canary capital

WEEKLY MARKET REVIEW - SEPTEMBER 28TH, 2026

KEY TAKEAWAYS

- Yields Rising: Long-end technical breakout signals much higher rates ahead.
- BTC Diverges: Bitcoin rises as equities and gold weaken on a relative basis.
- Q4 Setup: BTC & ETH quiet now but upside may be explosive if bond intervention hits.

DIGITAL ASSET COMMENTARY

Yields remain the key problem. Technicals on the long end of the Treasury curve suggest that the move higher in rates may have further to run, with the latest breakout potentially only in its early stages. While a short-term intervention from the Treasury or Trump administration ahead of the midterms could provide relief, the underlying pressure on yields remains.

Geopolitical risk also remains elevated despite continued attempts at negotiation and peace. This week's PCE inflation and jobs data will be closely watched, with stronger-than-expected data potentially further reinforcing expectations for additional Fed hikes ahead of the midterms.

Equities remain challenged beneath the surface. While technology and semiconductors have held up well, as reflected in QQQ and SMH, small caps and utilities have borne the brunt of the move higher in rates, falling roughly 9% and 16%, respectively, from their mid-year highs. Gold has also declined more than 12%.

Against this backdrop, Bitcoin has risen roughly 34%. The divergence potentially points to something beyond a simple rotation away from non-productive assets, with Bitcoin increasingly acting as an alternative safe-haven asset and a vehicle for the broader debasement trade. If the Treasury or Trump administration intervenes in the bond market, Bitcoin and crypto could see significant upside as financial conditions ease.

Neither Bitcoin nor Ethereum has shown much volatility despite the broader macro uncertainty. A renewed Q4 rally could push Bitcoin back above $100,000 and Ethereum well above $3,000. So far, however, both have largely responded to Treasury intervention with short-lived moves rather than sustained follow-through. Ethereum continues to outperform Bitcoin, with the ETH/BTC pair strongly favoring ETH. Technically, the pair appears to be forming an inverse head-and-shoulders pattern that could point to another roughly 20% move higher.

CHART 1: RATE ODDS FOR HIKES KEEP RISING

The market continues to price in more hikes over the next year.

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
10/28/2026	29.7%	70.3%	0.0%	0.0%	0.0%	0.0%			
12/9/2026	5.2%	36.8%	58.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1/27/2027	2.2%	18.6%	45.8%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%
3/17/2027	0.6%	6.6%	25.9%	42.5%	24.4%	0.0%	0.0%	0.0%	0.0%
4/28/2027	0.3%	4.1%	17.8%	35.6%	32.0%	10.2%	0.0%	0.0%	0.0%
6/9/2027	0.2%	2.5%	12.1%	28.2%	33.5%	19.2%	4.2%	0.0%	0.0%
7/28/2027	0.2%	2.2%	10.6%	25.7%	32.6%	21.4%	6.6%	0.7%	0.0%
9/15/2027	0.1%	1.9%	9.5%	23.6%	31.7%	23.0%	8.6%	1.5%	0.1%
10/27/2027	0.1%	1.9%	9.4%	23.5%	31.6%	23.1%	8.8%	1.6%	0.1%
12/8/2027	0.3%	2.7%	10.9%	24.3%	30.7%	21.5%	8.0%	1.4%	0.1%

CHART 2: 10-YEAR YIELD TECHNICALS POINT HIGHER

Despite the rapid rise already, TA suggests a >6.50% 10Y yield.