wallstreetprompt>_

Pricing the Pivot

Market Positioning into the September 2026 FOMC Decision

Between 8 and 12 September the market moved from pricing a hike at 52% to pricing it at 79%. We look at what three venues actually price, where the option money sits behind that price, and what the Chair's stated reaction function returns for today's data.

An Institutional Research Report

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Wall Street Prompt

Data as of 11 September 2026. Published 12 September 2026.

The Read

The market has priced a rate hike at four in five.

Very few investors have backed that view with money.

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1. Dealers will amplify Wednesday's move rather than cushion it. Dealers who sell options hedge by trading the underlying. When their books hold positive gamma they buy weakness and sell strength, which slows prices down. When gamma turns negative they do the reverse, and prices move further than they otherwise would. Fifteen of the last sixteen FOMC meetings began with dealers holding positive gamma in TLT. This one does not. Their net position is −$3.28m, the lowest reading in two years, and most of it sits in the three strikes closest to where TLT is trading now. (Source: Unusual Whales greek exposure, 11 September 2026)

2. Investors have not bought options to express the hike. Four funds account for 98% of all option premium traded in the rate complex, and they point in different directions. Over the four sessions of the repricing, buyers paid up for downside in the long bond and in high yield, at −$1.71m and −$2.29m per session. In investment grade credit and in the belly of the curve they paid up for the opposite, at +$4.33m and +$1.00m. There is no single large position in these markets that a surprise would force to unwind.

3. The biggest accounts bought early and cheap. Everyone else paid up. On Polymarket, where individual positions are public, the ten largest holders paid an average of 47 cents for contracts now worth 79. Accounts outside the largest hundred paid 62 cents. Between 1 and 12 September the ten largest bought 2.11m more contracts while everyone else sold 1.82m. On that venue fewer than twenty accounts hold the bulk of the position. (Source: Polymarket holdings and trade tape, 12 September 2026)

4. Options on the meeting cost about what they usually cost. TLT options expiring 16 September imply a move of 0.82% over the five days to expiry. Across the last sixteen meetings TLT moved less than the options had priced in twelve of them, with a median outcome of 0.62 times the priced move. One caveat matters more than the rest: the Fed cut rates at every one of the six meetings in that sample where it moved at all, so the record says nothing about how the market behaves at a first hike.

5. The Committee wants to move faster than the Chair does. Three of the twelve voters dissented in July, all of them arguing for an immediate increase. None is on record wanting a cut. Warsh has said he raises rates when underlying inflation is rising and the labor market is near equilibrium. Labor qualifies at 4.1% unemployment. Inflation gives two answers: headline PCE is running at 4.13% annualized over six months, while the Dallas Fed's trimmed mean, the measure built specifically to isolate underlying inflation, is flat at 2.28%. (Source: FRED; Federal Reserve press conference transcripts and speeches)

Three things could change this view. The vendor publishes dealer gamma four ways. Three show dealers short and one shows them long, and an investor who trusts that fourth measure should expect the opposite behavior on the day. The positioning conclusion rests on excluding one credit fund whose trading swamps everything else in the complex; include it and the reading flips. And the comparison of option prices to past meetings cannot tell us anything about a hike, because the Fed did not raise rates once in the two years we measured.

This report is produced for informational and research purposes only. All options, flow and implied volatility data are sourced from Unusual Whales and should be treated as vendor estimates subject to revision and classification error; rate and macro series are from the Federal Reserve Economic Database; event probabilities are sourced from Kalshi and Polymarket and reflect traded prices at a point in time. This does not constitute investment advice. Past positioning and past volatility are not indicative of future financial results. All trademarks are the property of their respective owners.

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1. The Numbers

Every figure quoted anywhere in this report, in one place.

1.1 Every number in one place

We print the computed value for every measure below. [AS OF 11 Sep 2026]

Area	Measure	Value
What is priced	Kalshi, probability of any change	0.805
	Kalshi, probability of a 25bp hike	0.790
	Polymarket, probability of any hike, on $136.2m	0.7915
	Fed funds futures proxy [SECOND-HAND]	0.850
	Move in the 25bp leg since 8 September	+0.29
Positioning	Share of complex premium in readable names	98.1%
	Net aggressor-signed premium, rates only, 5 sessions	−$4.26m
	Composite percentile, headline rule	85.9
	Same, excluding LQD	12.2
Dealer hedging	TLT net gamma into the decision	−$3.28m
	Percentile of two years	6.4
	Mean percentile at T−1 across prior 16 meetings	55.3
	Net gamma in the three strikes around spot	−$7.31m
Event volatility	TLT implied move, 16 September expiry	0.820%
	Probability-weighted expected move	0.593%
	Implied move over expected move	1.383
	Median realized over implied, 16 meetings	0.620
	TLT implied volatility, percentile of two years	27.7
Venue forensics	Largest absolute HAC t-statistic, 24 lead/lag tests	1.66
	Largest R-squared across the same tests	0.016
	Share of the hike leg held by the largest wallet	20.1%
	Share held by the top five	42.5%
Cross-asset	Instruments in the cross-asset panel	13
	Share hawkish, 20-day	0.462

Area	Measure	Value
	Share hawkish, repricing window	0.615
Reaction function	Voters on the Committee	12
	Coded HAWKISH	3
	Coded LEANS HAWKISH	4
	Coded NEUTRAL	4
	Coded LEANS DOVISH	1

The reaction-function rows rest on sources outside the option tape. The July 2026 meeting held the target range at 3.50 to 3.75% by a nine to three vote, with all three dissenters preferring a 25 basis point increase. (Source: Federal Reserve press release, 29 July 2026) Across the 8 to 10 September window the two-year Treasury yield rose 17 basis points and the ten-year 15, with the ten-year real yield up 12. (Source: FRED series DGS2, DGS10 and DFII10, retrieved 12 September 2026) We found no citable elasticity for converting those moves into policy-equivalent basis points, so we report the raw moves and apply no multiplier. Applied to the current inflation and labor readings, the Chair's stated rule says INCLINED TO TIGHTEN on three of the four measures we tested and INDETERMINATE on the fourth, so it does not return one answer today. His last documented assessment before the blackout was that he would be hard pressed to call broad financial conditions restrictive, which predates the move the market has since delivered. (Source: Federal Reserve speech, 28 August 2026)

2. What Is Priced, and Where the Venues Disagree

This chapter establishes what the market has actually paid for, which is a full distribution over the 16 September outcome instead of one headline probability. It also states plainly what could not be sourced from this machine, because one of the three venue readings in the verdict is second-hand.

2.1 The ladder prices a hike at four in five

The Kalshi event KXFED-26SEP is a ladder of eleven contracts. Each one pays if the upper bound of the federal funds target range is above its strike after the meeting resolves. Read down the strikes, the mids are a survival function: the probability that the upper bound ends above each level. The current upper bound is 3.75.

That single fact is what makes the ladder readable. The rung at 3.75 asks whether the upper bound finishes above 3.75, which it can only do if the Committee raises the range, so its mid of 0.805 is the probability of any hike. The rung at 4.00 asks whether the range finishes above 4.00, which takes a move of 50 basis points or more, and it trades at 0.015. The step between the two rungs is the probability of exactly a 25 basis point hike. Differencing every adjacent pair converts the survival function into a probability mass function over the whole outcome space.

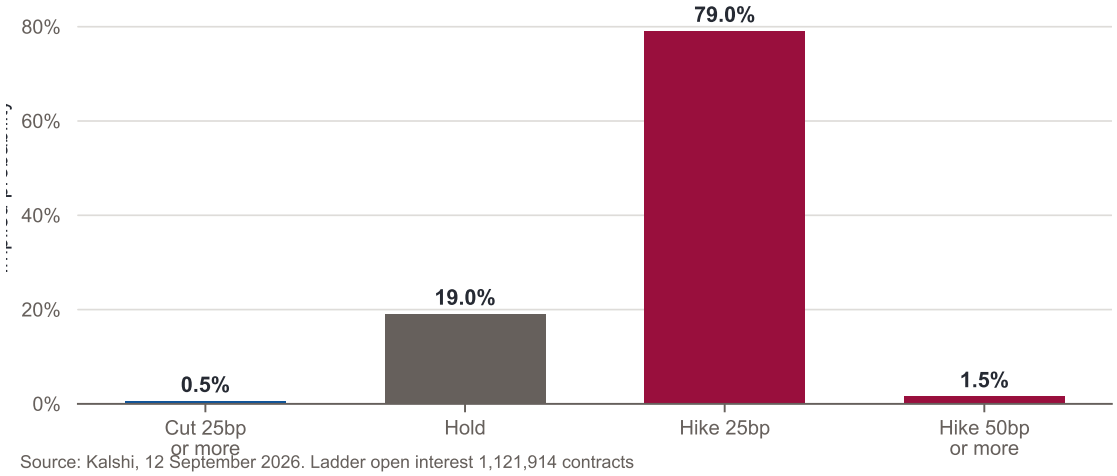
Outcome on 16 September	Probability	Read from
Cut of 25bp or more	0.005	1 − mid at 3.50
No change	0.190	mid at 3.50 − mid at 3.75
Hike of 25bp	0.790	mid at 3.75 − mid at 4.00
Hike of 50bp or more	0.015	mid at 4.00

(Source: Kalshi KXFED-26SEP ladder, snapshot 12 September 2026 10:30 UTC)

The distribution is concentrated and asymmetric. The modal outcome carries 0.790, the entire easing side of the distribution carries 0.005, and the tail above 25 basis points carries 0.015. A reader who takes only the headline 0.805 loses the shape, which is where the information sits: this market is close to certain that the next move is not a cut, and it is charging almost nothing for a move larger than a quarter point.

What the ladder prices at every outcome

Implied probabilities from Kalshi's eleven-strike KXFED-26SEP ladder, which prices the upper bound finishing above each level.



Source: Kalshi, 12 September 2026. Ladder open interest 1,121,914 contracts

2.2 Almost all the money sits on one rung

The ladder's mids are only worth reading if there is size behind them. There is, and it is unevenly distributed.

Strike	Bid	Ask	Mid	Open int.	Volume	Vol. 24h
2.75	0.99	1.00	0.995	9,839	11,456	0
3.00	0.99	1.00	0.995	5,931	10,039	0
3.25	0.99	1.00	0.995	6,987	11,150	0
3.50	0.99	1.00	0.995	150,766	309,154	47,293
3.75	0.80	0.81	0.805	472,397	837,797	105,526
4.00	0.01	0.02	0.015	147,183	216,954	26,523
4.25	0.00	0.01	0.005	34,322	38,190	566
4.50	0.00	0.01	0.005	85,422	160,822	0
4.75	0.00	0.01	0.005	207,993	397,801	0
5.00	0.00	0.01	0.005	565	659	0
5.25	0.00	0.01	0.005	511	609	0
Total				**1,121,914**		

(Source: Kalshi KXFED-26SEP ladder, snapshot 12 September 2026 10:30 UTC)

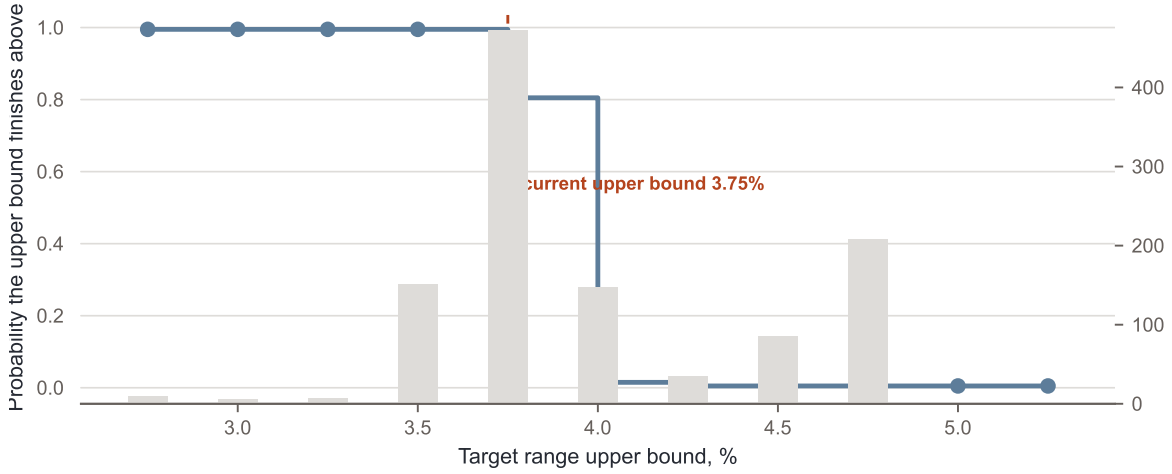
Three readings come out of that table. The decision rung at 3.75 carries the largest open interest and the largest volume of any rung, and it is quoted 0.80 bid at 0.81 offered, a one-tick market, which is the tightest the venue allows. Current activity is concentrated in the three rungs that span the live outcomes: 3.50, 3.75 and 4.00 account for all but 566 contracts of the last 24 hours of volume. The far rungs at 4.50 and 4.75

carry substantial cumulative open interest and volume from earlier in the contract's life, but their quotes are 0.00 at 0.01 and they have not traded in a day, so the 0.005 mid at those strikes is a consequence of a one-tick minimum increment, with no recent trade behind it.

A second snapshot, taken minutes apart for the venue-forensics module, records 472,274 contracts of open interest at the 3.75 rung against 472,397 in the snapshot above. Both figures are reported; the ladder in this chapter uses the 10:30 UTC snapshot throughout.

Almost all of the open interest sits on one rung

Kalshi survival ladder. The step from 3.75 to 4.00 is the market's entire view that a hike happens at all.



Source: Kalshi KXFED-26SEP, 12 September 2026

2.3 A structurally unrelated venue lands within 1.4 points

Polymarket does not run a ladder. It runs five separate single-outcome binary markets, each resolving on its own question, each with its own book, and with no structural mechanism forcing them to be mutually consistent. Their prices sum to 0.9905, which is 0.0095 short of one and is the measure of how far the venue's internal arbitrage is from closed.

Market	Price	Volume ($m)	Liquidity ($m)
Decrease by 50bp or more	0.0005	15.7	4.32
Decrease by 25bp	0.0035	38.2	2.88
No change	0.1950	35.3	0.91
Increase by 25bp	0.7850	27.8	0.88
Increase by 50bp or more	0.0065	19.1	1.38
Total	0.9905	**136.2**	

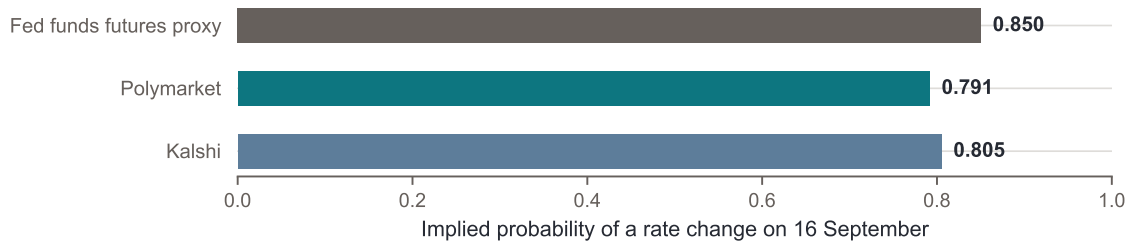
(Source: Polymarket gamma API, snapshot 12 September 2026 10:30 UTC)

Summing the two hike legs gives 0.7915 for any increase in the target range. Kalshi's ladder gives 0.805 for

the same event. The gap is 0.0135, or 1.4 points, between a survival ladder on a continuous variable and five independently quoted binaries on $136.2m of cumulative volume. Two market structures with no shared clearing, no shared participants by construction, and no mechanism that forces agreement land within a point and a half of each other. That is the strongest single piece of evidence in this chapter, and it is the reason the consensus test is a statement about dispersion rather than about any one venue's number.

Three venues price the same outcome within 5.8 points

Part of the gap to the futures proxy is the monthly averaging convention in fed funds settlement rather than genuine disagreement.



Source: Kalshi and Polymarket direct; futures proxy via centralbank.watch, 11 September 2026

2.4 Futures look higher, and half that gap is a settlement quirk

No fed funds futures feed was reachable from this machine. Unusual Whales carries none and the Federal Reserve Economic Database carries none. The Polygon connection was down for the duration of the study, and the CME endpoints refused connections. The third venue reading in the consensus test is therefore second-hand: a proxy probability of 0.850, taken from a published tracker and dated 11 September 2026. (Source: centralbank.watch, 11 September 2026) [SECOND-HAND]

The consequence for method is that the Kalshi ladder, and not a futures-implied number, carries the distribution in this report. That is a stronger position than it sounds. A single futures-derived headline probability is one point; the ladder is eleven quoted contracts that together price the whole outcome space, including the tails that the headline number collapses. The unavailable feed cost this study a comparison point, and it did not cost the study the distribution.

Part of the 0.850 reading is mechanical. It is not a disagreement about the decision. Fed funds futures settle on the average daily effective rate across the entire delivery month. A hike at the 16 September meeting touches only about half of September's days, so the same underlying expectation produces a different-looking number depending on whether the settlement convention is adjusted for. The futures proxy sits 0.0517 above the mean of the two prediction venues, and an unknown share of that is the averaging convention.

This matters for how much weight the consensus test's spread can bear. The widest gap of 0.058 comes from entirely by the least verifiable of the three readings. Between the two venues this study harvested directly, the disagreement is 0.0135.

2.5 The venues agree, with 1.2 points of room to spare

Venue	P(change)	Sourcing
Kalshi, survival ladder mid	0.805	harvested direct
Polymarket, sum of hike legs	0.7915	harvested direct
Fed funds futures proxy	0.850	second-hand
Spread (max − min)	0.058	threshold 0.07
Modal outcome, Kalshi PMF	0.790	threshold 0.70

Both conditions bind, so the label is TIGHT. The modal probability clears its threshold comfortably, at 0.790 against a floor of 0.70. The spread does not: 0.058 against a ceiling of 0.07 leaves 0.012, which is a single day's move in either prediction venue. A reader who treats the futures proxy as unusable, on the grounds that it could not be sourced directly and that its settlement convention is not adjusted for here, leaves two venues 0.0135 apart and an even tighter reading. A reader who adds a fourth venue at a materially different level would break the label.

The level itself is recent. The 25 basis point leg has moved +0.29 since 8 September, and the the repricing chapter traces the path that produced it.

3. Dealers Will Amplify the Move

Dealers who sell options do not want the market risk that comes with them, so they hedge by trading the underlying. How they hedge depends on which way their book leans, and right now it leans the way that makes moves bigger.

When a dealer book holds positive gamma, hedging means buying as prices fall and selling as they rise. That trading works against the move and slows the market down. When the book turns negative, hedging runs the other way: sell into weakness, buy into strength. The hedge then adds to whatever move is already under way.

Going into 16 September, dealers in TLT hold −$3.28m of net gamma. Fifteen of the sixteen FOMC meetings in the last two years began with that number positive. (Source: Unusual Whales greek exposure, 11 September 2026)

3.1 The most negative reading in two years

At −$3.28m, dealer gamma sits in the bottom decile of the two years ending on 11 September. Across the sixteen prior meetings the average reading three days beforehand sat near the middle of the same range, at the 55th percentile. Only one earlier meeting, 7 November 2024, began with dealers short at all, and this reading is more negative than that one.

Dealer gamma versus two years of its own history

Net dealer gamma, call_gamma + put_gamma, daily open-interest basis.
Grey verticals are the 16 FOMC decision dates in the window.
Black is history to 2026-08-14, claret the sessions since. Percentile is against the lake.



Source: Unusual Whales greek exposure, 2024-08-19 to 2026-08-14 spliced with live harvest to 2026-09-11. WSP analysis.

Key Insight

An investor does not need to forecast the decision to use this. Short dealer gamma is a statement about how the market behaves once the decision lands, in either direction. A hawkish surprise and a dovish one both get pushed further than they otherwise would.

3.2 The short sits exactly where the price is

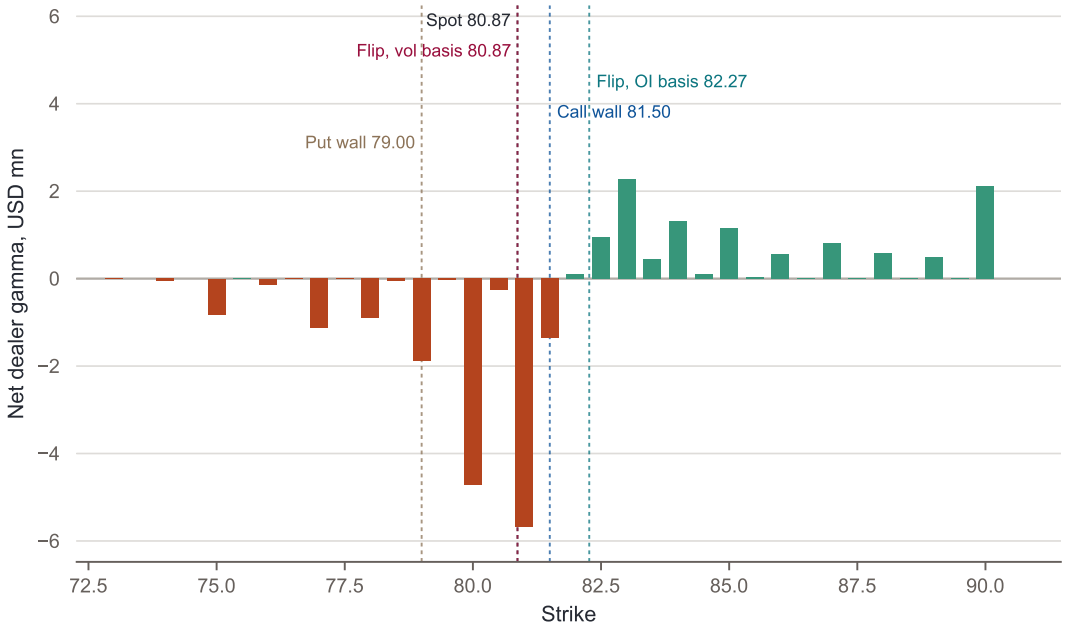
The headline number understates the position, because it nets long strikes against short ones. What matters on the day is the gamma near the money, since that is the part dealers are forced to hedge.

Three strikes lie within one day's expected move of where TLT is trading: 80.50, 81.00 and 81.50. Between them they hold 23% of all the gamma in the book, and every part of it is short, at −$7.31m. The single largest short strike is 81.00 at −$5.68m. The largest long strike is 83.00 at +$2.27m, which sits more than two expected moves away and only comes into play if TLT travels that far.

That concentration is not an artifact of where we drew the band. Widening it to 1.25 expected moves leaves the share at 23%; narrowing to 0.75 gives 19%; widening to 1.50 gives 38%.

TLT dealers are short gamma into the decision

Net dealer gamma by strike, call_gex + put_gex, open-interest basis, 2026-09-11.
Total net -3.3mn. Strikes outside the window shown carry 11 pct of absolute exposure.
The vendor flip moves 1.40 USD with the choice of basis.



Source: Unusual Whales REST, pulled 2026-09-13T123549Z; session 2026-09-11. WSP analysis.

3.3 Resistance is close, support is far

The structure around the current price is lopsided. The strike with the largest concentration of long gamma above the market sits at 81.50, less than one expected move away, where dealer hedging would slow a rally. The equivalent level below the market sits at 79.00, nearly three expected moves down. On the open-interest measure there is no such level below the market at all.

In practice a move higher runs into hedging resistance quickly, while a move lower has little underneath it until TLT has fallen a long way.

3.4 One of the four measures disagrees

Risk & Safety Warning

The vendor publishes dealer gamma four different ways, and they do not all agree.
Three show dealers short: the daily series used throughout this chapter at −$3.28m, a measure built from open interest at −$673m, and a volume-based measure at −$7.17m. The fourth, which uses only the current session's buying and selling, shows dealers long by +$2.26m.
The three that agree describe the book dealers are carrying. The one that disagrees describes what

they traded in a single session, which is a different and much noisier thing. We use the first. An investor who prefers the fourth should expect the opposite behavior on the day, and the amplification argument above does not hold.

3.5 This is a long-bond condition

The same measurement on IEF, which tracks seven to ten year Treasuries, shows dealers holding their longest gamma position in two years. TLT sits at one extreme of its range and IEF at the other.

Whatever is happening in dealer books is specific to the long end of the curve. An investor should not read it as a statement about rates markets generally, and nothing here supports extending it to the belly or the front end.

3.6 The Friday expiry is larger, for reasons unrelated to the Fed

Most of the open option interest around the decision sits in the 18 September expiry rather than the 16th. That is tempting to read as positioning for the meeting. It is not.

18 September is a third-Friday monthly expiry, the standard listing on which most option volume concentrates across every underlying and every maturity. Third-Friday contracts carry 79% of gross gamma across TLT's entire chain, including expiries running out to 2028. The Friday around this meeting is large because of the exchange calendar.

Data & Method Note

Measured on gross gamma rather than net, the Friday holds 21% of the book and the Wednesday $0.65m. The Wednesday is small in absolute terms. Reading anything about the Fed into the gap between the two would mean reading the listing calendar as a market view.

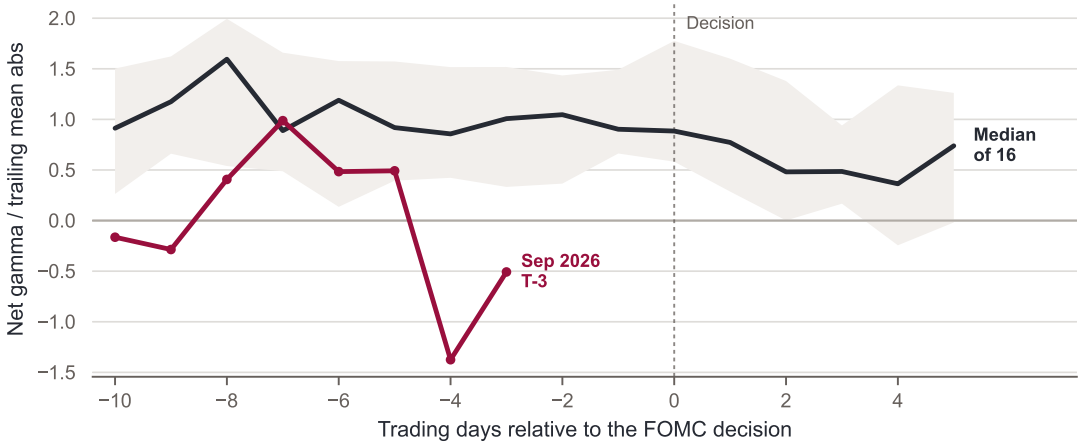
3.7 Time decay adds hedging pressure before the Fed does anything

Charm measures how an option's hedge requirement changes simply as time passes, independent of price. Contracts that expired at the close on 11 September accounted for two thirds of the reported figure and are gone. What remains is −$141.2m, and 48% of it sits in contracts expiring within a week.

Dealers therefore have hedging to do in the days around the meeting purely because the calendar advances, before the decision moves anything.

Dealers are shorter gamma than at any of the last sixteen meetings

TLT net dealer gamma, T-10 to T+5 trading days around each of the 16 FOMC decisions, each meeting scaled by its own trailing mean absolute gamma. Shaded band is the interquartile range. Claret is the current cycle, which has data through T-3.



Source: Unusual Whales greek exposure through 2026-09-11. WSP analysis.

4. Nobody Has Positioned For It

If investors believed a hike was coming, the cheapest way to act on it would be through options on Treasury funds. We looked at where that money went over the four sessions in which the odds moved from a coin flip to four in five.

It did not go anywhere in particular. The instruments that carry real option activity disagree with each other, and the one aggregate measure that shows a clear direction turns out to be driven by a single credit fund whose trading has little to do with the Fed.

4.1 Only four funds here are worth reading

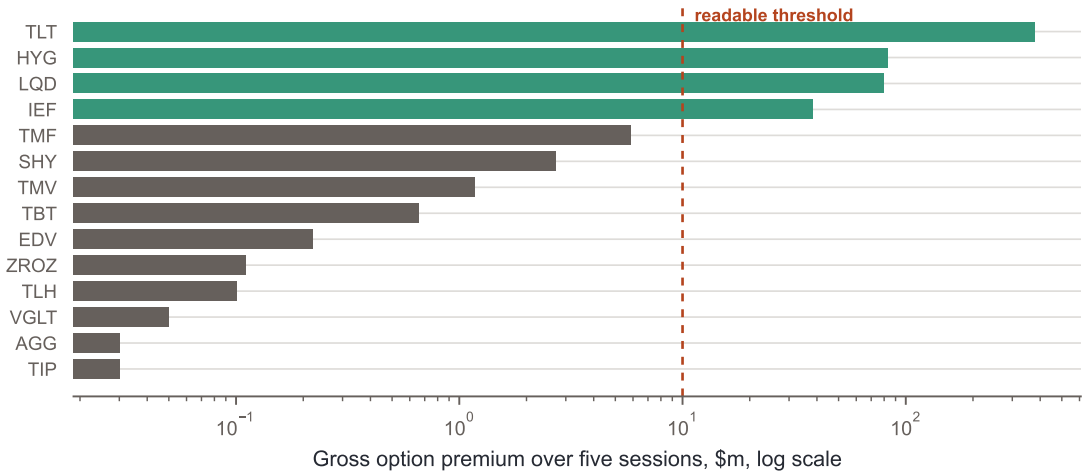
The rate complex has fourteen listed funds. Four of them account for almost all the option activity, and the rest barely trade.

Fund	Option premium, 5 sessions	What it tracks
TLT	$379.2m	20-year and longer Treasuries
HYG	$82.6m	High yield credit
LQD	$79.3m	Investment grade credit
IEF	$38.1m	7 to 10 year Treasuries
Other ten	$11.0m combined	Everything else in the complex

Those four carry 98% of the premium. The gap is not marginal. SHY, which tracks one to three year Treasuries and should in principle be the most Fed-sensitive fund on the list, traded $2.7m over the same five sessions against TLT's $379.2m. (Source: Unusual Whales daily options volume, five sessions to 11 September 2026)

Only four lines in the rate complex carry real option activity

Everything below the dashed line is too thin to read. A composite that gives these names an equal vote is measuring noise, not positioning.



Source: Unusual Whales daily options volume, five sessions to 11 September 2026

Data & Method Note

This matters more than it looks. Any measure that scales each fund against its own history gives a thinly traded fund the same vote as a heavily traded one. SHY's average daily option premium is roughly $14,000, so a single ordinary trade moves its scaled score by several standard deviations. We read the four liquid funds and report the rest without interpreting them. Any premium threshold between $5.9m and $38.1m produces the same four names.

4.2 The four that matter disagree

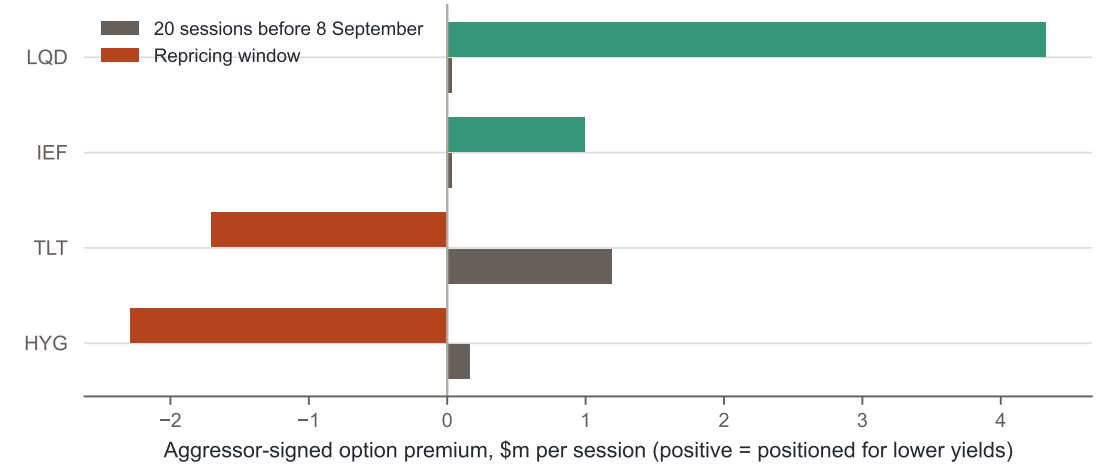
Across the repricing, aggressive buyers in the long bond and in high yield paid up for lower prices. In investment grade credit and the belly of the curve they paid up for higher ones.

Fund	Before 8 Sep, $m/day	During, $m/day	Change
TLT	+1.19	−1.71	−2.90
HYG	+0.16	−2.29	−2.45
LQD	+0.04	+4.33	+4.29
IEF	+0.04	+1.00	+0.96

A positive number means buyers paid up for higher bond prices, which is the trade that profits if the Fed stays on hold. A negative number means the opposite.

The four liquid rate markets disagree with each other

Investment grade credit went aggressively long duration while the long bond and high yield went the other way. There is no single crowd here.

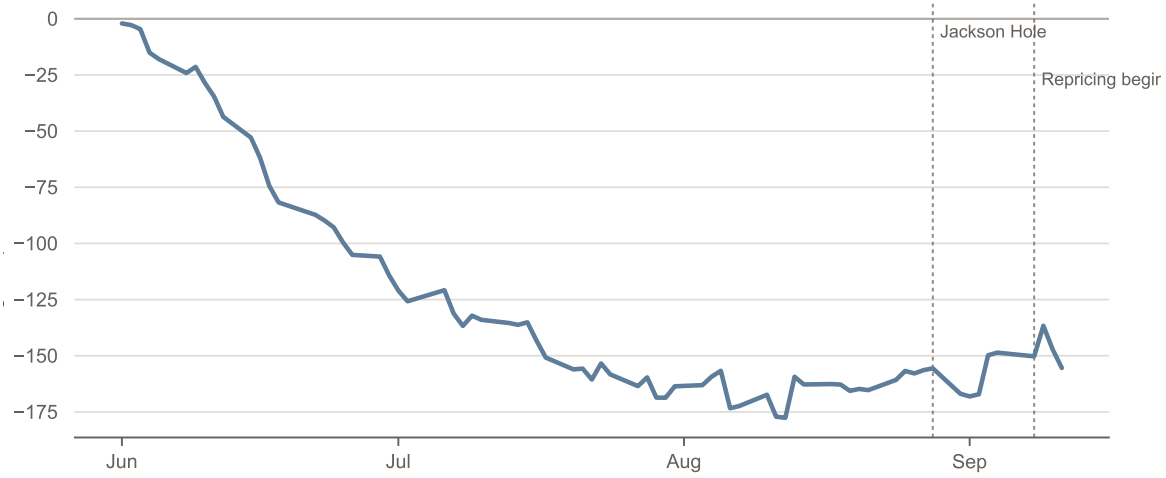


Source: Unusual Whales daily options volume

TLT is the clearest single signal in the complex, because it is the most heavily traded and it moved the most. Buyers there went from paying up for higher prices to paying up for lower ones, a swing of $2.90m per session.

In the one deep rates option market, buyers turned against duration

TLT cumulative aggressor-signed premium. Falling means aggressive buyers were paying up for lower bond prices, which is the hawkish side.



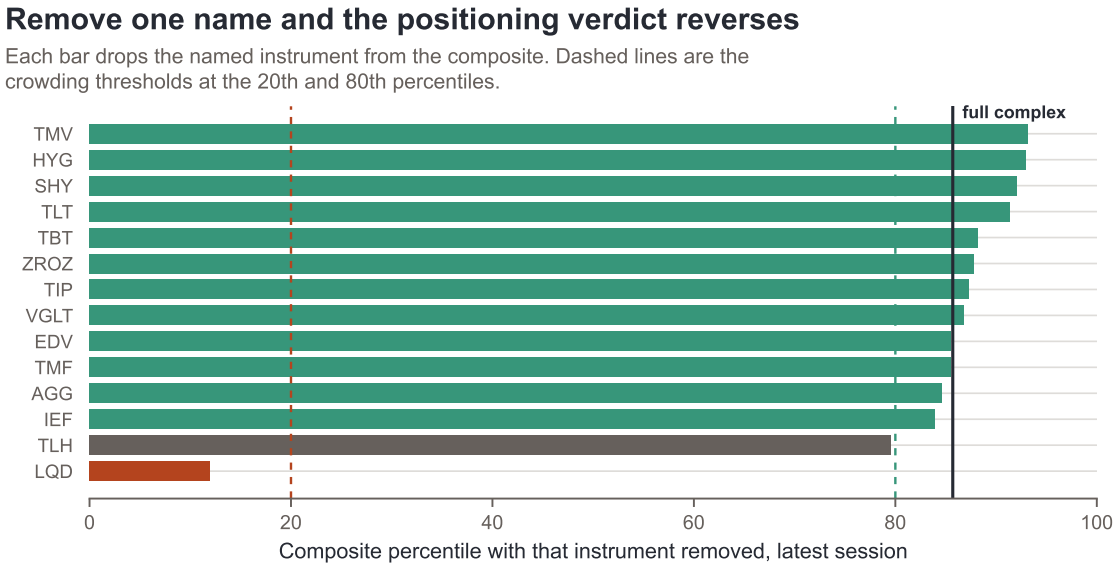
Source: Unusual Whales daily options volume

4.3 One credit fund drives any aggregate you build

Combine the fourteen funds into a single measure and it reads heavily positioned for lower yields, in the top fifth of its two-year range. Remove LQD and the same measure lands in the bottom fifth, pointing the other way.

How the measure is built	Percentile, 11 Sep
Equal weight across all fourteen funds	85.9
Equal weight, excluding LQD	12.2
Equal weight, capping each fund at three standard deviations	17.2
Weighted by option premium instead of equally	5.4

Drop each of the fourteen funds in turn and twelve of those runs still read positioned for lower yields. The one that does not is the run without LQD.



Source: Unusual Whales daily options volume

The reason is arithmetic. LQD's average daily option premium is $0.77m, so its $9.7m of buying on 11 September registers as a 12.6 standard deviation event. TLT's average is $3.81m, five times larger, so a comparable dollar trade barely registers. One ordinary day in a mid-sized credit fund outvoted the largest rates fund on the list.

Risk & Safety Warning

Anyone quoting a single crowding number for rates positioning this week is quoting LQD. The measure reverses on one fund out of fourteen, and that fund trades credit spreads rather than the policy rate.

4.4 Credit is driving it, and credit is a different trade

LQD and HYG hold corporate bonds. Their option activity reflects views on credit spreads and hedging demand from bond portfolios at least as much as any view on the Fed. Strip both out and look only at the Treasury funds, and the complex leans modestly toward higher yields, at −$4.26m over the five sessions, led by TLT.

Key Insight

The apparent crowd positioned for lower yields is an investment grade credit trade. The Treasury funds, which are the instruments that actually express a view on the policy rate, lean the other way and lean weakly.

4.5 What this leaves

No large one-sided position exists in these markets for the decision to disturb. That matters in a specific way: a surprise on Wednesday will not be amplified by investors unwinding a crowded trade, because there is no crowded trade to unwind. What amplification there is comes from dealer hedging, which the previous chapter covers, and that works through a different mechanism.

5. Who Actually Moved the Odds

Everyone quotes the probability. Almost nobody can see who set it. Polymarket publishes every trade and every holding, so for this market we can.

The odds moved in two jumps rather than drifting, with nothing moving ahead of either one. No group of traders consistently got there first, and the position now sits with a very small number of accounts who bought it early and cheap.

Wallet addresses are public. We show them truncated and make no attempt to identify who is behind any of them.

5.1 Two jumps, both at scheduled events

Over the month to 12 September the odds on a 25 basis point hike went from 0.365 to 0.785. The path was not gradual.

Period	From	To	Change
12 to 28 August	0.365	0.305	−0.060
Warsh at Jackson Hole, 28 August	0.305	0.495	+0.190
29 August to 8 September	0.495	0.515	+0.020
8 to 12 September	0.515	0.785	+0.270

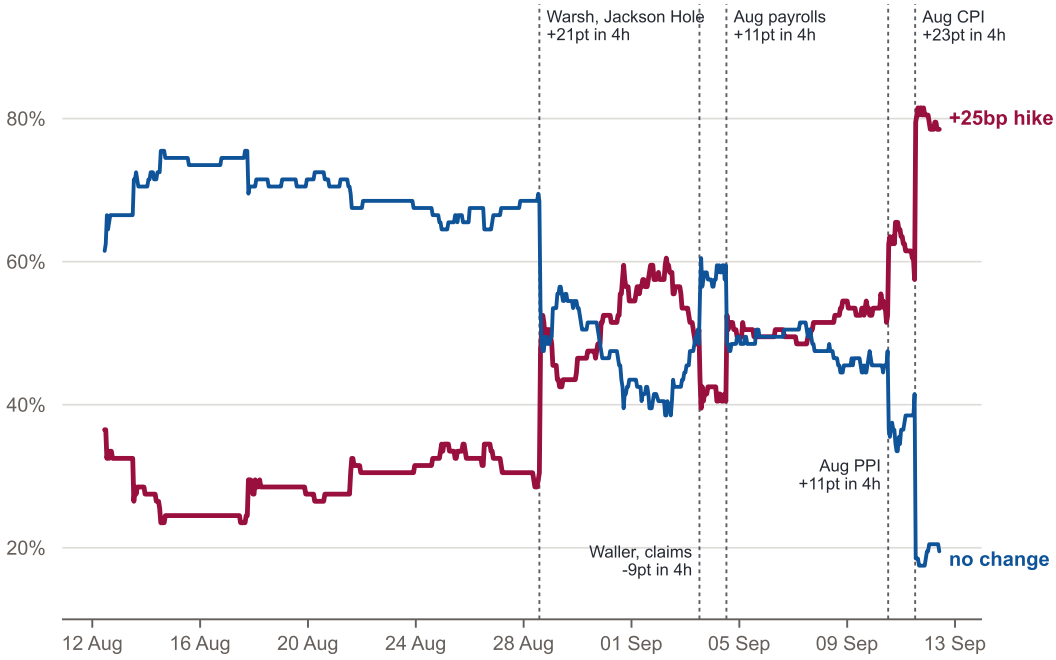
The Jackson Hole speech moved the odds twenty points within half an hour. The August CPI release on 11 September moved them twenty points within ten minutes, and another three over the following four hours.

(Source: Polymarket trade tape and order book, 12 September 2026)

Add up the moves around the five scheduled events in the window and they come to 57 points, against a net change of 42. The market gave ground back in between. It repriced at a speech and at an inflation print and drifted the other way the rest of the time.

A speech and one inflation print moved the odds

Polymarket implied probability of the September 2026 FOMC outcome, hourly CLOB mid, per cent
Five dated events account for +57 points of move; the other 700-odd hours gave back 15



Source: Polymarket CLOB prices-history; release times from Unusual Whales economic calendar. Snapshot 2026-09-12.

Key Insight

Nothing anticipated either release. In the six hours before each of the five scheduled events the largest move in either direction was three points, and four of the five drifted slightly the wrong way. Whatever this market learned, it learned when everyone else did.

5.2 No group of traders got there first

The obvious question is whether some identifiable group bought before the moves. We tested whether a group's net buying in one hour predicted the price in the next, across twenty-four combinations of trader group and time horizon.

None of them predicted anything. The strongest relationship among the twenty-four was still weak enough to be chance, and the share of price movement explained never exceeded 2%. Trading does move prices in the hour it happens, which it must. That says nothing about who knew what.

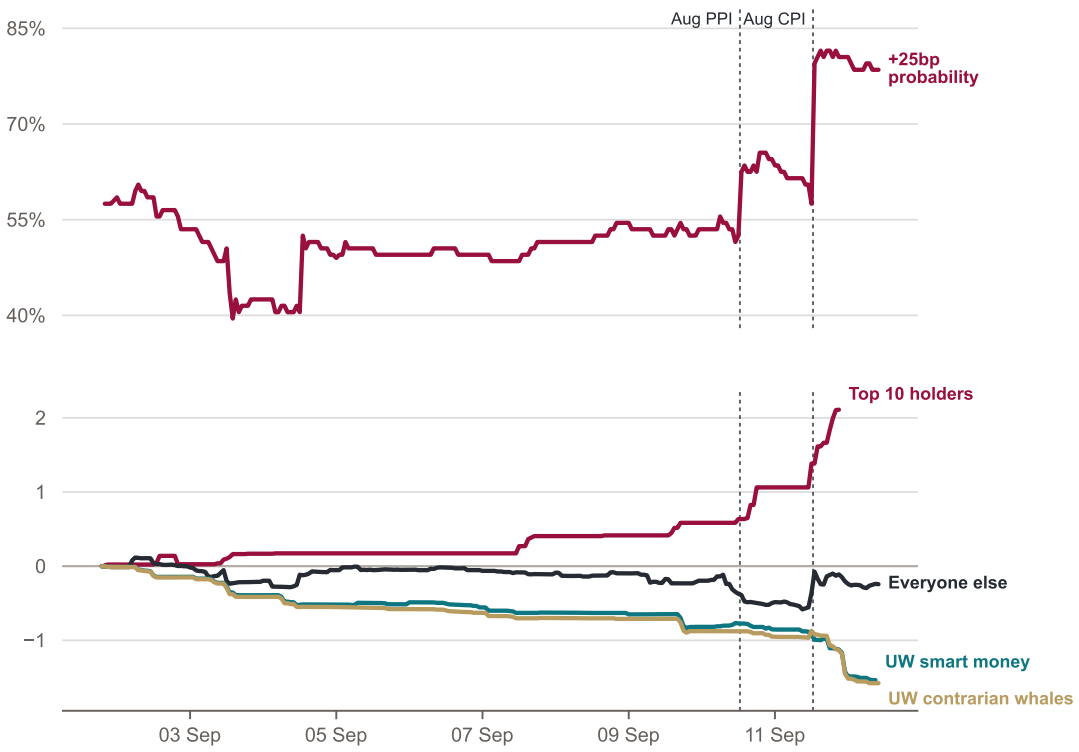
Data & Method Note

Polymarket's own labels for smart money and insiders are built from how those accounts traded in these same markets over the previous day. They describe recent behavior rather than identifying informed traders in advance, so finding that they predict would partly be circular. Finding that they do not is the cleaner result.

Two things cut the other way and neither carries weight. In the hour before the CPI release, buying of the hike reached 57,127 contracts, higher than all but six of the preceding 168 hours. The two accounts responsible had bought in at 68 and 70 cents, prices that only existed after Jackson Hole, so they were following the move rather than anticipating the print. Separately, the accounts Polymarket flags as insiders were the only group positioned long into the release and short after it, at the cheapest average entry of any group. That is what informed trading looks like, and it rests on 36 trades worth $44,284, under 1% of volume. We report it because leaving it out would mislead more than including it.

The ten largest holders bought what everyone else sold

Top: +25bp probability, per cent. Bottom: cumulative net taker-side position by cohort, millions of contracts signed to the hike. Complete Polymarket tape from 2026-09-01 19:38 UTC



Source: Polymarket data-api /trades and /holders; cohort labels from Unusual Whales get_prediction_market. Snapshot 2026-09-12.

5.3 The big accounts bought early. Everyone else paid up

The trading data shows nothing. The holdings show a great deal, because what someone paid tells you when they bought.

Holder group	Average price paid
Ten largest holders	47 cents
All holders	50 cents
Holders outside the largest hundred	62 cents

Forty-seven cents is a price that existed before Jackson Hole. Sixty-two cents only existed after the second jump had begun. The large accounts were in before the move; the small ones bought into it.

Between 1 and 12 September the ten largest holders bought 2.11m more contracts while everyone else sold 1.82m. The crowd sold this position to the concentrated holders while the price rose.

This is an association. Large participants may simply have been in the market longer, and the direct test for foresight, above, found nothing.

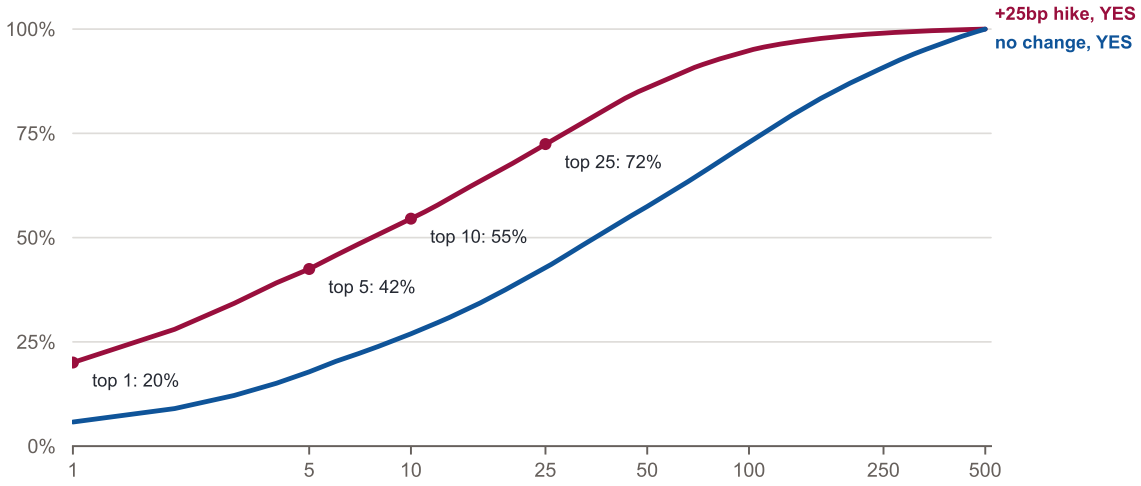
5.4 Fewer than twenty accounts hold this trade

	Hike side	No-change side
Largest single holder	20%	6%
Top five holders	42%	18%
Top ten holders	55%	27%
Effective number of holders	17	83

The side of this market carrying the consensus is five times more concentrated than the side that is not. Five hundred listed holders of the hike reduce, in risk terms, to about seventeen.

Twenty-five wallets hold 60\% of the traded flow

Cumulative share of each token's outstanding supply by holder rank, per cent; rank on a log scale
Herfindahl is 0.060 on the hike leg against 0.012 on the no-change leg



Source: Polymarket data-api /holders, top 500 per token, protocol inventory excluded. Snapshot 2026-09-12.

The book behind the quote is real without being deep. The hike trades at 78 bid, 79 offered, with roughly 558,000 contracts bid and 460,000 offered within two cents. Moving the price five cents would cost about $557,000. That is enough depth for the quote to mean something and little enough that one determined buyer could move it.

Risk & Safety Warning

A widely quoted probability resting on seventeen effective holders is not a market consensus and should not be read as one. It is the price at which a handful of accounts last transacted.

5.5 Kalshi has been consistently dearer than Polymarket

The two venues price the same outcome. Over 744 overlapping hours Kalshi sat above Polymarket in 82% of them and on 30 of 32 days, by an average of one cent.

One cent is the smallest difference either venue can quote. The persistence is the finding rather than the size. An investor should not treat a one-tick gap as an arbitrage, but should note that it almost never inverts.

6. What the Meeting Costs

Options expiring on the decision are the cleanest way to buy or sell the event itself. What they cost tells you what the market expects TLT to do that week.

The answer is that they cost about what they usually cost. There is a larger point underneath it: the history we would normally use to judge whether that is expensive or cheap contains no hikes at all, so it cannot settle the question.

6.1 Three different things get called cheap volatility

People discuss volatility into a Fed meeting as one number. It is three, and here they point different ways.

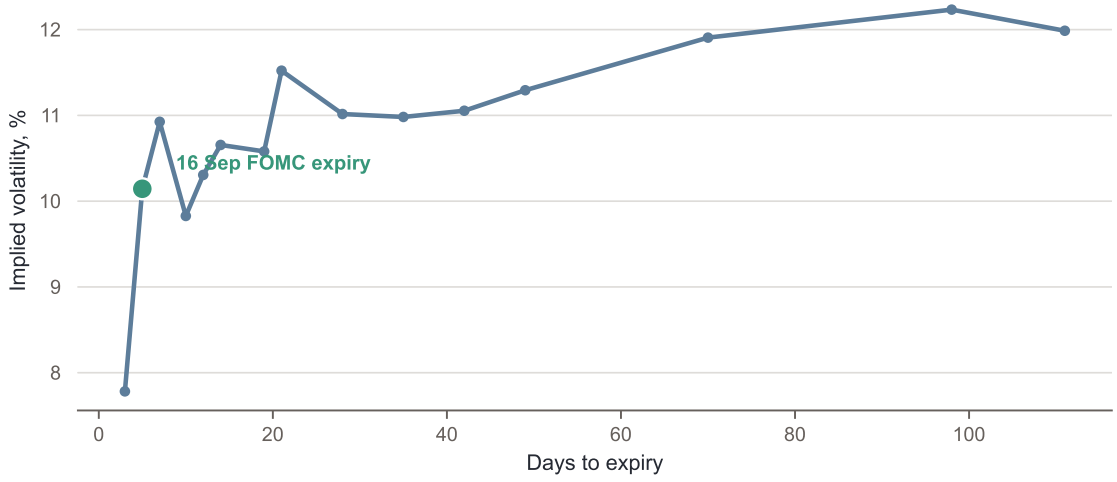
Outright volatility is low. TLT's 30-day implied volatility closed at 11.00% on 11 September, in the bottom third of its two-year range.

The premium for the meeting itself is below normal. Options expiring on the decision carry more volatility than those expiring two days earlier, and that step is what the market charges for the event. It is 2.4 percentage points. In eleven of the last sixteen meetings the step was larger.

Whether that is enough is the question that matters, and it depends on how likely the Fed is to move. That is the calculation below.

The meeting expiry carries a 2.4 point volatility bump

TLT implied volatility by expiry, 11 September 2026.



Source: Unusual Whales

6.2 The arithmetic

TLT options expiring 16 September imply a move of 0.82%, about 66 cents on a price of $80.87.

To judge that, take the sixteen FOMC meetings of the last two years and split them by whether the Fed

actually changed rates. Weight the two groups by the market's own 81% probability that it moves this time.

Component	Value
Median TLT move, 6 meetings where the Fed moved	0.616%
Median TLT move, 10 meetings where it held	0.495%
Market probability the Fed moves on 16 September	0.81
Expected move on those weights	0.593%
What the options actually cost	0.820%
Ratio	1.38

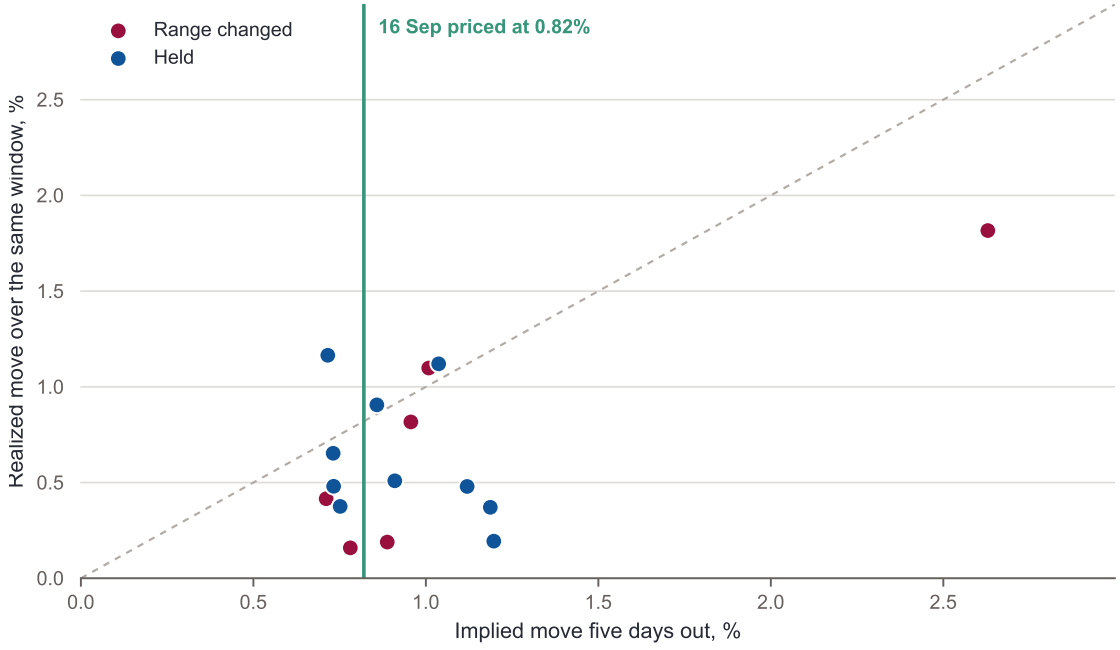
On its face the options look 38% expensive. That number does not survive scrutiny, and the next two sections explain why.

6.3 These weeks usually deliver less than they cost

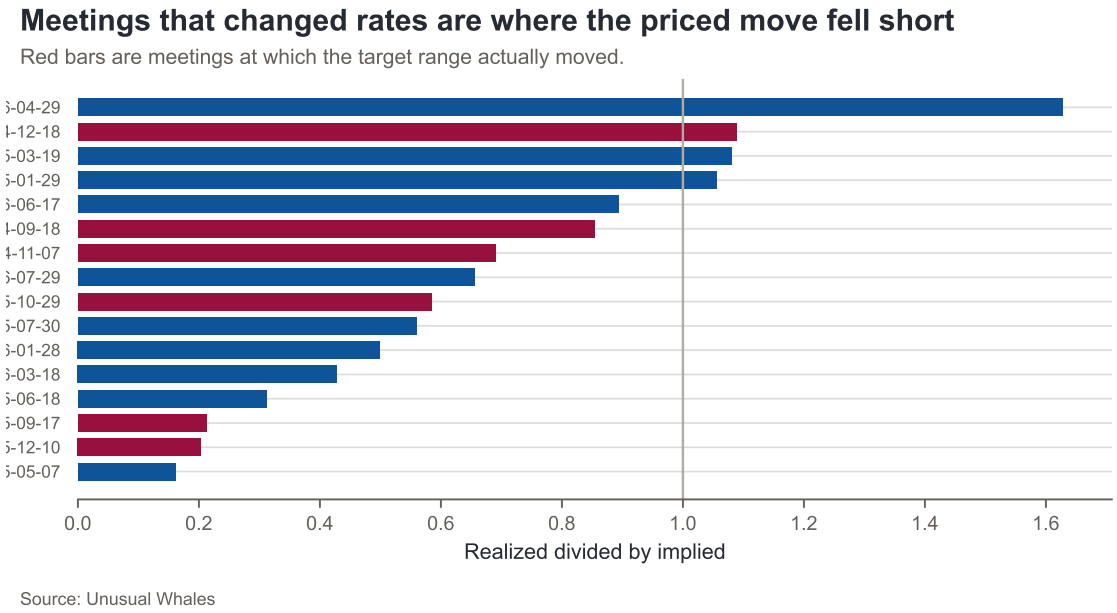
Across the same sixteen meetings, TLT moved less than the options had priced in twelve of them. The median outcome was 0.62 times the priced move. Anyone who sold the event and hedged it made money three times in four.

What the option market charged, against what actually happened

TLT, sixteen FOMC meetings from September 2024. Each point is one meeting, read five days ahead. Points below the dashed line realized less than was priced.



Source: Unusual Whales implied volatility term structure and daily closes



That pattern is why the 1.38 reading is ordinary. Apply the same calculation to each of the sixteen past meetings and twelve of them also come out above the threshold, at a median of 1.52. Today's 1.38 sits below that. On its own history, this meeting is priced slightly more cheaply than the average one.

6.4 The history contains no hikes

Risk & Safety Warning

The Fed changed rates at six of the sixteen meetings we measured. Every one of the six was a cut. That is the whole problem. The expected move in the table above puts 81% of its weight on how TLT behaved when this Fed eased, and the question in front of us is what happens when it tightens for the first time in the cycle. If a first hike moves TLT more than 1.13 times as much as a cut does, the ratio drops below the threshold and the apparent expense disappears. Nothing in this sample can test that number.

Two further checks point the same way. The calculation rests on a median of six observations, and removing any single one of them moves the ratio between 1.09 and 1.91. And reading the same question off options expiring two days later, on 18 September, gives 0.80 rather than 1.38, which would make the event look cheap instead of expensive.

6.5 What an investor can take from this

Key Insight

The price of this meeting is ordinary. It is not obviously cheap and not obviously expensive, and the data cannot make it either. What is unusual about Wednesday is who is positioned and how dealers are hedged.

The useful conclusion here is a negative one, and the opposite claim is easy to make and hard to support. Anyone arguing that this meeting is mispriced in the options market is extrapolating from six cuts to a hike. That extrapolation may turn out to be right. The evidence here does not establish it.

7. The Four-Day Repricing

This chapter fixes the timeline. It establishes when the probability of a change at the 16 September meeting moved, how much of the move arrived at each point, and what the cash rate market did over the same window. The four sessions from 8 September are the larger of two steps, and this chapter names both.

7.1 Two steps at scheduled events

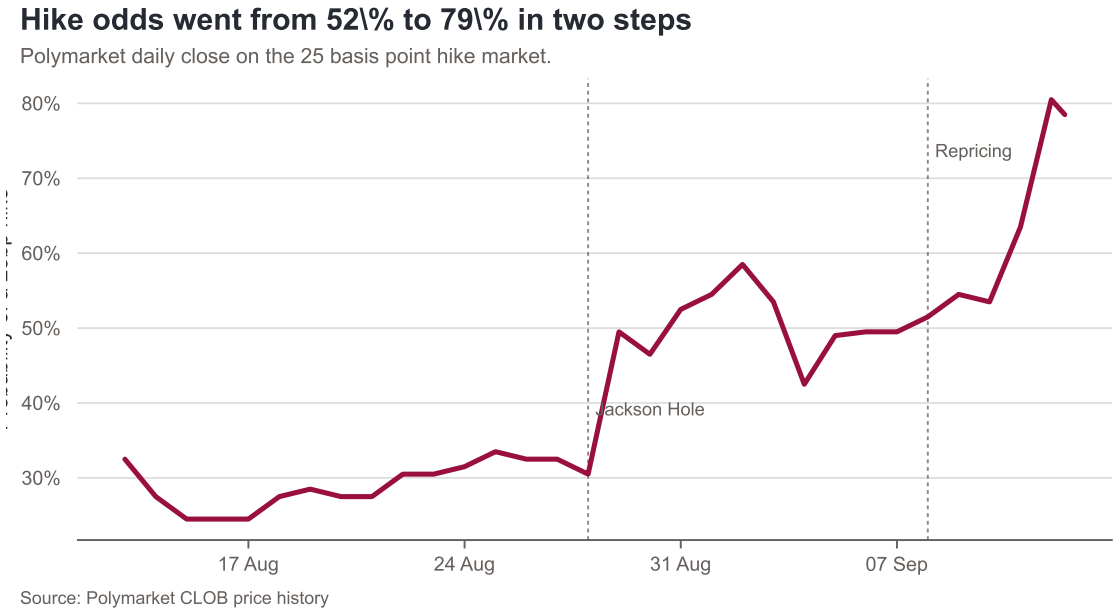
The move did not accumulate. It arrived in two blocks around scheduled events, with the path between them two-way and mean reverting. Table 4.1 gives the decomposition.

TABLE 4.1 The move decomposed into legs

Leg	Window (UTC)	From	To	Change
Into Jackson Hole	12 to 28 Aug	0.365	0.305	−0.060
Jackson Hole address	28 to 29 Aug	0.305	0.495	+0.190
Between the legs	29 Aug to 8 Sep	0.495	0.515	+0.020
The four sessions	8 to 12 Sep	0.515	0.785	+0.270

Probability of a 25 basis point hike. The final leg runs to the live 10:00 UTC snapshot on 12 September. Measured instead to the last daily mark of 0.805 the same leg is +0.290. Both appear in the source files; this table uses the snapshot and the session table below uses the daily marks.

(Source: Kalshi KXFED-26SEP and Polymarket, 12 September 2026)



The arithmetic of the whole record makes the point more sharply than the legs do. Over the 31-day window the price went from 0.365 to 0.785, a move of 42.0 points. The five dated events identified in the series

account for 57.0 points measured four hours after each release, which is 1.36 times the total. (Source: Polymarket trade tape and order book, 12 September 2026) The roughly 700 non-event hours therefore gave back 15.0 points net. All of the net direction came from the scheduled prints, and the hours in between removed some of it.

7.2 Five scheduled events account for the entire move

Table 4.2 gives the 25 basis point hike price at each event and at fixed horizons after it.

TABLE 4.2 The five dated events and the price around them

Event	Release (UTC)	At	+10m	+30m	+4h	Prior 6h drift
Warsh, Jackson Hole	28 Aug 14:00	0.305	0.395	0.505	0.515	+0.00
Waller, claims	3 Sep 12:30	0.505	0.445	0.435	0.415	−0.01
August payrolls	4 Sep 12:30	0.405	0.535	0.525	0.515	−0.01
August PPI	10 Sep 12:30	0.525	0.605	0.625	0.635	−0.02
August CPI	11 Sep 12:30	0.585	0.785	0.795	0.815	−0.03

Prior 6h drift is the change in the hike probability over the six hours before the release, measured at ten-minute grain. The 12:30 UTC releases correspond to 8:30 a.m. Eastern.

(Source: Polymarket trade tape and order book, 12 September 2026)

Two of the five events carried the move. Jackson Hole added 20.0 points inside thirty minutes and 21.0 points at four hours. August CPI added 21.0 points inside thirty minutes and 23.0 at four hours, and it is the largest single step in the record. The other three are smaller and one of them is negative: Waller's 3 September remarks took the price down 7.0 points in thirty minutes and 9.0 at four hours. That is the only negative event step in the record, and it is a large part of why the ten days between the two legs netted only +0.020. The reading of that step against what he actually said belongs to the committee analysis in the reaction-function chapter and is not attempted here.

The hourly ranking agrees. The largest hourly change anywhere in the 744-hour record is the hour beginning 11 September 12:00 UTC, from 0.575 to 0.795. The second is the hour beginning 28 August 14:00 UTC, from 0.305 to 0.475. The third and fourth are the payrolls hour on 4 September and the PPI hour on 10 September, at +0.120 and +0.100. Of the ten largest hourly moves in the record, the largest that does not contain one of the five events is −0.060, on 13 August. (Source: Polymarket trade tape and order book, 12 September 2026)

The pre-release drift test asks whether the market moved toward the eventual outcome before each release. It did not. The largest six-hour pre-release move in either direction is 3.0 points, four of the five drifts are negative and the fifth is zero, which is the wrong sign for anticipation of a hawkish print. (Source: Polymarket trade tape and order book, 12 September 2026) That is a null result reported as a null result. It does not establish that no participant was informed. It establishes that whatever the hike was priced on did not show up in this

tape before the data did.

7.3 The second leg ran 52% to 79% in four sessions

Within the final leg the move is again concentrated. Table 4.3 maps each daily mark to the trading session it closes.

TABLE 4.3 Each daily mark against the session it closes

Session	Scheduled release	Mark dated	Price	Change
Window start	7 Sep was Labor Day	8 Sep	0.515	n/a
8 Sep (Tue)	none	9 Sep	0.545	+0.030
9 Sep (Wed)	none	10 Sep	0.535	−0.010
10 Sep (Thu)	August PPI, 12:30 UTC	11 Sep	0.635	+0.100
11 Sep (Fri)	August CPI, 12:30 UTC	12 Sep	0.805	+0.170

Change is the difference between consecutive marks in the same series. Marks are stamped at 00:00 UTC and close the previous US session, as set out below.

(Source: Kalshi KXFED-26SEP and Polymarket, 12 September 2026)

The two sessions that contained an inflation release carry +0.100 and +0.170 of the +0.290 added across the window. The 10 September session held August PPI and the 11 September session held August CPI. August PPI was released on 10 September at 8:30 a.m. Eastern; final demand rose 0.4% on the month and 5.4% over twelve months, and the core measure excluding foods, energy and trade services rose 0.3% on the month and 4.7% over twelve months. (Source: Bureau of Labor Statistics, PPI for August 2026, 10 September 2026) August CPI was released on 11 September at 8:30 a.m. Eastern; CPI-U rose 0.4% on the month after 0.1% in July, and 3.4% over twelve months. (Source: Bureau of Labor Statistics, CPI for August 2026, 11 September 2026)

Data & Method Note

The daily marks are stamped at 00:00 UTC. A mark dated D is the price at midnight UTC on D, which is 8:00 p.m. Eastern on the day before, after the US cash session has closed. The four marks dated 9 to 12 September therefore close the four US sessions of 8 to 11 September, and the hourly series confirms the mapping directly: the August PPI price four hours after release on 10 September was 0.635, which is the mark dated 11 September, and the August CPI price one hour after release on 11 September was 0.805, which is the mark dated 12 September. The same convention accounts for the 4 September mark of 0.425. That mark closes the 3 September session, in which Waller's remarks took the price from 0.505 to 0.415 over four hours. It is the low of the drift between the two legs, and it is not a reaction to the August employment report, which printed the following morning and added 12.0 points inside thirty minutes. Finally, the mark dated 12 September falls on a Saturday. Prediction markets trade continuously and the cash rate market does not, so that mark has no matching cash session. The live snapshot taken at 10:30 UTC on 12 September reads 0.785.

7.4 The two-year yield rose 17 basis points alongside it

Table 4.4 gives the cash market over the same window. The 2-year rose 17bp and the 10-year 15bp between 8 and 10 September, and 12bp of the 10-year move sits in the real leg, leaving 3bp in the implied breakeven.

TABLE 4.4 The cash rate market over the same window

Series	Dates used	Start	End	Change, bp
2-year Treasury, DGS2	8 to 10 Sep	4.39	4.56	+17
10-year Treasury, DGS10	8 to 10 Sep	4.80	4.95	+15
10-year TIPS, DFII10	8 to 10 Sep	2.43	2.55	+12
10-year breakeven, implied	8 to 10 Sep	n/a	n/a	+3
5y5y forward, T5YIFR	8 to 11 Sep	2.34	2.32	−2
US high yield OAS	8 to 10 Sep	2.67	2.70	+3
30-year mortgage, weekly	3 to 10 Sep	6.71	6.76	+5
Broad dollar index, DTWEXBGS	not covered	n/a	n/a	n/a

Levels in %, except the dollar index. FRED H.15 had not posted DGS2, DGS10 or DFII10 for 11 September at the snapshot, so the latest common date across the yield panel is 10 September. DTWEXBGS is published with a lag and ends 4 September, so no dollar reading covers the window. We report it as missing and do not interpolate.

(Source: Federal Reserve Economic Database, series as listed, retrieved 12 September 2026)

The ETF tape gives an independent read and covers 11 September, which the FRED yield panel does not. TLT closed at 82.20 on 8 September, 81.73 on the 9th, 80.78 on the 10th and 80.87 on the 11th, and the 10 September close was the 52-week low. SHY went from 81.67 to 81.37 and HYG from 79.13 to 78.61 over the same four sessions. Unusual Whales published the same 10 September curve as FRED, with the 2-year at 4.56, the 10-year at 4.95 and the 30-year at 5.37, which confirms the event-window levels from a second source. (Source: Unusual Whales, close prices and yield curve, retrieved 12 September 2026)

The probability and the cash market moved across the same four sessions. This chapter does not assign direction between them. The loop running from what the market prices to what that pricing does to financial conditions, and back, is set out in the reaction-function chapter. The option the positioning chapter covers what sat behind the move.

8. Cross-Asset Evidence

The cross-asset check tests one narrow proposition: outside the rate complex, option buyers are positioned for the target range to change on 16 September. We attach no label to the answer. Turning an equity or commodity flow into a policy view takes a judgment, and a judgment does not carry a label in this report. We give the agreement share across four windows, name the dissenters, rank the instruments by how much they move on decision day, and say where the mapping cannot be trusted.

8.1 How to read the cross-asset scores

We use the same aggressor-signed premium here as in the rate complex: net call premium minus net put premium, where the vendor defines both fields as ask-side premium minus bid-side premium, so the series arrives already signed by which side of the spread initiated. We normalize each ticker by its own trailing 252-day mean absolute signed premium, with a 60-day minimum, then orient it with a fixed sign map. Ten of the thirteen carry a $+1$ orientation, so upside buying reads dovish. UUP, XLF and KRE carry -1, so upside buying reads hawkish. The map is dovish-positive and we report the negative of it, so a positive score means positioned consistently with a change being delivered.

The panel runs 519 rows from 16 August 2024 to 11 September 2026, spliced from a stored history ending 14 August 2026 and a live pull. The two agree to the cent on every shared date, with a minimum overlap of 481 rows and a maximum absolute difference of $0.00 across all thirteen names, and two independent pulls of the live endpoint minutes apart also agree to the cent. [AS OF 11 Sep 2026] (Source: Unusual Whales daily options volume, 16 August 2024 to 11 September 2026)

Data & Method Note

Three handling constraints apply to every number in this chapter. Option volume is not open interest and is not new positioning: every score here measures traded premium, and open interest appears only as separate corroboration, never as a substitute. Aggressor signing is the vendor's ask-side and bid-side split, which does not identify the end user, does not net dealer hedges, and mislabels prints that cross at the midpoint. The universe is also a choice: we score thirteen instruments. The eleven that remain after dropping the two broad index products, SPY and QQQ, return 5 of 11 hawkish, 45.5%, against 6 of 13, 46.2%, on the twenty-day read, so the roster changes nothing. (Source: Unusual Whales daily options volume, five sessions to 11 September 2026)

8.2 Breadth and conviction point opposite ways

There is no single agreement number. The four windows we compute do not tell the same story, so we show all four rather than choose one.

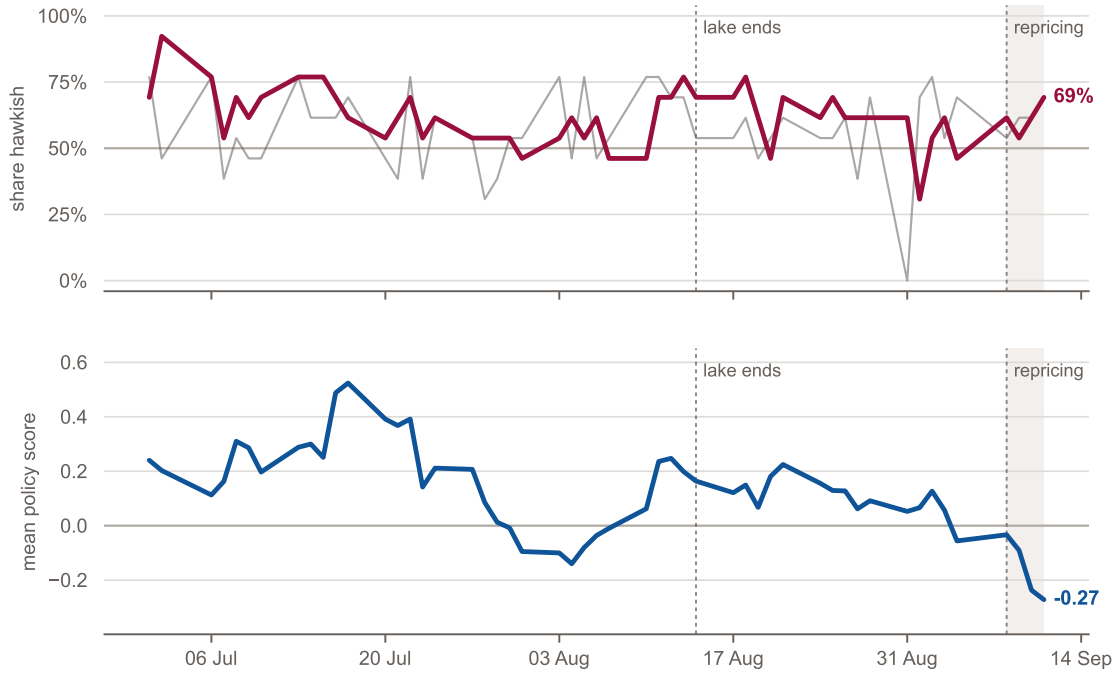
Window	Hawkish	Share	Mean score	Median
20 days to 11 Sep 2026	6 of 13	46.2%	+0.007	−0.006
Repricing window, 8 to 11 Sep	8 of 13	61.5%	−0.288	+0.122
5 days to 11 Sep 2026	9 of 13	69.2%	−0.272	+0.103
Latest session, 11 Sep 2026	9 of 13	69.2%	−0.539	+0.104

The twenty-day window straddles the repricing, so it mixes four sessions of the new regime with sixteen of the old and returns close to an even split. The repricing window itself, 8 to 11 September, is four trading sessions because 7 September was Labor Day. The window chosen determines the answer, which is why we present none of them as the reading.

Breadth and conviction point in opposite directions over the repricing window, and that matters more than the share itself. Eight of thirteen instruments lean hawkish, while the equal-weighted mean score reads dovish at −0.288 and the median reads hawkish at +0.122. The gap is one instrument. Dropping the single largest dissenter moves the mean from −0.288 to +0.171, which flips its sign, and dropping the single largest agreer moves it to −0.453. A count of names and a sum of conviction answer different questions here, and a reader who takes only one of them gets a different cross-asset read.

More instruments read hawkish, but the average leans the other way

Top: share of the 13-instrument cross-asset complex positioned consistently with a hike, thin line daily, thick line 5-day. Bottom: equal-weighted mean policy score, which weighs how hard each instrument leans. Shaded band is the repricing window, in which a majority still read hawkish while the average read turned net dovish.



Source: Unusual Whales daily options volume. after it from a live harvest on 2026-09-12.

8.3 One dissent carries real size, the rest are noise

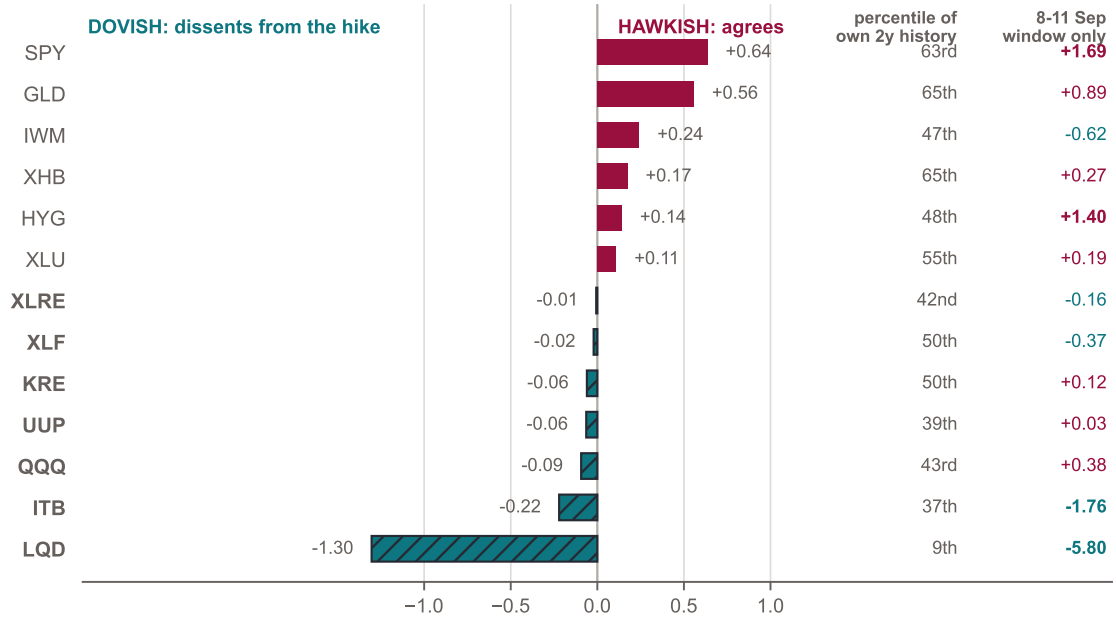
Seven of the thirteen dissent on the twenty-day read. The count flatters the disagreement.

Ticker	20d	5d	Repricing	Pctile	Liquidity	OI conf
LQD	−1.303	−5.435	−5.801	9.1	thin	yes
ITB	−0.221	−1.491	−1.759	36.5	thin	no
QQQ	−0.093	+0.342	+0.385	42.6	deep	yes
UUP	−0.064	+0.039	+0.029	38.7	negligible	yes
KRE	−0.060	+0.103	+0.122	49.6	thin	no
XLF	−0.021	−0.288	−0.375	49.6	moderate	yes
XLRE	−0.006	+0.069	−0.162	42.0	negligible	no

Two of the seven, UUP and XLRE, sit on option books that trade under $100k of premium on a median day. Six of the seven, all except LQD, are within a quarter of a standard deviation of zero on the twenty-day score. The disagreement that carries any size is LQD, with ITB second and a long way behind it. Four of the seven, QQQ, UUP, KRE and XLRE, are not dissenters at all on the shorter windows: their twenty-day negative is inherited from the pre-repricing period. The repricing-window dissenters are a different list: LQD, ITB, IWM, XLF and XLRE.

Cross-asset is split on the hike, and the dissent is concentrated

Aggressor-signed net option premium by instrument, 20-day mean to 11 September, as a multiple of that instrument's own trailing 252-day mean absolute premium, translated into a policy read by the study's fixed sign map. Hatched bars dissent. The right-hand column repeats the measure over the 8-11 September repricing window alone.



Source: Unusual Whales daily options-volume. Lake through 2026-08-14 spliced with a live harvest to 2026-09-11. Snapshot 2026-09-12.

The dissent is directional and the agreement is hedging

The two strongest agreement scores over the repricing window are SPY at +1.694, the 88.9th percentile of its own history, and HYG at +1.398, the 84.6th. We flag both as the least credible policy reads in the map: SPY for low specificity, HYG as genuinely ambiguous. The largest dissent, LQD at −5.801 and the 1.7th percentile of its own history, is the reverse case. It is the one instrument in the set whose score is corroborated by flow size and by open interest together: the flow direction is calls bid and call open interest grew 2.61 points faster than put open interest over the same window.

SPY's open interest does corroborate its flow, at put open interest growing 2.17 points faster against a puts-bid tape. HYG's does not: the flow is puts bid while call open interest grew 0.75 points faster, so the position build runs against the premium signal. The strongest evidence of agreement in the cross-asset set therefore comes from books dominated by index hedging, and the strongest evidence of dissent comes from the one book where a directional reading can be corroborated. An agreement share does not show that asymmetry. (Source: Unusual Whales daily options volume and open interest, five sessions to 11 September 2026)

8.4 Two of the thirteen are too thin to read

We set the liquidity tiers at round levels rather than estimating them from the sample: negligible under $1m of median daily gross premium, thin under $10m, moderate under $100m, deep above.

Ticker	Median gross premium	Tier	20-day score
SPY	1,752,896,004	deep	+0.636
QQQ	1,196,754,307	deep	−0.093
IWM	277,543,126	deep	+0.242
GLD	165,666,080	deep	+0.557
XLF	13,863,787	moderate	−0.021
HYG	10,261,120	moderate	+0.142
KRE	9,884,731	thin	−0.060
XLU	2,514,191	thin	+0.109
LQD	2,216,287	thin	−1.303
XHB	1,698,204	thin	+0.174
ITB	1,026,785	thin	−0.221
XLRE	83,440	negligible	−0.006
UUP	80,858	negligible	−0.064

UUP and XLRE trade under $1m of gross option premium on a median day, and UUP traded roughly $9,321 a day through the repricing window against a two-year median of $80,858. We report their scores for completeness and do not read them as positioning. Excluding them does not change the direction of the result; it removes two of the seven named dissenters. The dollar is the cleanest hawkish or dovish instrument in the whole map and it has no usable option tape. That limits what this chapter can say, and it says nothing about the dollar. (Source: Unusual Whales daily options volume, 16 August 2024 to 11 September 2026)

8.5 Banks move most on Fed days, index products least

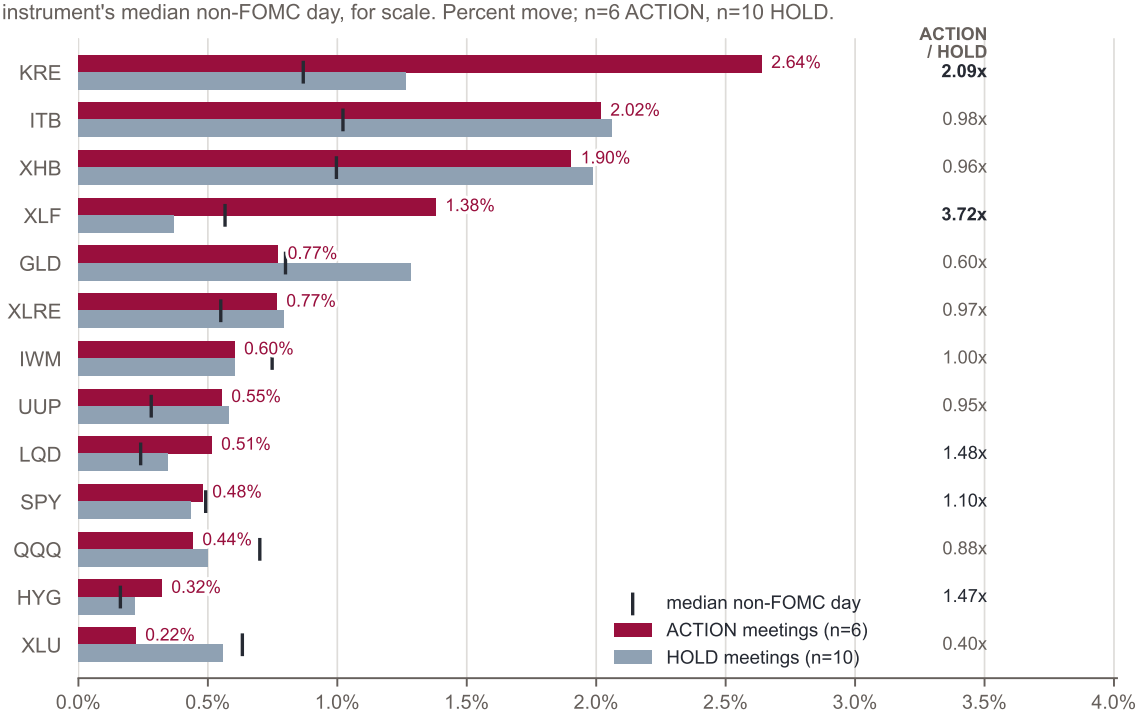
We also measure how much each instrument moved on the sixteen decision dates, split by whether the range changed. That ranks sensitivity to the event and carries no positioning information.

Ticker	Median, action	Median, hold	Action/hold	FOMC/normal
KRE	2.639%	1.265%	2.09	1.49
ITB	2.017%	2.062%	0.98	2.02
XHB	1.903%	1.988%	0.96	1.99
XLF	1.380%	0.371%	3.72	1.38
GLD	0.771%	1.283%	0.60	1.15
XLRE	0.766%	0.792%	0.97	1.44
IWM	0.603%	0.604%	1.00	0.81
UUP	0.553%	0.582%	0.95	2.02
LQD	0.514%	0.348%	1.48	1.82
SPY	0.480%	0.434%	1.10	0.88
QQQ	0.442%	0.502%	0.88	0.63
HYG	0.322%	0.219%	1.47	1.65
XLU	0.221%	0.556%	0.40	0.52

The instruments that move most on decision day are not the index products. Regional banks post the largest median absolute move on meetings where the range changed, at 2.639%, and the broad financials sector posts the largest ratio of action-day move to hold-day move, at 3.72 times. Only 5 of the 13 move more on meetings where the range changed than on meetings where it did not. Four instruments, XLU, IWM, SPY and QQQ, trade quieter on FOMC days than on their own typical day.

Banks move most on Fed days; index products move least

Median absolute close-to-close move on the 16 FOMC decision dates since September 2024, split by whether the target range changed at that meeting. Tick marks show each instrument's median non-FOMC day, for scale. Percent move; n=6 ACTION, n=10 HOLD.



Source: Unusual Whales daily price history through 2026-08-14.

Data & Method Note

Four limits on the event-day table. It rests on 6 meetings where the range changed and 10 where it did not, and a median on six observations is fragile, so we claim no significance anywhere in this section. The sample contains no hike: all six of those meetings were cuts, so the action column describes the size of a delivered move and not its sign, and a first hike of a cycle may not behave like a cut. Close-to-close on the decision day captures the statement, the projections and the press conference in a single number and does not isolate the decision. And the baseline column does not match the stored history exactly, because the non-FOMC median runs on the spliced series, which carries 19 sessions the stored history does not; the gap is under 0.02 percentage points for every instrument, against a maximum of zero difference on the 16 decision dates themselves. (Source: Unusual Whales daily options volume, 16 August 2024 to 11 September 2026)

9. What Warsh Has Said He Does

Warsh described his own decision rule in public, in plain terms, on 29 July. That is more than most Chairs give you, and it can be checked two ways: against what he has actually done, and against the data in front of him now.

Both checks return something useful. Neither returns a forecast.

9.1 The rule, in his words

Asked how he decides, he said that with the labor market near equilibrium, a central banker who sees underlying inflation moving higher is more inclined to tighten, and one who sees it falling is more inclined to loosen. He then added: [quoted] “That’s my reaction function.” (Source: Federal Reserve, FOMC press conference transcript, 29 July 2026)

Three things follow from how he phrased it. He watches the direction of underlying inflation rather than its level, and explicitly not any single monthly print. The rule only operates when the labor market is near balance, a condition he stated rather than one we inferred. And he treats tighter financial conditions as doing some of the work for him.

Growth, financial stability and the balance sheet are absent from what he said. Where commentary attributes those to him, it is adding them.

9.2 The rule explains two of his last ten positions

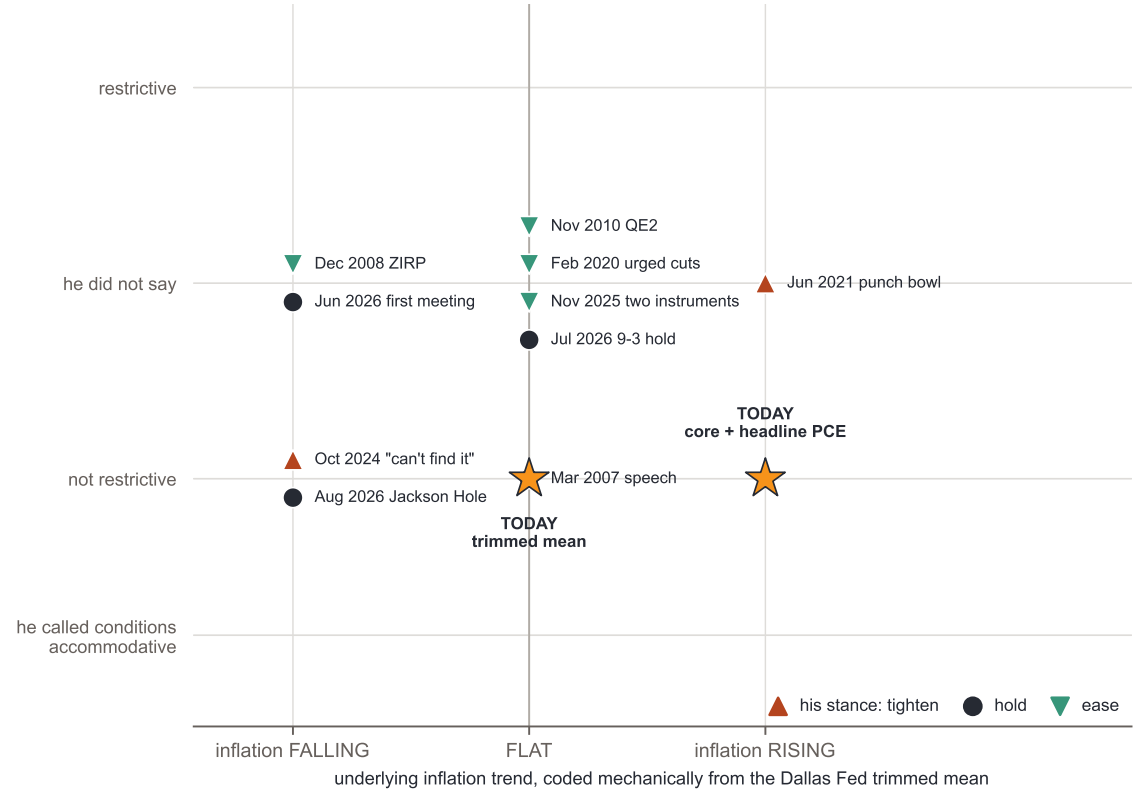
We took ten occasions since 2007 where his policy view is documented and asked what his stated rule would have produced, given inflation and employment at the time.

It matches twice.

The three most recent cases are the clearest misses. On each, underlying inflation was flat or falling with the labor market near balance, which by his own formulation points toward easing. On each he held and signalled the other way.

His documented calls, in the two dimensions he named

Ten dated instances. The vertical axis is his OWN assessment of financial conditions, never an index.
Today enters twice: the underlying-inflation measures disagree and he has never said which one he means.



Source: Primary sources listed in results/m7.json; inflation trend from FRED. The coding is judgment and the sample is small.

Key Insight

The rule is not a forecasting tool and an investor should not use it as one. He stated it in 2026 and we are applying it backwards to positions he never described in these terms. What the exercise establishes is narrower and still worth knowing: his stated rule does not fully describe his own behavior, so quoting it to predict Wednesday means quoting something he does not consistently follow.

9.3 Applied today, it gives two answers

The employment condition is met. Unemployment at 4.1% sits below the 4.39% long-run rate, and job openings per unemployed worker at 1.05 say the same thing.

Inflation is where it breaks down, because the answer depends entirely on which measure you use.

Measure	Latest	6m change	Points to
Trimmed mean PCE, 12 month	2.28%	−0.13pp	No signal
Core PCE, year on year	3.34%	+0.24pp	Tighten
Headline PCE, year on year	3.70%	+0.83pp	Tighten
Headline PCE, 6m annualized	4.13%	+0.43pp	Tighten

Three of four point toward tightening. The one that does not is the Dallas Fed's trimmed mean, the measure built specifically to strip out noise and show underlying inflation, and it is flat at 2.28%.

Risk & Safety Warning

Warsh said his rule keys on underlying inflation. He did not say which series that means. Anyone claiming his own rule delivers a hike on Wednesday has chosen the measure that delivers it. The honest answer is that his rule does not settle the question today.

One point of timing. The most recent inflation data he has seen is the same vintage he had at Jackson Hole on 28 August. Two prints have landed since, both during the communications blackout that began on 5 September, and he has said nothing about either.

9.4 The market has tightened for him

He treats financial conditions as an input, and on 29 July he pointed to a large rise in yields as a reason to wait. At Jackson Hole a month later he said the opposite about conditions then: [quoted] "I would be hard pressed to describe broad financial conditions as restrictive." (Source: Federal Reserve, Jackson Hole remarks, 28 August 2026)

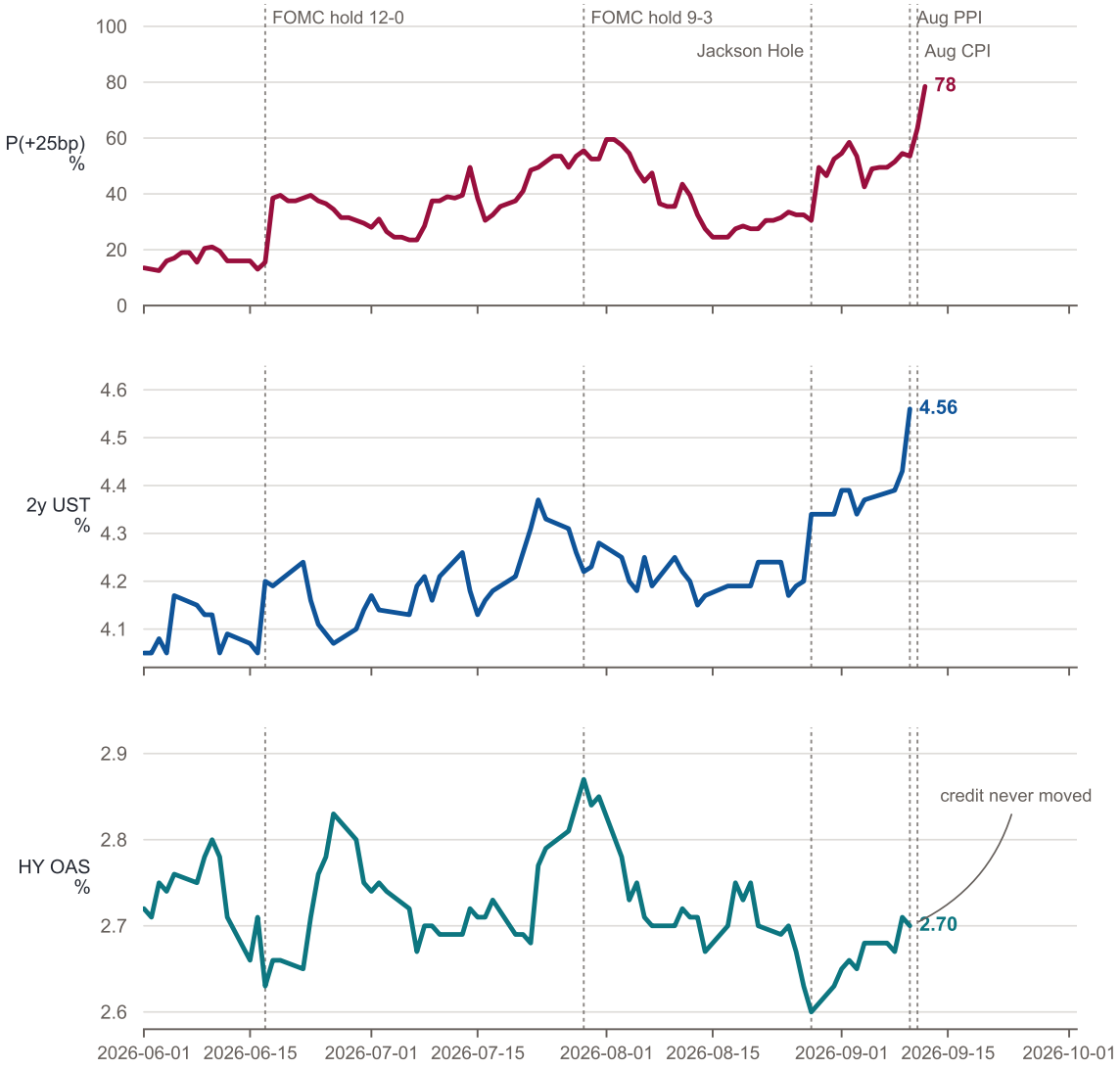
Since 8 September the market has moved in the direction that remark implied.

Window	10y nominal	10y real	Breakevens
Since 8 September	+15bp	+12bp	+3bp
Since Jackson Hole	+28bp	+21bp	+7bp

The split matters more than the headline. Some 80% of the move since 8 September is in real yields rather than inflation expectations. A nominal rise driven by breakevens would be the market pricing more inflation. One driven by real yields is the market tightening conditions, which is the thing his framework treats as a substitute for his own action.

Hike odds and real yields rose together through September

Odds of a 25bp hike on 16 September set against the conditions Warsh watches. The 2y has done most of the work. Credit spreads are inside their June-September range.



Source: Polymarket CLOB daily settlement prices; FRED DGS2 and BAMLH0A0HYM2. Snapshot 2026-09-12. FRED yields end 2026-09-10.

9.5 Two reasons to be careful with that

Risk & Safety Warning

He never said market tightening substitutes for policy action. We pulled the 29 July transcript and checked. He said the move in yields gave [quoted] “some comfort”, and separately that [quoted] “we’re not going to be constrained by market prices”. The closest he came was answering why rates should not already be higher: [quoted] “rates are higher today than they were 42 days ago”. The substitution argument is an inference from his framework, not a quotation, and he has said something close to the opposite.

The link from long yields to policy is also unreliable. Through autumn 2023 the ten-year rose 97 basis points while the San Francisco Fed's proxy for the overall policy stance actually loosened, from 203 to 146 basis points above the funds rate. A large move in long yields does not consistently mean what it appears to mean.

Measured the way he measured it in July, over 42 business days, the market has delivered *less* sustained tightening into this meeting than into the last one: 19 basis points of real yield move against 35 last time. What is genuinely unusual is the speed rather than the size. The two-year rose 17 basis points in two sessions, among the fastest moves of the last two decades.

Data & Method Note

We convert none of these moves into a policy-rate equivalent. The three published Fed estimates of that relationship span 69 to 400 basis points of funds rate per 100 basis points of ten-year, a factor of nearly six, and they measure different things. The widely repeated rule of thumb linking financial conditions to the funds rate traces to no primary source we could find.

9.6 Where that leaves Wednesday

His rule is live, because employment qualifies. It gives two answers on inflation depending on the measure. The market has tightened real conditions for him by twelve basis points, which his framework treats as helpful, though he has stopped short of saying it replaces a move. And he cannot comment on any of it, because the blackout began on 5 September.

That is genuinely indeterminate. An investor is better served knowing it is indeterminate than being handed a probability derived from a rule its author does not consistently follow.

10. The Committee Sets the Pressure

Most commentary on this meeting is about one man. Twelve people take the decision, and the voting record under this Chair already shows a Committee that is not simply following him. On the evidence of the last two meetings, the pressure on the policy rate runs from the Committee toward the Chair rather than the other way round.

10.1 Three voters dissented in July, all for a faster move

Warsh's first meeting, on 17 June, held the target range at 3.50 to 3.75% by a unanimous 12 to 0 vote. (Source: Federal Reserve, FOMC statement, 17 June 2026)

His second, on 29 July, held again, by 9 to 3. Hammack, Kashkari and Logan dissented, and all three dissented in the same direction, preferring an immediate 25 basis point increase. (Source: Federal Reserve, FOMC statement, 29 July 2026)

Key Insight

Three dissents in one direction is a large number for a second meeting. What makes it structurally significant is the direction: every dissenting vote so far under this Chair has been a vote to tighten faster than he did. Nobody has dissented the other way, and on the current record no voter is advocating a cut.

10.2 Seven of twelve voters lean hawkish. None wants a cut

Member	Role	Coded lean
Beth M. Hammack	President, Cleveland	Hawkish
Neel Kashkari	President, Minneapolis	Hawkish
Lorie K. Logan	President, Dallas	Hawkish
Kevin Warsh	Chair	Leans hawkish
Michael S. Barr	Governor	Leans hawkish
Lisa D. Cook	Governor	Leans hawkish
Christopher J. Waller	Governor	Leans hawkish
Philip N. Jefferson	Vice Chair, Board of Governors	Neutral
Jerome H. Powell	Governor	Neutral
John C. Williams	President, New York; Vice Chair	Neutral
Anna Paulson	President, Philadelphia	Neutral
Michelle W. Bowman	Governor, Vice Chair for Supervision	Leans dovish

Three hawkish, four leaning hawkish, four neutral, one leaning dovish.

Data & Method Note

We fixed the coding rule before building the table: wanting to hike now is hawkish; holding while naming only tightening as the contingency leans hawkish; holding while genuinely two-sided or directionally silent is neutral; arguing against added restraint leans dovish. The coding is judgment and two rows are weak, because Bowman's most recent monetary policy remark dates to 29 May 2026 and Jefferson's to 16 July 2026, both before the July dissents. (Source: FRED; Federal Reserve press conference transcripts and speeches)

One feature of this Committee has no modern precedent. Jerome Powell, the previous Chair, remains a sitting governor and a voting member under his successor. The last Chair to stay on the Board after handing over was Marriner Eccles, in 1948.

10.3 The June dots split exactly nine to nine

Eighteen participants submitted projections in June. Nine placed the end-2026 fed funds rate above the current 3.625% midpoint and nine did not: an exact split. The median projection of 3.75% falls precisely between the ninth and tenth dots.

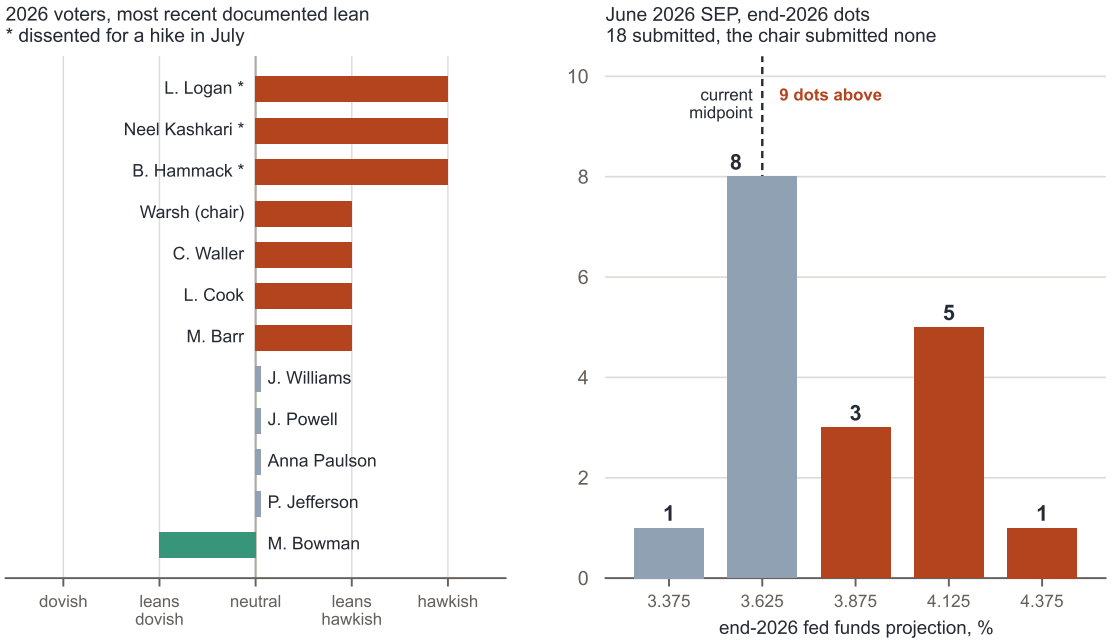
End-2026 dot, %	Participants
4.375	1
4.125	5
3.875	3
3.625	8
3.375	1

The Chair submitted no dot at all, which is why eighteen rather than nineteen participants appear. Asked about it he said plainly: [quoted] "I did not submit a, a dot." (Source: Federal Reserve, FOMC press conference transcript, 17 June 2026)

That absence is not a procedural footnote. A Chair who has withdrawn forward guidance, cut the statement length sharply and declines to publish his own projection has removed most of the channels through which a Chair normally steers expectations. What remains is the vote, and the vote is where this Committee has already shown its hand.

The committee may be more hawkish than the chair

Three voters dissented for a hike in July. The June dots split exactly nine-nine around the current midpoint. No voter is on record wanting a cut. The chair holds one vote of twelve.



Source: FOMC statements and minutes, the June 2026 SEP, and the per-member sources listed in results/m7.json.

Risk & Safety Warning

It is tempting to convert nine hike dots into a probability that the voting Committee tightens. Doing so requires assuming the remaining hike dots are spread evenly across the remaining participants, and that assumption is false: dots are not randomly assigned, and reserve bank presidents are over-represented among the hawks. Run anyway as pure arithmetic it gives an expected 6.6 hawkish voters of twelve and a 54.6% chance of a hawkish voting majority, which should be read as an illustration of the structure and not as an estimate. A dot is also a year-end projection. It commits nobody to a vote at any particular meeting, and the June dots predate two inflation prints and a Jackson Hole speech.

10.4 The pressure runs from the Committee to the Chair

The market prices a hike at roughly four in five. The Committee arithmetic is consistent with that without being the reason for it. What the record supports is narrower and more useful than a probability: the balance of stated positions on this Committee runs in one direction, the only dissents so far have been votes to move faster, and no voter is on record wanting the opposite.

The relevant question for 16 September is therefore not only whether the Chair has been persuaded. It is whether a Chair who has spent two meetings holding, against three colleagues who wanted to move, can hold a third time without the dissent count growing. That is a question about the internal politics of a committee, and it is not something an option chain can price.

11. What We Found, and What Would Change It

11.1 Where the four readings landed

Question	Answer	On what evidence
Do the venues agree?	Yes, tightly	Three venues sit within 5.8 points on whether the range changes, with 1,121,914 contracts of ladder open interest behind the Kalshi leg
Is anyone crowded?	No	Twelve readings across four specifications and three horizons. No horizon is unanimous, and two-way is the most common answer at six of twelve
Is the event priced well?	We cannot say	The ratio computes at 1.38. Every meeting in the sample that moved rates was a cut, so the comparison cannot speak to a hike
Does cross-asset agree?	Split	Six of thirteen read hawkish over twenty days, eight of thirteen through the repricing. Breadth and conviction point opposite ways

Two of the four give an answer a reader can act on. One of those is a statement about the absence of a crowd rather than the presence of one.

11.2 The hike is well priced and thinly backed

The hike is well priced and thinly backed.

Three venues agree on the direction and the rough magnitude of the probability. Behind that agreement, the options that would express it are not crowded on any stable reading. Only four instruments in the rate complex carry enough premium to interpret, and those four disagree with each other: the long bond and high yield lean hawkish, investment grade credit and the belly lean the other way, and the largest single flow in the complex is a credit trade.

The probability itself moved in two steps, at a speech and at an inflation print, with nothing moving ahead of either release. Behind the price sits a concentrated book. Sixteen or so effective holders carry the hike leg, and between 1 and 12 September the ten largest of them bought 2.11m contracts from everyone else.

Dealers enter the meeting short gamma, at the bottom of their two-year range, with the short concentrated in the three strikes the price is already sitting on. That does not predict a direction. It means whichever direction the market takes, dealer hedging pushes rather than absorbs.

Key Insight

The market is confident about direction and has put comparatively little behind that confidence in the instruments that would express it. The option price for the event is ordinary. The fragility sits in who is positioned and how dealers are hedged.

11.3 What the Chair's record adds

His stated rule keys on underlying inflation with the labor market at equilibrium. The labor gate is satisfied, so the rule is live. Applied to today's data it returns different answers depending on which inflation measure counts as underlying: three of four measures incline toward tightening, and the trimmed mean, which is the measure most often used for exactly this question, returns no signal at 2.28% and flat.

Set against that, the market has tightened real financial conditions by 12 basis points at the ten-year point since 8 September, and 80% of the move is in the real leg rather than in inflation expectations. His own framework treats financial conditions as an input. His transcript stops short of saying they substitute for policy action, and the reaction-function chapter sets out both the support and the counter-evidence for reading a loop into it.

The Committee is the other half. Three of twelve voters dissented in July, all of them for a faster move, and no voter is on record wanting a cut.

11.4 What would change this read

1. **A hike arriving.** It would give the comparison sample its first relevant observation. One will not be enough to judge the next event's price, but it starts the record.
2. **The dealer gamma sign flipping.** The short reading rests on the open interest construction. If the directionalized volume measure, which currently points the other way, persists and the daily series follows it, the amplification argument inverts. That is checkable within days.
3. **The positioning composite becoming stable.** It currently reverses when one credit instrument is removed. If LQD's flow normalizes and the specifications converge, the measure would carry a conclusion instead of a most-common answer.
4. **The venue basis breaking.** Kalshi has sat above Polymarket in 82% of 744 hours, by an average of one tick, which is the smallest disagreement two venues quoting in cents can express. A basis that widened beyond a tick, or inverted and stayed there, would say something about the marginal participant that the current gap cannot.
5. **The labor market cracking.** The gate in the Chair's stated rule is currently shut, which is what makes the inflation leg operative. A labor market that deteriorates turns the same rule dovish without a word of the framing changing.
6. **The Chair speaking.** He has dropped forward guidance, declines to publish his own dot, and has cut the statement by roughly two thirds. Speech is the channel he has left. The blackout began on 5 September, so the entire repricing happened in a window during which he could not respond to it, and

the first thing he says after 16 September will carry more than usual.

A. Data Tables

The tables below carry the underlying data for every figure quoted in the chapters. Each names its source and date.

A.1 The Kalshi implied distribution

Strike %	Bid	Ask	Mid	Open interest	Volume
2.75	0.99	1.00	0.995	9,839	11,456
3.00	0.99	1.00	0.995	5,931	10,039
3.25	0.99	1.00	0.995	6,987	11,150
3.50	0.99	1.00	0.995	150,766	309,154
3.75	0.80	0.81	0.805	472,397	837,797
4.00	0.01	0.02	0.015	147,183	216,954
4.25	0.00	0.01	0.005	34,322	38,190
4.50	0.00	0.01	0.005	85,422	160,822
4.75	0.00	0.01	0.005	207,993	397,801
5.00	0.00	0.01	0.005	565	659
5.25	0.00	0.01	0.005	511	609

Implied probability mass: cut of 25 basis points or more 0.005, hold 0.190, hike of 25 basis points 0.790, hike of 50 basis points or more 0.015. Total ladder open interest 1,121,914 contracts. (Source: Kalshi KXFED-26SEP, 12 September 2026)

A.2 Cross-venue probabilities

Venue	P(range changes)
Kalshi	0.805
Polymarket	0.791
Fed funds futures proxy	0.850
Spread	0.059

(Source: Kalshi KXFED-26SEP and Polymarket, 12 September 2026)

A.3 The rate complex, five sessions to 11 September 2026

Positive signed premium means aggressive buyers paid up for lower yields. The four readable instruments carry 98.1% of the complex's option premium. The remaining ten are reported for completeness and are not interpreted. (Source: Unusual Whales daily options volume, five sessions to 11 September 2026)

Ticker	Duration	Gross prem $m	Signed $m	Scale $m	Read
TLT	20y+	379.23	−5.651	3.8071	yes
HYG	HY credit	82.57	−4.972	1.6374	yes
LQD	IG credit	79.32	+20.090	0.7666	yes
IEF	7-10y	38.11	+2.930	0.4076	yes
TMF	20y+ 3x	5.85	−1.082	0.5106	thin
SHY	1-3y	2.71	−0.187	0.0135	thin
TMV	20y+ -3x	1.17	−0.192	0.0599	thin
TBT	20y+ -2x	0.66	−0.012	0.0412	thin
EDV	25y+	0.22	−0.043	0.0319	thin
ZROZ	25y+	0.11	−0.020	0.0137	thin
TLH	10-20y	0.10	−0.005	0.0072	thin
VGLT	20y+	0.05	+0.022	0.0047	thin
TIP	TIPS	0.03	−0.008	0.0073	thin
AGG	agg	0.03	−0.010	0.0021	thin

A.4 Change across the repricing window

Ticker	Before, $m/session	Repricing, $m/session	Change
TLT	+1.189	−1.706	−2.895
HYG	+0.160	−2.290	−2.450
LQD	+0.035	+4.327	+4.292
IEF	+0.035	+0.995	+0.960

(Source: Unusual Whales daily options volume. The repricing window is four trading sessions; 7 September was Labor Day)

A.5 The crowding measure across specifications

Specification	Latest pct	5d pct	20d pct	Label, latest
equal raw	85.7	71.2	81.3	CROWDED DOVISH
equal winsor3	17.0	5.7	55.9	CROWDED HAWKISH
premium weighted raw	5.2	49.2	67.1	CROWDED HAWKISH
premium weighted winsor3	2.3	25.4	49.3	CROWDED HAWKISH

Dropping each of the fourteen instruments in turn and recomputing: 12 of 14 runs read crowded dovish, 1 crowded hawkish and 1 two-way. The single hawkish run is the one that removes LQD. (Source: Unusual Whales daily options volume, five sessions to 11 September 2026)

A.6 Sixteen meetings, each read five days ahead

Meeting	Changed	Read on	Implied %	Realized %	Ratio
2024-09-18	yes	2024-09-13	0.956	0.817	0.854
2024-11-07	yes	2024-11-01	2.629	1.816	0.691
2024-12-18	yes	2024-12-13	1.008	1.098	1.089
2025-01-29	no	2025-01-24	0.858	0.906	1.056
2025-03-19	no	2025-03-14	1.037	1.120	1.080
2025-05-07	no	2025-05-02	1.197	0.194	0.162
2025-06-18	no	2025-06-13	1.187	0.371	0.312
2025-07-30	no	2025-07-25	0.910	0.509	0.560
2025-09-17	yes	2025-09-12	0.888	0.189	0.213
2025-10-29	yes	2025-10-24	0.711	0.415	0.584
2025-12-10	yes	2025-12-05	0.781	0.159	0.203
2026-01-28	no	2026-01-23	0.752	0.375	0.499
2026-03-18	no	2026-03-13	1.120	0.480	0.428
2026-04-29	no	2026-04-24	0.716	1.165	1.628
2026-06-17	no	2026-06-12	0.731	0.653	0.893
2026-07-29	no	2026-07-24	0.733	0.480	0.656

Median ratio of realized to implied 0.620, mean 0.682, share exceeding implied 25.0%. Meetings at which the range changed: 0.638; meetings that held: 0.608. (Source: Unusual Whales implied volatility term structure and daily closes)

A.7 The event-price ratio across settings

The rightmost column shows what the decision rule returns at each setting. The event-price chapter explains why the sample cannot support a verdict.

Ticker	Variant	Expected %	Ratio	Rule would say
TLT	median	0.593	1.383	RICH
TLT	mean	0.726	1.131	FAIR
TLT	median_drop_largest	0.431	1.905	RICH
TLT	mean_drop_largest	0.553	1.484	RICH
IEF	median	0.507	1.271	RICH
IEF	mean	0.561	1.148	FAIR
IEF	median_drop_largest	0.466	1.382	RICH
IEF	mean_drop_largest	0.469	1.374	RICH

Bootstrap on the TLT ratio, 20,000 draws, seeded: median 1.377, 90% interval 0.709 to 3.321, probability the ratio is below one 0.24, below 0.85 0.13. The interval is wide because only 6 meetings in the sample changed the target range. (Source: Unusual Whales implied volatility term structure and daily closes)

A.8 Implied move for the meeting expiry, rate complex

Ticker	Event expiry	DTE	Vol %	Implied move %
TLT	2026-09-16	5	10.14	0.820
IEF	2026-09-18	7	6.86	0.644
SHY	2026-09-18	7	5.58	0.627
TLH	2026-09-18	7	9.41	0.884
VGLT	2026-09-18	7	9.33	0.885
EDV	2026-09-18	7	13.04	1.224
ZROZ	2026-09-18	7	19.16	1.826
AGG	2026-09-18	7	4.99	0.469
TIP	2026-09-18	7	4.56	0.442
LQD	2026-09-18	7	6.94	0.664
HYG	2026-09-18	7	5.16	0.497
TBT	2026-09-18	7	28.81	2.860
TMV	2026-09-18	7	34.60	3.307
TMF	2026-09-18	7	27.02	2.575

(Source: Unusual Whales implied volatility term structure and daily closes)

B. Data Sources and Endpoint Inventory

B.1 What was reachable, and what was not

This study was assembled on a single workstation, and the constraint that shaped it most is worth stating first: **no fed funds futures feed was reachable**. Unusual Whales carries no futures in its ticker universe, and a search for both `ZQ` and `SOFR` returns nothing. The Federal Reserve Economic Database carries realized rates, not futures curves. The Polygon connector failed to connect for the whole session. CME's FedWatch pages and its probability endpoint refused connections from this host.

The usual response is to quote a single headline probability from a third party. This study took the opposite route and used Kalshi's eleven-strike `KXFED-26SEP` ladder as the primary market-implied distribution. The ladder is better data: a survival function across strikes is a complete distribution, and it carries open interest at every rung, where the commonly quoted number carries none. The futures-derived 0.850 appears in this report only as a third comparison point, sourced second-hand, and is labelled as such wherever it appears.

B.2 Unusual Whales REST endpoints

Twenty-two endpoints were probed on TLT before the harvest was designed. Twenty returned usable data. Two returned empty without the right parameters and were not used.

Endpoint	Status	Use in this study
`/volatility/term-structure`	live	the event-price test, the event expiry implied move and kink
`/volatility/term-structure` (dated)	live	the matched five-day historical vantage
`/greek-exposure`	live	dealer gamma, charm, vanna; the break audit
`/greek-exposure/strike`	live	the per-strike gamma profile
`/spot-exposures/strike`	live	the open interest and volume basis cross-check
`/options-volume`	live	aggressor-signed premium, 21 fields, 500 rows per call
`/volatility/realized`	live	price, implied and realized volatility
`/iv-rank`	live	volatility level context
`/historical-risk-reversal-skew`	live	skew, requires a real expiry parameter
`/interpolated-iv`	live	constant-maturity cross-check
`/expiry-breakdown`	live	open interest and volume by expiry
`/max-pain`	live	expiry context

Endpoint	Status	Use in this study
`/oi-change`	live	contract-level open interest change
`/option-chains`	live	contract universe
`/nope`	live	intraday order-flow pressure
`/ohlc/1d`	live	price history, capped at one year
`/flow-alerts`	live	institutional-scale prints
`/net-prem-ticks`	live	intraday signed premium
`/stock-state`	live	spot and session state
`/volatility/stats`	live	implied volatility summary
`/flow-per-expiry`	empty	not used, returned no rows without extra parameters
`/flow-per-strike`	empty	not used, same reason

B.3 The harvest

Our archived vendor history ends 2026-08-14. The repricing this study examines ran from 2026-09-08 to 2026-09-12. Every positioning number in this report therefore comes from a live pull. The archive supplies only the deep history, where the live feed is shorter.

Family	Keys	Contents
`options_volume`	25	500 daily rows per ticker to 2026-09-11
`greek_exposure`	25	daily dealer greeks per ticker
`realized_vol`	25	price, implied and realized volatility
`term_structure`	14	live term structure, rate complex
`ts_dated`	32	term structure at T−1 for 16 meetings, TLT and IEF
`ts_t5`	32	term structure at T−5, the matched vantage
Total	**153**	**26,505 rows**

The harvest is manifest-gated in a SQLite table keyed on family and key, so a re-run after an interruption costs nothing and the venue snapshot can be refreshed immediately before publication without re-pulling the history. Total wall time was under two minutes at 120 requests per minute, well inside the daily call budget.

Source	Use
Kalshi	KXFED-26SEP event, 11 strikes, public endpoint, no authentication
Polymarket	gamma API market list and CLOB daily price history, 5 Sept-2026 Fed markets
FRED	DFF, DFEDTARU, DFEDTARL, DGS2, DGS10, T5YIFR, SOFR, PCEPILFE, CPIAUCSL, UNRATE
Federal Reserve	FOMC calendar, open market operations record, press conference transcripts
centralbank.watch	the fed funds futures probability, second-hand, labelled throughout

B.4 Non-vendor sources

Data & Method Note

We freeze venue snapshots to timestamped files at capture and build the report against those files. The report makes no live calls. The Kalshi and Polymarket figures in this report are as of 12 September 2026 at 10:30 UTC. Both markets continued trading after that moment.

C. Method and Limitations

C.1 How each measure is built

Signed option premium. Unusual Whales reports call and put premium split by whether the trade printed on the bid or the ask. We take call premium lifted on the ask, net of call premium hit on the bid, and subtract the same quantity for puts. A positive number means aggressive buyers paid up for upside in that instrument, measured in dollars. This answers who paid up. A call/put volume ratio answers something else, because every trade has a buyer and a seller, so volume counts both sides of the same print.

We flip the sign on instruments whose price moves inversely to bonds, the short and inverse funds TBT and TMV, so a positive contribution always reads dovish. TMF is a three-times long long-bond fund and keeps its sign.

The liquidity screen. We interpret only instruments carrying at least $10m of gross option premium over the five sessions to 11 September. Four names clear it: TLT, HYG, LQD and IEF, together 98.1% of the complex's premium. The threshold does no work. Any floor between $5.9m and $38.1m returns the same four names.

The event-move comparison. We read TLT's implied move for the 16 September expiry on 11 September, five days ahead. We read every past meeting from the same five-day distance and measure what actually happened over the same window, from that day's close to the expiry close. Both sides of the ratio therefore sit at the same distance from the event, so whatever convention the vendor applies to its published implied move is common to both and cancels.

Dealer gamma. Net gamma is call gamma plus put gamma from the daily greek exposure series, where put gamma is stored negative. Negative net gamma means dealer hedging runs with the move rather than against it. We rank the current reading against the two years ending at that observation.

C.2 Limitations that bear on the conclusions

The comparison sample contains no hikes. All six meetings in the window that moved the target range were cuts. Every statement in this report about how TLT behaves when the Fed acts is therefore calibrated on easing. This is the reason we report the event-price ratio and decline to judge it.

Percentiles are local. They run against roughly two years of daily observations. That supports statements about what is unusual within that window. It does not support statements about tails, and we avoid making them.

Aggressor signing shows who paid up, not who owns what. It does not identify the end user, does not net dealer hedges, and mislabels prints that cross at the midpoint. Option volume is not open interest, and a flow is not a position.

Thin instruments are reported but not interpreted. Ten of the fourteen rate instruments and two of the

thirteen cross-asset instruments trade option books too small to read. SHY's trailing scale is about $14,000, so an ordinary trade moves its scaled score by several standard deviations. We print their numbers for completeness and draw no conclusion from them.

Prediction market prices are traded prices at a timestamp. They are not forecasts, and both venues continued trading after our snapshot at 10:30 UTC on 12 September.

The dealer gamma sign is not unanimous. Three of four exposure constructions read short and one reads long. The dealer chapter shows all four. A reader who prefers the flow-based construction reaches the opposite conclusion about amplification.

Vendor data carries vendor risk. Options, flow and implied volatility figures are vendor estimates subject to revision and classification error. Where a series showed a scale break we excluded it from any composite.

C.3 On discipline

We fixed the decision rule and its thresholds before scoring the data, so neither could be chosen to suit the answer. We print the computed value next to every label, so a reader who prefers a different threshold can apply one. Where the four tests disagree we report the disagreement rather than the average.