FX Weekly - 15 November 2026

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Macro Edge, written with AI



In five sessions, the market has priced a Fed hike back in for 9 December and is starting to contemplate a second one by January. October's CPI, firmer than expected, followed by Christopher Waller's call to consider 50 bp, lifted the US 2-year yield from 4.51% to 4.88%, its largest weekly rise in more than two years. Our dollar index gains 1.2% on the week, USD/JPY touches 160.00 and USD/CHF climbs 2.4%. The fall in oil, which should have calmed inflation expectations, has done nothing to change the Fed's reading: rates desks now watch core inflation and jobs, no longer the barrel.

The market puts the Fed back in hiking mode, and the dollar cashes in

Review of la semaine (levels as of 13 November 2026)

Asset	Level	Session	1 month
EUR/USD	1.1052	−0.26 %	−1.22 %
USD/JPY	160.00	+0.19 %	+1.18 %
GBP/USD	1.3227	−0.22 %	−0.15 %
USD/CHF	0.8384	+0.63 %	+0.73 %
USD/CAD	1.4258	+0.07 %	+0.12 %
AUD/USD	0.6785	−0.52 %	−2.76 %
NZD/USD	0.5532	−0.44 %	−1.45 %
EUR/GBP	0.8356	−0.04 %	−1.07 %
Dollar index (Macro Edge calculation)	103.24	+0.26 %	+0.95 %
US 2-year	4.88 %	+2.00 %	+9.00 %
US 10-year	5.15 %	+5.00 %	−6.00 %
Brent	100.41 $	−17.13 %	−16.35 %
WTI	95.97 $	−9.11 %	−2.14 %
Gold (monthly average)	4,102 $	–	−5.19 %

Our biases at a glance

Asset	Bias	Confidence	Reading
CHF	Bearish	Moyenne	The franc is a funding currency again
Pétrole	Bearish	–	Lower oil weighs on the CAD and the NOK and relieves the JPY and the EUR, both energy importers.

CPI and Waller have reopened the door to a hike as early as December

October's CPI, published on 10 November, rose 0.4% on the month against 0.3% expected, after 0.6% in September. The index excluding food and energy rose 0.3% against 0.2% expected. The BLS did not publish a year-on-year rate, as no data were collected in October 2025 during the federal government shutdown: the market therefore judged the figure on its monthly momentum alone. Four days earlier, October payrolls had come in at 165,000 against roughly 60,000 expected, with unemployment back at 4.1% and hourly earnings up 0.4% on the month.

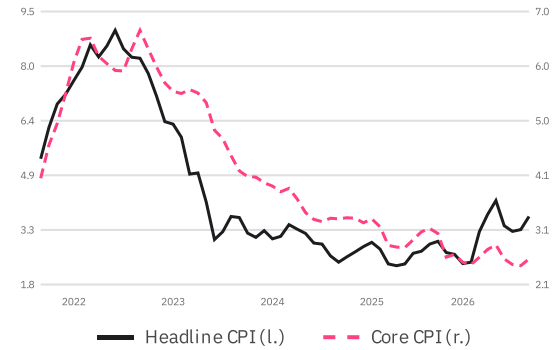
On the same day, Christopher Waller shifted the debate. Speaking at a Bank of England conference in London, he said a 50 bp hike should be considered in December, as a 25 bp hike would, in his view, "put our credibility at risk". Lorie Logan judged two hikes necessary, possibly in quick succession; Susan Collins and Mary Daly spoke of tighter policy to come. The 2-year rose 18 bp on the session, its largest daily move since April 2025, and the $42 billion 10-year note auction went poorly, with primary dealers taking 10%, the most since May.

At the close on 13 November, fed funds futures gave a 10% chance of a 50 bp hike on 8 and 9 December, up from zero a week earlier, a 67% chance of 50 bp in cumulative hikes by January (16% before) and 48% for 75 bp by March (6%). October's PPI, weaker than expected on the month, did not reverse the move: its year-on-year rise remains the largest in four years. Our reading is that the front end now prices a hiking cycle.

The curve flattened: the 10-year rose 29 bp to 5.15%, less than the 2-year, and the gap between the two maturities narrowed from 35 to 27 bp. The dollar tracked the 2-year more than the 10-year. The counterpoint comes from the Treasury: Scott Bessent keeps saying the Fed faces an energy supply shock and should not raise rates by reflex. With the House of Representatives passing to the Democrats on 3 November, political pressure on the Fed changes in nature; it does not seem to weigh on the FOMC, judging by the week's speeches.

US inflation: headline CPI and CPI excluding food and energy

% year on year (l.), % year on year (r.)

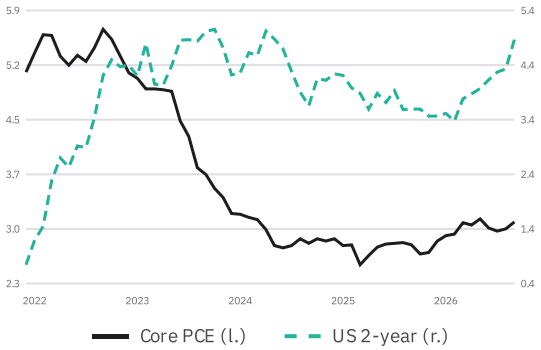


Sources : BLS (CPIAUCSL, CPILFESL), **Macro Edge Terminal (OFFI panel)** 01/09/2026.

Is US inflation still easing? US core inflation has been rising since August, at 2.57% year on year in September, and headline inflation stands at 3.72%. The Fed now watches the former more than energy, which explains why the fall in oil has not calmed it.

Core PCE and US 2-year Treasury yield

% year on year (l.), % (r.)



Sources : BEA (PCEPILFE), US Treasury (DGS2), **Macro Edge Terminal (IMPLIED panel)** 01/09/2026.

Is the market pricing a Fed behind its preferred inflation measure? Core PCE, the Fed's reference measure, has hovered around 3% or above since March (3.12% in September). The 2-year's climb back towards 4.88% closes that gap after October's dip.

At 160, USD/JPY runs into Japan's Ministry of Finance more than the BoJ

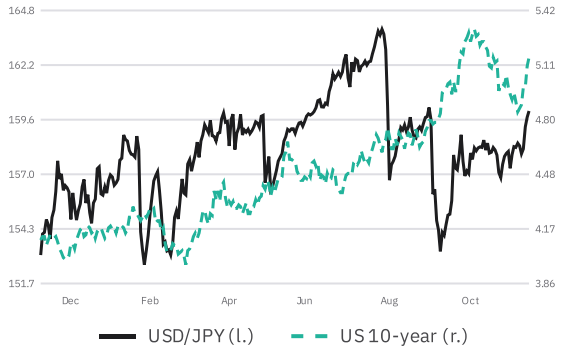
USD/JPY closed the week at 160.00, up 1.1%. The level matters: Tokyo spent a record ¥15.4 trillion between 30 July and 26 August defending the yen, including a joint operation with the United States on 31 July. On 2 November, Finance Minister Satsuki Katayama recalled that the joint statement with Washington remained "alive" and that Japan would act against disorderly moves, without naming a level.

The BoJ is not providing the support the yen was hoping for. On 30 October it held its rate at 1.25% by 8 votes to 1, with Hajime Takata voting for 1.5%, and Kazuo Ueda declined to commit to December. A majority of economists surveyed nonetheless expect a hike to 1.5% on 17 and 18 December. The problem lies in the rate gap: with the US 10-year at 5.15% and the 10-year JGB at around 2.75% at the end of October, a 25 bp hike in Japan does not offset what the Fed has just taken back in a week.

The risk is asymmetric. Above 160, every session brings the market closer to the threshold at which the Ministry of Finance has already intervened, and a coordinated intervention can remove several big figures in an hour. Below it, the carry trade remains profitable as long as the market prices a Fed tightening faster than the BoJ. Japan's third-quarter GDP, published on Monday, will give an indication of the BoJ's room for manoeuvre: forecasts point to annualised growth of 0.3%.

USD/JPY and US 10-year Treasury yield

yen per dollar (l.), % (r.)

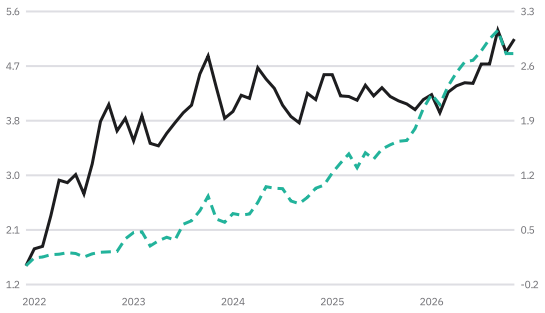


Sources : ECB, US Treasury (DGS10), **Macro Edge Terminal (CURV panel)** 13/11/2026.

Does the yen still follow US yields? USD/JPY has tracked the US 10-year yield since the summer. The long rate's climb towards 5.15% is enough to explain the return to 160, with nothing changing on the Japanese side.

10-year sovereign yields: United States and Japan

% (l.), % (r.)



Sources : US Treasury (DGS10), OECD (IRLTLT01JPM156N), **Macro Edge Terminal (SPRDS panel)** 01/11/2026.

Is the yield spread supporting USD/JPY narrowing? The gap between the 10-year Treasury and the 10-year JGB is no longer narrowing despite the rise in Japanese yields. As long as it stays above 2 points, the BoJ alone cannot turn the trend.

The ECB is set to raise rates, yet the euro still falls

EUR/USD lost 1.0% on the week to 1.1052, its low for the period covered by our data, which goes back to 5 October. The ECB nonetheless remains on a tightening path: according to sources cited by Reuters after the 29 October meeting, governors expect to raise the deposit rate from 2.50% to 2.75% on 17 December, before pausing. Christine Lagarde, who has announced her early departure, said energy prices rose 20.8% year on year in October, after 18.9% in September, with core inflation stable.

The euro suffers from the comparison. The ECB prices one hike; the US market now prices two or three. Euro-area growth does not change that balance: the second estimate of third-quarter GDP, on 13 November, confirmed a 0.4% quarter-on-quarter rise, but employment did not grow over the period (0.0%, after 0.1%). An economy that grows without hiring leaves little room for a second round of hikes beyond March.

The fall in oil works against the ECB more than against the Fed. The energy shock is the main justification for its December hike; if Brent stays below $95, the March meeting will become more uncertain, whereas the Fed relies on core inflation and jobs. Our reading is that the monetary policy differential is widening in the dollar's favour, whatever the December vote in Frankfurt.

EUR/USD and US 2-year Treasury yield

dollars per euro (l.), % (r.)

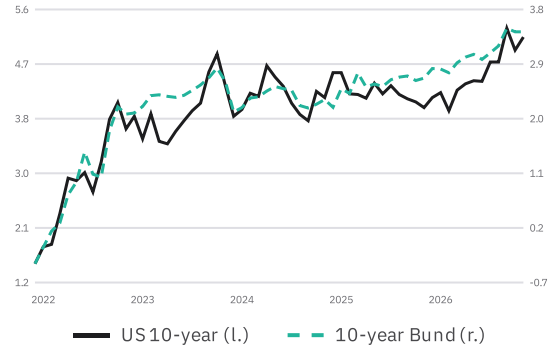


Sources: ECB, US Treasury (DGS2), **Macro Edge Terminal (SPRDS panel)** 13/11/2026.

Does the euro respond to the US front end? EUR/USD fell as the US 2-year yield rose. This week, the US short-term rate weighed more on the euro than the ECB's signals.

10-year sovereign yields: United States and Germany

% (l.), % (r.)



Sources: US Treasury (DGS10), OECD (IRLTLT01DEM156N), **Macro Edge Terminal (SPRDS panel)** 01/11/2026.

Is the US-Germany long-term yield spread widening? The gap between the US 10-year and the Bund has reopened after its compression in October. Its direction has guided EUR/USD all year and still points lower.

The BoE raised rates, and sterling got nothing out of it

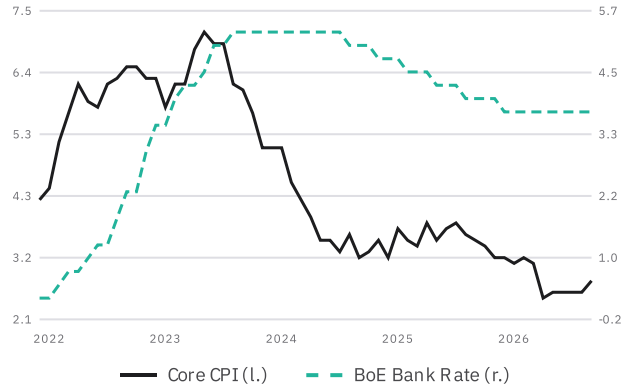
The Bank of England raised its policy rate from 3.75% to 4.00% on 5 November, its first hike since 2023, by 8 votes to 1, the dissenter calling for 50 bp. It considers a further hike likely if the conflict between the United States and Iran persists; Andrew Bailey nonetheless warned against reading it as the start of a series of hikes. GBP/USD lost 1.2% on the week to 1.3227, and EUR/GBP barely moved at 0.8356: sterling followed the euro against the dollar.

British data nonetheless give grounds for a hawkish line. GDP grew 0.7% in the third quarter according to the ONS first estimate of 12 November, after 0.5%, a pace economists expected on the back of spending on artificial intelligence and defence. September CPI rose to 3.5% and the core index to 2.8%; the BoE forecasts inflation close to 5% by the middle of next year.

October's CPI, published on Wednesday, will be the test of the week. A higher figure would make a second hike plausible on 17 December, the same day as the ECB, and could push EUR/GBP lower. Against the dollar, sterling remains dominated by the Fed repricing.

UK core CPI and Bank Rate

% year on year (l.), % (r.)



Sources: ONS (DKO8), Bank of England, **Macro Edge Terminal (OFFI panel)** 01/09/2026.

Is the Bank of England behind its inflation? The BoE policy rate climbs back to 4% while British inflation has been heading higher since the spring. The gap between the two lines shows how much more the BoE will have to tighten if CPI follows its forecast.

The Canadian and Australian dollars lose both their supports at once

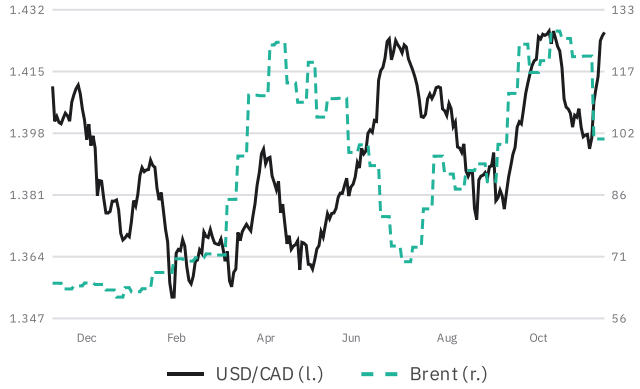
The Australian and Canadian dollars had two sources of support in October: central banks raising rates and expensive commodities. Both have weakened. The RBA raised its rate to 4.85% on 3 November, its fifth hike of the year, but by 6 votes to 3 and while dropping from its statement the reference to further hikes; Michele Bullock declined to give any guidance on what comes next. AUD/USD lost 1.3% on the week to 0.6785, its low for the period covered by our data.

In Canada, the Bank of Canada raised rates at the end of October for the first time in more than three years, but October employment fell by 4,700 jobs against 13,600 expected, and unemployment rose to 6.7%. Wage growth for permanent employees slowed to 2.0% year on year. USD/CAD rose 1.4% to 1.4258: the fall in oil weighs on Canada's terms of trade just as the BoC no longer has an argument for a second hike.

China offered no relief. Its October exports rose 35.2% year on year and its imports 41.6%, but the PBoC is slowing the yuan's rise: the 6 November fixing came in at 6.7168, 406 pips above estimates, and the reserve requirement ratio on foreign-currency deposits rises from 4% to 6% on 15 November. Beijing does not want a fast-rising yuan, which deprives the AUD of indirect support.

USD/CAD and Brent prices

Canadian dollars per US dollar (l.), $ per barrel (r.)



Sources : ECB, EIA (spot Brent), **Macro Edge Terminal (OILFX panel)** 13/11/2026.

Does the Canadian dollar still follow oil? USD/CAD climbed just as Brent was sliding. The link between the barrel and the Canadian dollar is becoming the main channel again, now that the BoC has stopped adding extra carry.

Commodities premières

Pétrole

EIA data put Brent at $100.41 on 6 November, after $121.17 a week earlier: the steepest weekly fall since the start of the pandemic, amid signs of restraint from Donald Trump towards Iran and renewed diplomatic contacts. The move extended: Brent fell below $90 intraday on 10 November before settling at $91.49. Supply also weighed, with an arrangement announced on 8 November allowing Iraq to export through the Strait of Hormuz and OPEC output up 1.38 mb/d; Dated Brent fell below the front-month futures contract, a sign of a less tight physical market. US crude inventories rose by 4.66 million barrels in the week ending 6 November. The floor remains real: Tehran makes reopening Hormuz conditional on lifting sanctions and the blockade, a Saudi pipeline was attacked on 9 November, and global inventories remain low.

Effect on currencies	Lower oil weighs on the CAD and the NOK and relieves the JPY and the EUR, both energy importers. This week, the Fed repricing outweighed that channel: the yen and the euro fell despite cheaper oil.
Bias	**Bearish**

Our readings by currency

CHF · The franc is a funding currency again

USD/CHF climbed 2.4% on the week to 0.8384, the biggest move among the major pairs. The SNB has held its rate at 0% for five meetings and in September dropped its additional warning on the franc; with a Swiss rate at zero against fed funds that could rise, the franc serves as a funding currency for carry positions.

Swiss inflation in October, at 1.5% year on year, feeds the idea of SNB tightening in 2027, which limits the franc's fall against the euro. Against the dollar, the slope remains upward as long as US rates desks keep adding hikes.

Bias	**Bearish** · average confidence
Invalidation	A return of USD/CHF below 0.8200, its level at the start of the week, or SNB communication opening the door to a hike before mid-2027.

What could happen

Central scenario

FOMC minutes confirm a committee ready to tighten, the market keeps a 25 bp hike priced for December and the dollar consolidates its gains without further acceleration. USD/JPY oscillates just below 160 under the threat of intervention.

> *Hawkish FOMC minutes → US short-term rates stable at a high level → Firm dollar → USD/JPY capped by intervention risk*

Hawkish acceleration

The market strengthens its bet on a 50 bp hike on 9 December, on minutes tougher than expected or comments from Fed officials. The 2-year rises above 5%, the dollar gains against all currencies and Tokyo intervenes above 160.

> *Bet on 50 bp → US 2-year above 5% → Broad dollar rally → Japanese intervention*

De-escalation

Concrete de-escalation with Iran pushes Brent back towards $80 and Fed officials temper the idea of a series of hikes. Short-term rates fall, the euro and the yen recover, and the CAD lags behind.

> *Hormuz agreement → Brent falls → Less hawkish Fedspeak → Dollar retreats except against the CAD*

The agenda ahead

Date	Event	What's at stake	FX sensitivity
lun. 16/11	Japan GDP, third quarter (first estimate)	A weak figure would undermine the case for a BoJ hike in December, and the yen with it.	●●○
mer. 18/11	UK CPI, October	A further step up would make a second BoE hike on 17 December plausible.	●●●
mer. 18/11	FOMC minutes of 27 and 28 October	The number of members ready to raise rates will show whether the market is right to price more than one hike.	●●●

And what would contradict them

Conviction	Invalidation
The monetary policy differential between the Fed and the ECB keeps weighing on EUR/USD until the December meetings.	A return of EUR/USD above 1.1200 or the probability of 50 bp in cumulative hikes by January falling below 30%.
Above 160, the risk of Japanese intervention dominates the carry: holding USD/JPY upside becomes costlier than holding its downside.	USD/JPY settling above 162 without any reaction from the Ministry of Finance.
The CAD remains the G10 currency most exposed to oil staying below $95.	Brent back above $100, or Canadian CPI reviving the idea of a second BoC hike.

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