

THE MONTH IN BRIEF

The Fed raised the target range 25 bp to 3.75–4.00% on 16 September — unanimous, and the first hike since 2023 — with the median dot implying one more this year; futures now price the policy rate near 4.8% by late 2027. Radiant World entered interim judicial management in Singapore as disclosed lender exposures passed \$900m, and insurers settled Credit Suisse's A\$2.8bn Greensill claim. Trade held up (WTO barometer 102) as US–Canada tensions escalated and the US–China truce was extended to January 2027.

TRADE POLICY & FREIGHT

- Canada's counter-tariffs on C\$27.6bn of US goods took effect 8 Sep; Washington responded with bans on Canadian dairy and alcohol (29 Sep). The US–China truce was extended to 10 Jan 2027 at the 25 Sep Xi visit, with tariff cuts on ~\$30bn of goods.
- Drewry WCI Shanghai–LA \$7,838 and Shanghai–NY \$10,373 (24 Sep), up 15% and 11% since 27 Aug, while Asia–Europe eased (Shanghai–Rotterdam \$3,485, –4% w/w) as Suez transits rose to 48 a week; 15 transpacific sailings were blanked into Golden Week.

TRADE FINANCE

- Radiant World: a Singapore court placed the iron-ore trader in interim judicial management (24 Sep) on Mizuho's application; declared assets exceed \$1bn but iron-ore stock is \$33.5m. Disclosed exposures: Glencore (under \$500m), Jefferies' Leucadia funds (up to \$499m), Intesa (€200m), Deutsche Bank (\$102.6m), Mizuho (\$95.5m).
- Mizuho and IFC launched a \$1bn Asia-Pacific risk-sharing SCF facility (29 Sep) and SMBC and IFC a \$500m emerging-market program (1 Oct). Trafigura closed upsized \$4.4bn facilities with 40 banks; Santander shut its Navigator Global trade platform (29 Sep).

CREDIT EVENTS

- airBaltic, majority Latvian-state-owned, filed Chapter 11 in New York (14 Sep) with \$557m of secured bonds; Brightline Florida's parent entities filed in New Jersey (24 Sep) under an RSA with Assured Guaranty and bondholders providing \$490m of new capital — the operating railroad did not file.
- Leslie's, the pool-supply retailer, filed in Houston (30 Sep) with \$787m of funded debt, a \$315m DIP and 76 more store closures; top-30 trade creditors are owed \$39.9m. Epiq: US commercial Chapter 11s rose 1% y/y in August to 623; Subchapter V elections +63%.

CREDIT INSURANCE

- IAG and Tokio Marine's BCC settled Credit Suisse's A\$2.8bn Greensill trade-credit claim (25 Sep) days before a five-month Sydney trial; terms undisclosed, IAG citing reinsurance and indemnities. Allianz Trade and Zurich reported no material Radiant World exposure (11 Sep); fraud is a standard exclusion.
- CNP Assurances is weighing an offer for Coface, 29.9% owned by Arch Capital; Coface shares rose 8.9% (21 Sep) to a €2.6bn market value. WTW says single-carrier appetite on major metals counterparties is 'approaching saturation' as higher prices lift limit needs by a quarter to a third.

RATINGS

- Sovereign: Scope cut France to A+ from AA– (18 Sep) and Morningstar DBRS moved its AA outlook to negative; Fitch affirmed A+ stable (28 Aug), and Moody's (Aa3, negative) reviews on 23 Oct. Moody's confirmed Italy at Baa2 stable (26 Sep).
- Corporate: no large-cap agency downgrades identified in September. Private credit marks softened — 44 US BDCs carried loans at 97.6% of cost at mid-year, with non-accruals at 3.4% of cost versus 2.5% at end-2025 (Reuters, 2 Sep).

LOOKING AHEAD

Three things frame the month ahead. First, the policy path: with August CPI at 3.4% (core 2.4%) and September payrolls at +29k, futures price a 62% hold on 28 October but ~90% odds of a hike by 9 December and ~4.8% by late 2027 — a higher refinancing bar for borrowers. Second, receivables verification: Radiant World's judicial management and the Greensill settlement will shape how lenders and insurers price fraud risk in commodity and supply-chain finance. Third, trade: the US–China truce extension and the pending Section 301 ruling set the tariff backdrop; transpacific spot rates are up 11–15% since August.

FED TARGET RANGE

3.75–4.00%

+25 bp on 16 Sep

NEXT FOMC • 28 OCT

62% hold

38% hike • 0% cut

3M T-BILL

4.07%

30 Sep • money-market yield

3M A2/P2 CP

4.38%

30 Sep • est., MMY

3M TERM SOFR

4.08%

30 Sep • +19 bp since 11 Sep

A2/P2 3M LESS SOFR

+29 bp

30 Sep • +10 bp since 11 Sep est.

MARKET-IMPLIED POLICY PATH



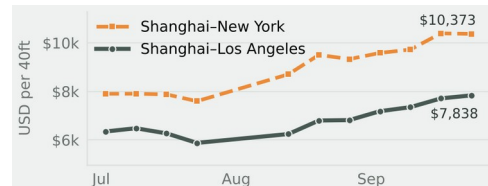
CME FedWatch rate by meeting, 30 Sep vs 31 Aug 2026; dotted line is the current target-range midpoint. Source: CME Group; Lepus calculations.

TERM SOFR CURVE



CME Term SOFR, 30 Sep vs 11 Sep 2026 (earliest on file); O/N is NY Fed SOFR, prior day. Source: CME Group, NY Fed.

CHINA – US CONTAINER SPOT RATES



Drewry WCI, weekly, 2 Jul–24 Sep 2026 (two late-July/August prints not on file). Source: Drewry.

DATES TO WATCH

- 14 Oct** September CPI (BLS)
- 23 Oct** Moody's France review
- 28 Oct** FOMC decision
- 6 Nov** October payrolls (BLS)
- 10 Jan** US–China truce expires