WEEKLY UPDATE

Energy markets remain disrupted

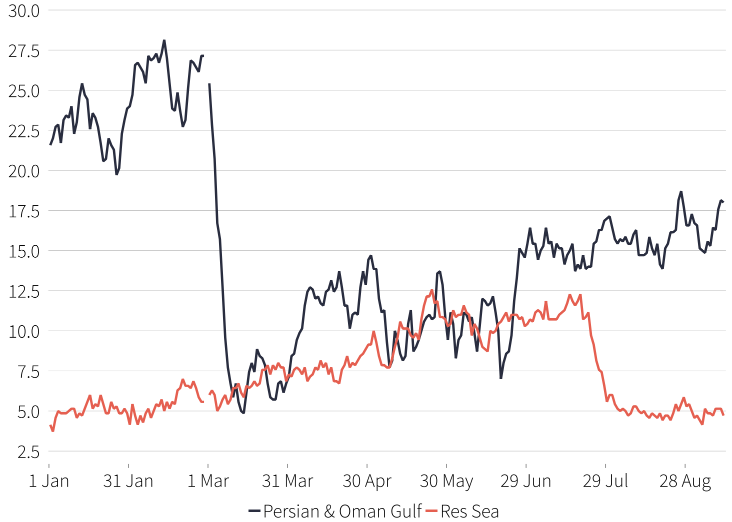
The escalation of the conflict in the Middle East—marked by the attack on Saudi Arabia's main oil pipeline and the disruption of traffic through the Bab el-Mandeb Strait—is driving a renewed surge in energy prices, with Brent crude again trading above USD 100/bbl. These developments compound the ongoing disruptions around the Strait of Hormuz. Beyond crude oil, disruptions affecting both the Gulf region and Russia are also resulting in sharper increases in refined-product prices. With the risk of persistent supply-flow disruptions remaining high, inflationary pressures are likely to stay elevated, prompting central banks to maintain a restrictive policy stance.

Renewed energy tensions as a Red Sea "front" opens. Energy prices have risen sharply since late August: Brent is above USD 100/bbl (+40% since the start of Q3 2026), while European natural gas has reached EUR 77/MWh (+76% since the start of Q3 2026). The increase coincides with renewed tensions in the Middle East, particularly in the Red Sea. The seizure of the Bab el-Mandeb Strait by Yemen's Houthi forces, together with the shutdown of Saudi Arabia's main oil pipeline, represents a major source of disruption. These developments could materially reduce oil and refined-product flows through the Red Sea, the main alternative route to the Persian Gulf. Meanwhile, although traffic through the Persian Gulf is gradually normalising—supported in particular by increased transit via Oman—flows remain 40% below their pre-war average.

Refined-product prices are rising more sharply. Disruptions to energy flows from the Gulf, compounded by those affecting Russia, are driving substantially larger price increases for refined products. The spread between refined-product prices and Brent now exceeds USD 90/bbl, compared with an average of USD 20 before the war. This disproportionate increase relative to crude oil prices reflects, first, the weight of refined products in Gulf economies' exports. In Saudi Arabia, for example, they account for close to 20% of energy exports. Second, Ukrainian attacks have reduced Russia's refining capacity and sharply curtailed its exports, adding to already tight market conditions. Finally, refining capacity in other major economies has declined since the Covid crisis, further intensifying supply pressures.

Energy crisis heightens central-bank vigilance. Major central banks have begun a rate-hiking cycle, with the Fed raising its policy rate to 4% and the BoJ to 1.25%. Rising energy prices, alongside broader inflationary pressures, have also led central banks to lift their inflation forecasts for the coming years above target. Against this backdrop, monetary authorities are likely to extend the tightening cycle, sustaining upward pressure on sovereign yields.

VESSEL CALLS AT MAJOR PORTS ACROSS PERSIAN GULF COUNTRIES



Sources: Société Générale Investment Solutions, Macrobond, IMF <Property Date not found.>

EURO AREA: AVERAGE ENERGY PRICE

EUR/litre

Sources: Société Générale Investment Solutions, Macrobond, DG ENERGY 14/09/2026

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OUR MACRO COMMENTS

Events of the week

FEDERAL RESERVE RAISES RATES FOR THE FIRST TIME SINCE MID-2023

In the United States, data released this week confirmed the economy's resilience, while also pointing to a renewed build-up in inflationary pressures. In August, consumer prices rose by 0.4% month on month and 3.4% year on year, partly driven by the rebound in energy prices. Core inflation eased slightly but remained above the Federal Reserve's target at 2.4% year on year. Retail sales increased by 1.2% over the month, well above expectations, following a 0.5% decline in July—underscoring the continued strength of consumption. Against this backdrop, the Fed unanimously raised its policy rate by 25 basis points, taking the target range to 3.75–4.00%. More importantly, its updated projections indicate that an additional increase could be delivered by year-end. Markets are pricing in a cumulative 75 basis points of further tightening by mid-2027.

BOJ CONTINUES RATE HIKE CYCLE

As widely anticipated, the Bank of Japan (BoJ) raised its key interest rate to 1.25%, its highest level in 30 years. This decision comes in an environment where headline and core inflation (1.9% and 1.6% respectively in August) remain close to the authorities' 2% target, where growth remains resilient and downward pressure on the Japanese currency remains significant following the Fed's restrictive communication. Thus, the BoJ maintained a restrictive bias in its statement and in the press conference, citing upside risks to inflation. However, the decision to hike the rate was not unanimous, with 2 out of 9 dissenting votes voting in favour of maintaining the rate. We continue to expect a continuation of the tightening cycle, with a 25bp hike at the December meeting.

EVENTS AND KEY FIGURES TO COME

Wednesday	
Eurozone	France Composite PMI September Germany Composite PMI September Eurozone Composite PMI September
United States	U.S. Composite PMI September
Thursday	
France	INSEE Business Climate Index September
Allemagne	IFO Business Climate Index September
Suisse	Monetary policy decision
États-Unis	Balance of Payment Q2-26
Friday	
Eurozone	Bank loan August
United States	Durable Goods Orders August

Source: Macrobond, September 18, 2026. The colors in the 'Actual' column correspond to the difference from the forecast

SOCIETE GENERALE
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MARKET PERFORMANCES

Interbank rates

%	15/09/2026	18/08/2026	18/06/2026	01/01/2024	18/09/2025
US SOFR	3,649	3,64	3,61	5,34	4,39
Euro area €ster	2,190	2,19	2,18	3,88	1,93
UK SONIA	3,730	3,73	3,73	5,19	3,97
Switzerland SARON	-0,040	-0,06	-0,04	1,70	-0,04
Japan TONAR	0,978	0,98	0,98	-0,04	0,48

10Y Government rates

%	17/09/2026	18/08/2026	18/06/2026	01/01/2024	18/09/2025
US Treasuries	4,94	4,71	4,46	3,88	4,11
France OAT	4,45	4,11	3,62	2,55	3,46
Germany Bund	3,48	3,25	2,92	2,02	2,72
Italy BTP	4,34	4,07	3,67	3,70	3,54
Spain Bonos	3,94	3,71	3,34	2,98	3,27
Switzerland	0,58	0,49	0,37	0,66	0,19
UK Gilts	5,22	5,15	4,82	3,60	4,66
Japan JGB	2,96	2,90	2,58	0,62	1,59

Credit

%	17/09/2026	18/08/2026	18/06/2026	01/01/2024	18/09/2025
United States IG	5,70	5,45	5,20	5,06	4,76
United States HY	7,67	7,31	7,12	7,59	6,57
Europe IG	4,30	3,95	3,68	3,72	3,31
Europe HY	6,42	5,94	5,68	6,80	5,19
Emerging FX	6,20	5,93	5,74	6,77	5,72

Equity indices

17/09/2026 vs	-1w	-1m	-3m	01/01/2024	-1y
World	-0,10	-0,958	0,622	63,60	19,43
United States	-0,27	-0,931	1,734	63,76	16,87
Euro area	-0,03	-1,896	-0,663	53,25	20,49
France	0,13	-3,656	-2,731	19,97	8,58
Germany	0,64	-1,128	2,391	47,94	10,38
United Kingdom	1,60	0,709	5,001	51,74	21,10
Japan	1,41	-1,504	-0,854	83,49	32,43
Emerging	-0,95	-0,600	-6,033	78,74	28,70
China USD	-0,92	-4,493	-0,771	38,13	-16,42
India USD	-1,40	-3,767	-3,256	5,24	-9,92
Latin America USD	-1,69	6,373	5,388	32,12	25,91

Foreign exchange rates

	17/09/2026	18/08/2026	18/06/2026	01/01/2024	18/09/2025
EUR/USD	1,15	1,16	1,15	1,11	1,18
GBP/USD	1,34	1,35	1,32	1,27	1,36
EUR/CHF	0,95	0,94	0,92	0,93	0,93
USD/JPY	155,71	159,51	160,87	141,03	147,94
USD/CNY	6,71	6,74	6,76	7,08	7,10

Commodity prices

	17/09/2026	18/08/2026	18/06/2026	01/01/2024	18/09/2025
Brent, USD/BL	105	90	79	77	67
Copper, USD/Metric ton	14 401	14 335	13 612	8 476	9 895
Gold, USD/Troy oz	4 342	4 335	4 209	2 063	3 644
Silver, USD/Troy oz	65	63	66	24	42
Palladium, USD/Troy oz	1 315	1 323	1 312	1 123	1 165
Platinium, USD/Troy oz	1 805	1 758	1 738	1 008	1 393

Source : Bloomberg on 18 September 2026, 1W = 1 week change, 3M = 3 month change, 12M = 12 mont change, YTD = year to date change, Equities; total return in local currency . Government bonds = 10 year returns. Figures are rounded..

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