NOISE TO SIGNAL · VOL 1 · ISSUE 12 · WEEK OF SEP 28, 2026

Trump and Xi met. What actually changes *at the border?*

Trump and Xi backed a $60bn list of goods for possible tariff relief, but supply chains need schedules, not communiqués. Plus Barkin on inflation, the UK's £8bn fiscal gap, New Zealand's carbon-credit farmland and the Laver Cup's incentive design.

By **Nicusor Popescu** with Ben Jaletzke · Published Sep 29, 2026 · Data as of Sep 28, 2026 · UTC−08:00

Vol 1, Issue 12 — Same products, different possibilities: the summit framework still has to become tariff schedules, rules of origin and implementation dates. Conceptual illustration.

THE BRIEF

Donald Trump and Xi Jinping spent last week talking about the world's most consequential trading relationship. A bilateral trade board has recommended around **$30bn of non-sensitive goods on each side** for possible more favourable tariff treatment. China's list covers U.S. products including corn, wheat, meat, dairy, seafood, timber, cosmetics and medical devices. The U.S. list includes Chinese appliances, tableware, bedding, toys, holiday decorations and children's car seats. Together, roughly **$60bn of bilateral trade** is under consideration; the tariff changes have not taken effect.

There were other commitments. China agreed to import **10mn tonnes of U.S. coal in both 2027 and 2028**. The trade board, established earlier this year, will continue work on the product lists. The two countries also extended their existing trade truce by two months, to **10 January**.

There is a difference between a diplomatic agreement and something a procurement department can put into a spreadsheet. A company deciding whether to change supplier still needs to know the exact tariff rate, when it takes effect, which product code qualifies, what rules of origin apply and how long the arrangement is likely to survive.

That distinction becomes particularly important when investment horizons are long. A retailer deciding whether to import another shipment of toasters can react quickly to a tariff reduction. A manufacturer deciding where to build its next factory cannot.

Factories, warehouses and supplier relationships are built for years. A trade truce that expires in January is useful, but it does not remove the possibility that the economics change again before the asset has even opened.

The products proposed for relief are relatively ordinary. Coffee makers. Toys. Corn. Timber. Bedding. Trade disputes are often discussed through semiconductors, national security and strategic technologies. Yet tariffs ultimately reach the mundane products moving through ports every day, and that is where changes in policy start appearing in working capital, sourcing decisions and consumer prices.

The summit therefore matters less as a reset of the U.S.–China relationship than as another adjustment to the economics sitting underneath it. Both governments have kept negotiations open and provided some additional near-term visibility. They have not removed the reasons companies spent the past several years diversifying supply chains.

OUR BRIEF

The summit reduced some immediate friction, but businesses still need tariff schedules, effective dates and durability before they can treat diplomacy as economics. A communiqué can change overnight. A supply chain usually cannot.

Sources: USTR — trade board recommendations · White House — summit fact sheet · Reuters — trade truce extension

Macro

Factor / Theme	Our read
U.S. inflation is becoming harder to blame on one thing	Richmond Fed President Tom Barkin said economic conditions appeared to be "firming", with strength in consumer spending, manufacturing and other areas beyond data centres. More importantly, he argued that inflation pressure was no longer confined to energy and tariffs. That matters because central banks can look through temporary supply shocks more easily than persistent demand. The Fed raised rates to **3.75–4.00%** the previous week. Richmond Fed, 22 September
UK the budget starts £8bn behind	Public-sector borrowing reached **£18.3bn in August**, above the £15.5bn consensus, taking borrowing for April–August to £77.3bn — **£8.1bn above the OBR's expected path**. Higher gilt yields and inflation-linked spending are reducing the government's fiscal room ahead of the October budget. Strong tax receipts help, but financing costs increasingly decide how much of that revenue remains available to spend. ONS, 22 September
China Vanke gets more time, not more homebuyers	Chinese regulators have informally asked major banks not to classify overdue loans to developer Vanke as non-performing and to extend repayment deadlines, Reuters reported. Vanke had **351bn yuan of debt**, around 72% of it bank loans. The intervention can reduce near-term financial pressure; it does not by itself restore property demand or improve underlying asset values. Reuters, 22 September
France expensive fuel becomes expensive fiscal policy	France expanded targeted fuel support to around **5.5mn people**, adding €450mn and taking total relief measures to roughly €1.4bn. Support is being directed towards lower-income commuters and fuel-intensive sectors including farming, fishing and construction. Energy shocks therefore reach the public finances twice: first through households and businesses, then through the government trying to cushion them. Le Monde, 23 September
China a stronger yuan, cautiously	The yuan strengthened to **6.6950 per dollar**, its strongest level in more than three-and-a-half years, as the PBOC eased its resistance to appreciation ahead of the Trump–Xi summit. A stronger currency reduces some imported-cost pressure but can make exporters less competitive. Analysts cautioned against reading a summit-period move as evidence of a permanent currency regime change. Reuters, 21 September
Oil the pipeline is back; the old system is not	Saudi Arabia restarted its East–West pipeline at a reduced rate after the earlier drone attack, helping push Brent back towards **$97**. A complete restoration could still take several weeks. The episode is a useful reminder that rerouting capacity can soften an energy shock without returning the system to normal. Reuters, 22 September

Public Markets

Name / Theme	What happened	Our read
Kingfisher DIY finds its margin	The B&Q and Screwfix owner increased first-half adjusted pre-tax profit **9.9% to £404mn** and raised full-year guidance to £595–635mn. Sales grew only 1.6%, but gross margin expanded 70bp and shares jumped. Kingfisher, 22 September	This was more a margin story than a growth story. In a mixed consumer environment, modest revenue growth can still produce attractive earnings when market share, pricing and cost control move in the same direction.
On running towards a bigger category	On announced its first **$1bn share buyback** and set 2029 targets including sales above CHF5.6bn, gross margin above 65% and adjusted EBITDA margin above 22%. Shares rose around 13%. The company is also expanding beyond running, including its recent signing of Kylian Mbappé. On, 22 September	The interesting question is whether a premium running brand can become a broader sports brand without diluting what made it distinctive. The 2029 targets give investors a measurable version of that ambition.
TUI strong demand, shorter visibility	TUI narrowed its 2026 underlying EBIT forecast to **€1.2–1.3bn**. Demand remained resilient, but customers were booking later amid geopolitical uncertainty and higher jet-fuel costs. TUI trading update	Later bookings do not necessarily mean weaker demand. They do make fleet planning, capacity allocation and pricing harder. Revenue can ultimately arrive while management visibility deteriorates.
Société Générale the turnaround gets another target	SocGen increased its 2029 return-on-tangible-equity target to **13–14%**, from roughly 11% expected this year, alongside further cost reductions. Shares rose more than 3%. Société Générale, 21 September	Turnarounds become more credible when improvement moves from asset sales into the underlying operating model. The next test is whether returns rise because the bank structurally earns more, rather than simply because it owns less.
Ligent Hong Kong buys the picks and shovels	Chinese optical-equipment maker Ligent raised **HK$5.67bn** and finished its Hong Kong debut 4.6% above the offer price. First-half revenue had risen 27.9%, with proceeds earmarked largely for R&D and additional capacity. Reuters, 22 September	Connectivity is increasingly part of the data-centre bottleneck. But exposure to a fast-growing market is not the same as guaranteed returns: product mix, pricing and capacity utilisation still decide the economics.
Meta 2.8mn downloads meet a $200bn reaction	Meta's Muse assistant recorded **2.8mn downloads in its first 12 days**, according to Apptopia data. Meta shares had risen more than 20% since launch, adding over $200bn of market value as of 22 September. TechCrunch — Apptopia downloads · Reuters — market reaction	Early adoption shows distribution power. It does not yet demonstrate paid conversion, retention or durable economics. The distance between a successful product launch and the value the market attaches to it remains worth watching.

M&A

Name / Theme	What happened	Our read
Paramount Skydance Warner Bros Discovery	Paramount's proposed **$110bn acquisition of Warner Bros Discovery** cleared a major hurdle when it settled litigation brought by California and 11 other states. The settlement, still pending court approval, includes commitments around film production and editorial governance. The acquisition has **not closed**. California Attorney General, 21 September	The settlement reduces one source of uncertainty. Completion and then integration are separate tests; content economics and the cost of maintaining a much larger portfolio will determine the eventual value.
Priority Technology going private with the boss	Payments and banking-software provider Priority Technology agreed to a **$1.6bn take-private** led by chairman and CEO Thomas Priore. Priority / SEC filing, 21 September	Public-to-private deals can create room for longer-term investment away from quarterly market expectations. In management-led transactions, valuation and governance around the process remain particularly important for outside shareholders.
Rexel GCG	Rexel agreed to acquire U.S. specialty-infrastructure distributor GCG, which is expected to generate more than **$1.1bn of 2026 revenue**. More than 75% of GCG's revenue incorporates value-added products or services such as engineering, assembly and testing. Rexel, 25 September	Specialty distribution becomes more attractive when it moves beyond moving boxes. Design support, custom assembly and embedded customer relationships can make the business harder to replace and less exposed to pure price competition.
Select Water Pilot Water	Select Water Solutions agreed to acquire Pilot Water for **$700mn**, plus up to $15mn of contingent consideration. Pilot brings more than 700 miles of pipelines and 2.7mn barrels per day of active permitted disposal capacity; more than 80% of annual revenue is backed by long-term contracts. Select Water, 24 September	The transaction moves more of Select's earnings towards infrastructure and contracted volumes. That can make cash flows more durable than traditional oilfield services, although they remain tied to basin activity and customer production.
Progress Domo	Progress Software completed its **$400mn cash acquisition** of substantially all of Domo's AI and data-platform assets and employees. Progress, 22 September	The strategic language is about AI, but the asset being bought is largely the layer underneath it: enterprise data, governance, integration and analytics. The return will depend on integration and cross-selling rather than the label attached to the technology.
SoftBank DigitalBridge	DigitalBridge received all required regulatory approvals for its acquisition by SoftBank, with closing expected within five business days of the 22 September announcement. Shareholders are due to receive **$16 per share in cash**. DigitalBridge, 22 September	Another major pool of capital is increasing its exposure to digital infrastructure. The attraction is straightforward; the harder question remains whether asset returns keep pace with the enormous amount of capital chasing the theme.

Staying Diligent

Things we are watching: 28 September–2 October

Calendar prepared 28 September; developments on 29 September updated below.

Event / Theme	Why we care
Australia another rate hike	The Reserve Bank of Australia raised its cash rate **25bp to 4.60% on 29 September**, citing continued inflation pressure. Another major central bank has responded to the latest energy shock; the next test is whether inflation broadens further or growth slows enough to change its path. RBA decision, 29 September
U.S. manufacturing where demand meets prices	September's **ISM Manufacturing PMI** is released on **1 October**. New orders and employment will show whether the improvement reported by some Fed contacts is broadening; prices paid will matter just as much while policymakers worry that inflation is spreading beyond energy. ISM release calendar
Japan the corporate view after the hike	The Bank of Japan publishes its September **Tankan survey on 1 October**, alongside the summary of opinions from its latest policy meeting. After the BOJ raised rates earlier this month, investment plans, pricing expectations and business confidence should help show how comfortably companies are absorbing normalisation. BOJ release schedule
Eurozone energy versus underlying inflation	Eurostat releases its September inflation flash estimate on **2 October**. August inflation was 3.3%, driven heavily by a 14.3% increase in energy prices, while inflation excluding energy, food, alcohol and tobacco was 2.4%. The September composition matters more than the headline alone. Eurostat, August inflation · Release schedule
U.S. jobs how much cooling is actually left?	September payrolls arrive on **2 October**. August produced **162,000 new jobs**, one of the data points that strengthened the case for tighter monetary policy. Watch payroll growth, wages and unemployment together rather than treating any single figure as the labour-market verdict. BLS, August jobs report and next release
Oura the IPO test is postponed	Smart-ring maker Oura **postponed its planned Nasdaq IPO on 29 September**, citing uncertainty in the IPO market despite strong demand. Its filing had targeted a fully diluted valuation of up to **$15.62bn** and proceeds of up to $2.2bn; revenue for the nine months to June rose 74% to $1.21bn. The delay itself shows how difficult it is to price fast-growing consumer technology at current bond yields. Oura announcement, 29 September · Oura SEC filing

The Unhedged View

When carbon becomes the crop.

Livestock one way, forestry and carbon credits the other: once carbon has a price, it competes with everything else the land can produce. Conceptual illustration.

Something unusual is happening to farmland in New Zealand. The most valuable thing growing on parts of it may no longer be food.

Under New Zealand's emissions trading scheme, qualifying forest owners receive carbon credits as trees absorb CO_2. Those credits can be sold to companies that need to offset emissions, creating an income stream before the timber itself is harvested. That changes the economics of the land.

Since 2017, around **3,300 square kilometres of sheep and beef farmland** have been sold for conversion to forestry, according to Beef + Lamb New Zealand data. The area is sufficient to support more than two million sheep, equivalent to roughly 9% of the national flock. Grazing-land prices rose 9.7% as forestry investors competed for suitable properties.

The important point is not that forestry is somehow an economically artificial use of the land. Trees store carbon. Timber has value. New Zealand's Climate Change Commission expects ETS forests to provide around **a quarter of the emissions reductions required for the country's 2026–30 target and nearly half for 2031–35**. The government describes forestry as a cost-effective component of its emissions strategy.

But once carbon storage is given a market price, it becomes another product the land can produce. And land tends to move towards the activity offering the highest risk-adjusted return.

If forestry can pay more than sheep or cattle, agricultural land values change. Fewer animals require fewer shearers, transporters and agricultural suppliers. Forestry creates its own jobs and export revenue, but with a different labour footprint and economic geography. Forestry representatives dispute the claim that the sector is hollowing out rural areas and point to around **NZ$6.5bn of annual forestry exports**; red-meat exports are roughly **NZ$12.0bn**.

For investors, that creates another layer of underwriting. Buying land for carbon-credit income is not simply a forestry investment. It is partly an investment in the continuing design of the carbon market: eligibility rules, credit prices, permanence requirements and restrictions on where conversion is allowed. The asset can be perfectly real while part of its value remains policy-dependent.

OUR VIEW

Once carbon becomes a revenue line, it competes with everything else the asset could produce. That does not make carbon markets ineffective. It means investors need to underwrite both sides of the price signal: what the new incentive creates, and what it causes the land to stop doing.

Sources: Beef + Lamb New Zealand — farm conversions · Reuters — carbon forestry and rural land · Climate Change Commission — emissions budgets

In Other News

A Friday win is worth one point, a Sunday win three. Same activity, different timing, bigger impact.

Same tennis. Different incentives.

At first glance, the Laver Cup is fairly normal tennis. But somebody changed the spreadsheet.

At the tournament held in London this weekend, a match won on Friday was worth **one point**. The exact same achievement on Saturday was worth **two**. On Sunday, it was worth **three**. The first team to 13 won. Team Europe ultimately beat Team World **13–5**, with Alexander Zverev securing the decisive victory on Sunday.

The scoring system is interesting because nothing about the underlying unit of activity changes. A win is still a win. Its value changes depending on when it happens. That alters behaviour around it.

Captains have to think about which players to use, when to deploy them and how much strategic value sits in later sessions. Friday matters, but it cannot settle the tournament. Sunday is mechanically more consequential because the same win carries three times as many points.

Businesses do this constantly, although usually with less attractive backhands. Sales commissions increase above a quota. Loyalty points become more valuable at certain thresholds. Bonuses change when targets are crossed. Discounts expire at the end of the month. The underlying activity remains the same; the payoff around it changes.

That is why incentive design can matter as much as product design. If you want different behaviour, rebuilding the entire product is not always the first answer. Sometimes the rules around the product are doing more work than the product itself.

The lesson: changing what an action is worth can change when, how and how hard people pursue it. Same tennis. Different incentives.

Sources: Laver Cup — scoring rules · Laver Cup — Europe wins 13–5

The Thinking Corner

When a policy, price or scoring system changes behaviour, how do we distinguish genuine underlying demand from behaviour created by the rules themselves?

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