Lombardelli Speaks in Coventry			
18:40	United States	Fed's Musalem Speaks at Bloomberg Event On US Economy, Policy			

Friday 09/10

Time	Country	Event	Period	Estimate	Prior
7:00	Norway	CPI Underlying MoM	Sep		-0.50%
		CPI Underlying YoY	Sep	3.10%	3.00%
		CPI MoM	Sep		-0.30%
		CPI YoY	Sep	3.70%	3.30%
	Sweden	GDP Indicator SA MoM	Aug		-0.80%
		GDP Indicator WDA YoY	Aug		2.50%
8:30	Eurozone	ECB's Wunsch Speaks in Brussels			
13:00	Brazil	IBGE Inflation IPCA MoM	Sep	0.72%	-0.32%
		IBGE Inflation IPCA YoY	Sep	4.47%	4.22%
13:30	Canada	Net Change in Employment	Sep	9.2k	-41.7k
		Unemployment Rate	Sep	6.50%	6.40%
		Full Time Employment Change	Sep		-35.9k
		Hourly Wage Rate Permanent Employees YoY	Sep		2.00%

DATA PREVIEWS

Brazil election preview: Going to a run-off

Brazilians go to the polls on Sunday, October 4th, in the first round of their general election. The contest is between President Lula, seeking a fourth term, and Senator Flávio Bolsonaro, standing in for his imprisoned father, who is barred from running. Final polls give Lula a first-round lead of one to five points, while the rest of the right-leaning field sits in single digits. With neither candidate near the 50% of valid votes needed to win outright, an October 25th runoff looks all but certain, and recent second-round projections are a statistical tie. Polls close at 21:00 BST and, with the count usually complete within hours, markets will have a result before Monday's open.

From an FX perspective, traders read a fourth Lula term, after a pre-election spending push, as continuity. A Bolsonaro win would raise hopes of fiscal consolidation, albeit one Congress must approve. As we argued in our September forecasts, EM currencies backed by high real rates and credible central banks have strengthened even as US yields rose, but differentiation increasingly hinges on fiscal credibility. Brazil clears the first two tests; Sunday begins to settle the third.

“Accordingly, traders will be closely watching the margin of victory to see which of the two leading candidates is most likely to win any run-off contest.”

A Lula lead of five points or more would see markets position for continuity and a test of 5.30; a narrow Lula lead or Bolsonaro finishing first could take USDBRL back towards 5.10. Headline risk then persists through the three-week runoff campaign, and we doubt the Copom moves in early November until the fiscal picture is clearer.

Sweden CPI preview: Headline weakness masks a more hawkish story

Sweden's September flash CPI lands on Wednesday, with the release likely to reinforce the growing disconnect between still-soft measured inflation and a more hawkish Riksbank outlook. August CPI stood at just 0.3% YoY, CPIF at 0.7% and CPIF excluding energy at 0.5%, but these readings remain heavily distorted by temporary fiscal measures.

“The Riksbank itself argues that inflation adjusted for these effects is relatively close to 2%, while stronger growth, a weaker krona and higher energy prices should push inflation higher from here.”

Indeed, energy remains the key swing factor, with higher fuel and electricity costs offset in part by temporary tax relief, while SEK weakness should gradually add to imported goods inflation. We think CPIF could move back towards 1% or somewhat above, though some sell-side desks project a substantially stronger 1.5% YoY print. A firmer reading would validate the Riksbank's September signal that rate increases are likely to begin this year, particularly given the stronger growth backdrop and the Bank's assessment that inflation should rise in the near term.

For SEK, the hurdle is relatively high. Markets have already moved towards a Q4 hike, while our own EURSEK forecasts still allow for further krona weakness towards 11.50 over three months before some recovery thereafter. An upside inflation surprise could support SEK at the margin, especially if CPIF excluding energy firms from August's unusually low level, but we think it would take a clearly stronger underlying print to materially challenge our near-term view. Conversely, another soft core reading would strengthen the case for patience within the Riksbank and could leave EURSEK biased higher into the November meeting, even if headline inflation continues to rise.

Hungary CPI preview: Low inflation not enough to restart MNB cuts

Hungary's September CPI lands on Wednesday October 7th, with headline inflation expected to remain subdued after August's 1.3% YoY print. Even so, we think the summer easing cycle has now given way to a prolonged hold at 5.50%. Inflation may still be low in absolute terms, but the MNB's policy focus has shifted towards the less benign 2027 outlook, leaving the bar for renewed easing materially higher than it was over the summer.

August inflation undershot both analyst expectations and the MNB's June projection, while core inflation stood at 2.0%. Yet the Bank still paused on September 22nd, arguing that maintaining current interest-rate conditions was necessary to achieve price stability sustainably. More importantly, its September forecast left 2026 inflation unchanged at 1.8%, but raised the 2027 projection from 2.3% to 3.1%, reflecting higher energy prices and changes to tobacco excise duties. The MNB also lowered its inflation target from 3% to 2.5% from January 2028, while retaining the ± 1 pp tolerance band.

That combination changes the policy calculation. Spot inflation remains benign, but the MNB now expects price growth to rise again next year before converging towards a lower target. Energy is the clearest upside risk, with higher fuel prices already offsetting some of the earlier disinflationary impact from HUF appreciation. Persistent wage growth and services inflation add to the case for patience, while elevated global yields and uncertainty around Hungary's fiscal path further reduce the case for near-term easing.

"The Bank has also reiterated that FX-market stability is important for anchoring inflation expectations, making HUF resilience an additional constraint on the rate path."

We nevertheless see little case for outright tightening at present. Inflation remains below target, and with the base rate at 5.50%, real rates are already firmly positive. Our base case is therefore for the MNB to remain at 5.50% for an extended period. A downside CPI surprise would be mildly dovish, but unlikely to restart cuts on its own. In our view, that would also require fading energy risks, a stable forint and a lower Hungarian risk premium. The September meeting minutes, due at 14:00 on the same day as CPI, will therefore be important for testing whether policymakers retain any meaningful appetite for further easing ahead of the 20 October policy meeting.

For the forint, an in-line inflation print should be mildly supportive, as it would leave Hungary's relatively restrictive rate backdrop intact while doing little to challenge our prolonged-hold call. The main risk to this view is

a faster moderation in energy prices alongside further improvement in Hungary's fiscal and euro-adoption outlook, which could reopen the easing debate sooner than we currently expect.

NBP preview: October hold masks a shift towards tightening

We expect Poland's Monetary Policy Council to leave the reference rate unchanged at 3.75% on October 7th, extending the pause that has been in place since March. The rate decision itself should therefore be uneventful. The message around it will matter more.

"September's jump in inflation has confirmed a significant shift in the policy debate: the question is no longer whether the NBP can resume cutting rates, but whether renewed tightening will ultimately be required."

That represents a notable change from only a few months ago. The NBP cut rates aggressively through 2025 before delivering a final 25bp reduction in March, taking the reference rate from 5.75% at the start of last year to 3.75%. By the summer, Governor Adam Glapiński's rhetoric had become sufficiently dovish that another cut could not be ruled out. That argument has since weakened materially. Economic activity remains resilient, with Bloomberg consensus looking for Polish GDP growth of around 3.5% this year, while renewed energy pressures have complicated the inflation outlook. In that environment, there is little urgency for the MPC to provide further monetary support.

September's inflation data strengthened the case for caution. Headline CPI accelerated, and fuel prices did much of the damage, rising 9.2% MoM and 36.1% YoY as higher oil prices and reduced support at the pump fed through to consumers. For now, this still looks primarily like an energy shock rather than a broad-based inflation breakout, with food prices remaining subdued. But that distinction offers only limited comfort, leaving October likely to see the beginning of a tightening discussion. MPC member Ludwik Kotecki has been unusually explicit on this point, arguing that the debate over higher rates should begin in October while suggesting that a decision is more likely to come later.

For PLN, this means the hold itself should carry little information. But a more explicit tightening bias would help support the zloty and keep EURPLN under downward pressure, particularly with markets having moved a long way from the modest easing expectations seen earlier this year. Conversely, any attempt by Glapiński to preserve the previous dovish narrative despite the deterioration in the inflation backdrop would likely disappoint markets and weigh on PLN. Our base case remains a 3.75% hold next week, with indications that the direction of travel has now changed.

Norway CPI preview: Norges Bank's round trip should end at 4.5%

September CPI is the last inflation print before the November 5th Norges Bank meeting, making it the clearest test yet of our view that the tightening cycle has now peaked. September's 25bp hike took the policy rate back to 4.50%, where it stood before the 2025 easing cycle began. We think that completes the round trip, with rates now likely to remain at current levels for an extended period rather than rise further.

We think the September policy decision supports that interpretation. Norges Bank's updated rate path keeps the policy rate close to current levels through 2027, while inflation is not expected to return to the 2% target before 2029. For September, the Bank projects both headline CPI and underlying CPI-ATE inflation at around 3%. Consensus sits slightly above that for headline at 3.1%. Markets, meanwhile, still price roughly even odds of one further 25bp hike by year-end, leaving Friday's data capable of shifting expectations materially.

Our case for holding rests largely on the recent behaviour of underlying inflation. CPI-ATE ran well below Norges Bank's projections through the summer, printing 2.7% in June and 2.8% in July against forecasts of 3.3%. August broke that pattern, with core inflation jumping to 3.5%, its highest level of 2026, while headline CPI re-accelerated to 3.3%. One hot month can be dismissed as noise; a second would be much harder to ignore.

"With wage growth still elevated and energy prices likely to keep upward pressure on headline inflation, the risks to our call therefore remain skewed towards further tightening rather than an earlier easing cycle."

Even so, we think the bar for another hike remains high. A print close to consensus would leave our hold-for-longer view intact: inflation would remain uncomfortably above target, but broadly consistent with Norges Bank's own projections. We would reconsider that call if core CPI-ATE comes in at 3.3% or higher alongside a headline reading above 3.7%. Such an outcome would suggest that August's acceleration was not temporary and would bring a final hike in November or December firmly back into play. Below that threshold, we struggle to see sufficient evidence to justify tightening policy further.

For NOK, the reaction should be asymmetric. A soft or in-line print would likely see markets trim the remaining hike premium, but a policy rate held at 4.50% for longer would still provide substantial carry support, limiting the downside for the krone.

Canada jobs preview: Unlikely to favour higher rates

Friday's Labour Force Survey is the first of two key domestic tests before the Bank of Canada meets on October 28th, with September CPI following on the 19th, and the first survey taken with both US tariffs and Canada's countermeasures in force. August's report ended the summer hiring streak, with employment falling 41.7k against expectations for a 15k gain, full-time positions down 35.9k, and permanent employee wage growth slowing to 2.0% YoY, the weakest outside the pandemic since 2017.

"Unemployment held at 6.4% only because the labour force shrank. For September, consensus looks for a modest 9.2k rebound, but with the unemployment rate ticking up to 6.5%."

We see little reason to expect better. Governor Macklem warned in Halifax that the latest tariffs could halve Q4 growth to below 1%, with firms likely to delay hiring and investment. Flat July GDP and a drop in September's manufacturing PMI to 51.5 tell a similar story of fading momentum, while weak population growth means even a small positive print should leave unemployment drifting higher. Crucially, another 2% wage reading would offer scant evidence of the second-round effects needed to justify tightening.

Having been wary of pencilling in tightening after September's hawkish hold, we remain so ahead of Friday's data release. Macklem has said the Bank does not want to raise rates if inflation pressures are contained, and a soft jobs report, even alongside September CPI likely to show headline inflation still at or above 3%, should keep policy on pause later this month. Admittedly, some payback from August is possible in the payroll figures given volatile monthly data. But we suspect it would require a large upside surprise to shift the Governing Council. For USDCAD, that suggests a sustained break below 1.42 remains unlikely in the near term.



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