

The simple act of opening a bottle of wine has brought more happiness to the human race than all the collective governments in the history of earth. ~~Jim Harrison



Good Wednesday evening,

Stocks rose on Wednesday as U.S. Treasury yields took a breather from the recent run-up that sent them to multiyear highs. The S&P 500 advanced 0.5%, as did the Nasdaq Composite . The Dow Jones Industrial Average added about 295 points, or 0.6%, boosted by a rise in shares of Nvidia and Johnson & Johnson . Stocks have been pressured lately by elevated bond yields as traders worried about the impact of rising oil prices on inflation. The S&P 500, as well as the tech-heavy Nasdaq and 30-stock Dow, are currently on track to snap a three-day losing streak. The benchmark U.S. 10-year Treasury note yield hit a high of 4.818% on Wednesday — a level not seen since November 2023. Yields in the U.K., Germany and France also rose. In Japan, the 10-year government bond yield traded around multi-decade highs. -CNBC



When you actually MAKE dinner—instead of ordering Door Dash or going out to eat...



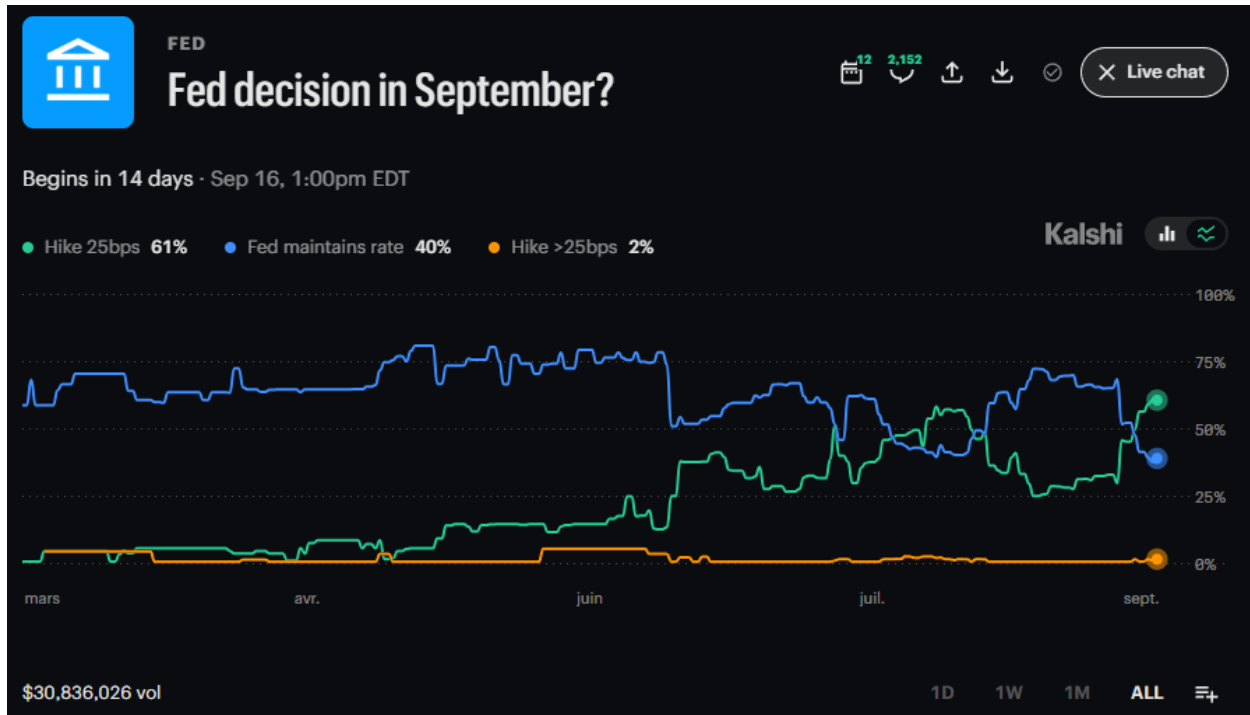
Headlines from Wednesday, 02-Sep-26:

- [Dow rises nearly 300 points to snap three-day slide as Treasury yields cool](#)
 - DOW JONES INDUSTRIAL AVERAGE UNOFFICIALLY ENDS SESSION HIGHER BY 299.78 POINTS, OR 0.57 PERCENT, FINISHING AT 53,066.66
 - NASDAQ COMPOSITE UNOFFICIALLY ENDS SESSION HIGHER BY 110.62 POINTS, OR 0.42 PERCENT, FINISHING AT 26,210.40
 - S&P 500 INDEX UNOFFICIALLY ENDS SESSION HIGHER BY 35.03 POINTS, OR 0.46 PERCENT, FINISHING AT 7,666.50
- US Private Sector Adds Just 38,000 Jobs in August, Missing 47,000 Forecast as Hiring Cools Further — ADP
 - Nela Richardson, ADP Chief Economist: Enhanced data in the new Pay Insights report provides a more comprehensive read on current labor-market dynamics.

- Previously predictable wage growth has been replaced by more complex forces, including demographic shifts, persistent inflation and AI's impact on employment.
- Wage data can provide insight into the volatile hiring environment by showing where wage growth is accelerating or slowing and which worker cohorts are being affected.
- Fed's Williams: Fed looks at totality of data when setting monetary policy.
 - Fed's Williams: At the end of the day, it's the Fed's job to get price stability; 2% inflation is job number one
 - Fed's Williams: Bond yields are important information for the Fed
 - Fed's Williams: Yields don't seem to be driven by inflation outlook
- \$UBER is cutting 10% of its workforce and redirecting savings toward its biggest opportunities, including an “autonomous future.”
 - The company plans to commit \$10B+ to robotaxi partnerships in the coming years.
- Ed Yardeni says the economy may be less K-shaped and more G-shaped.
 - Boomers hold nearly \$90T in net worth, about 52% of U.S. household wealth, and that balance-sheet strength may be helping keep consumer spending resilient.
- Berkshire Hathaway CEO Greg Abel noted the growing resistance to the construction of data centers across the U.S. in an interview with CNBC’s Becky Quick on Wednesday morning.
 - Berkshire’s interest in the ongoing computing facility buildout is mostly related to power and electricity generation for the sites, Abel commented, noting that the conglomerate wants to be in business with supercomputing companies provided they keep their costs contained.
- American colleges are facing an enrollment crisis as more young people opt for vocational schools and trade jobs, per NYP
 - The number of high school grads enrolling in traditional colleges could decline 13% over the next 15 years, the Western Interstate Commission for Higher Education predicts.

FED HIKE ODDS SURGE

- Markets now see a 70% chance of a September Fed rate hike, up from 37% last week.
- Kalshi traders also favor a 25bp hike, as rising oil prices and inflation fears push Treasury yields higher.
- Markets are increasingly betting the Fed will tighten again.



10-YEAR TREASURY YIELD IS TRADING AT KEY LEVELS FOR EQUITIES

- The 10-year Treasury yield is testing a key technical level for equities, having broken above 4.75%, its highest level since January 2025.
- The next major threshold is ~4.80%, with a sustained break above it potentially opening the door toward 5.00%.
- For stocks, the problem is less the absolute level of yields but more how quickly they are rising, as sharp moves in rates have historically put pressure on risk assets.
- This time, AI-driven investment is adding to the pressure, with heavy corporate borrowing competing with massive Treasury issuance for a finite pool of savings.

- Meanwhile, the Treasury has at least doubled long-end buybacks to \$4 billion per operation, helping contain yields temporarily, but failing to change the underlying direction as heavy Treasury supply continues to pressure the market.
- So far, equities have largely shrugged off higher rates, but another leg higher could finally force investors to reassess elevated valuations, particularly across long-duration growth and AI stocks.
- Investors are now closely watching developments in the bond market.

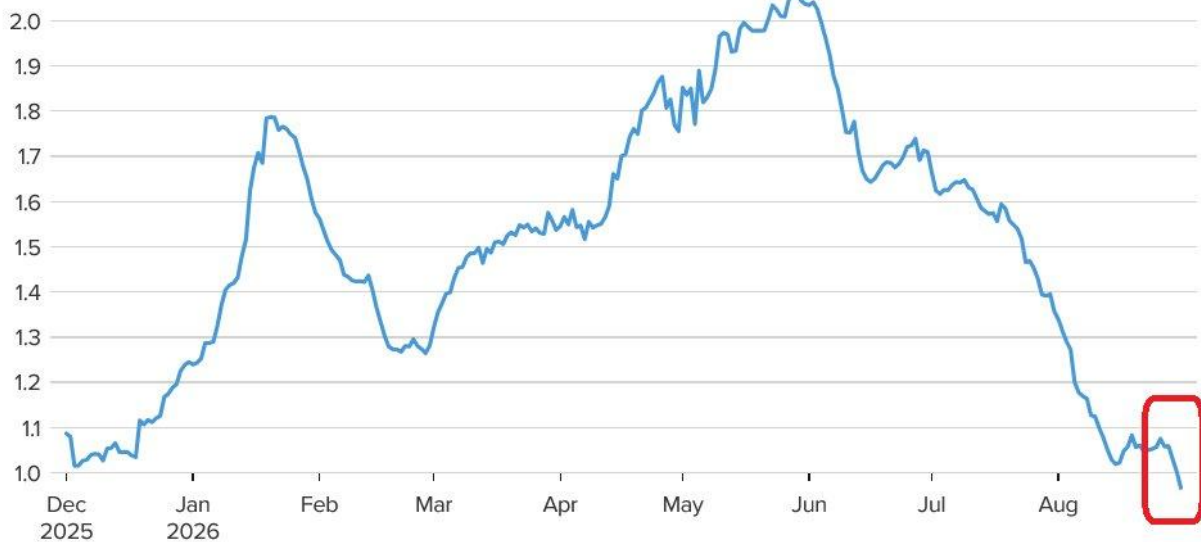


AI pricing is collapsing, raising questions about AI returns:

- The LLM Token Expenditure Index, which tracks the market price companies pay for AI model output, has fallen to just \$0.97, its lowest level since the index was created late last year and more than -50% below its summer peak.

- Token prices are collapsing as cheaper models, open-source Chinese competitors and falling inference costs make AI increasingly commoditized.
- That is great for AI users, but potentially much worse for model providers, as falling prices directly erode revenue and pricing power while massive compute commitments remain largely fixed.
- The bigger concern is what this means for the returns on the hundreds of billions being poured into AI infrastructure, if the price companies can charge for AI output keeps falling.
- The AI boom depends not just on demand, but on that demand generating enough revenue to justify the enormous capital spending behind it.
 - ***If AI output becomes a commodity faster than demand can absorb the falling prices, the biggest AI valuations could face a serious reality check.***

The LLM Token Expenditure Index



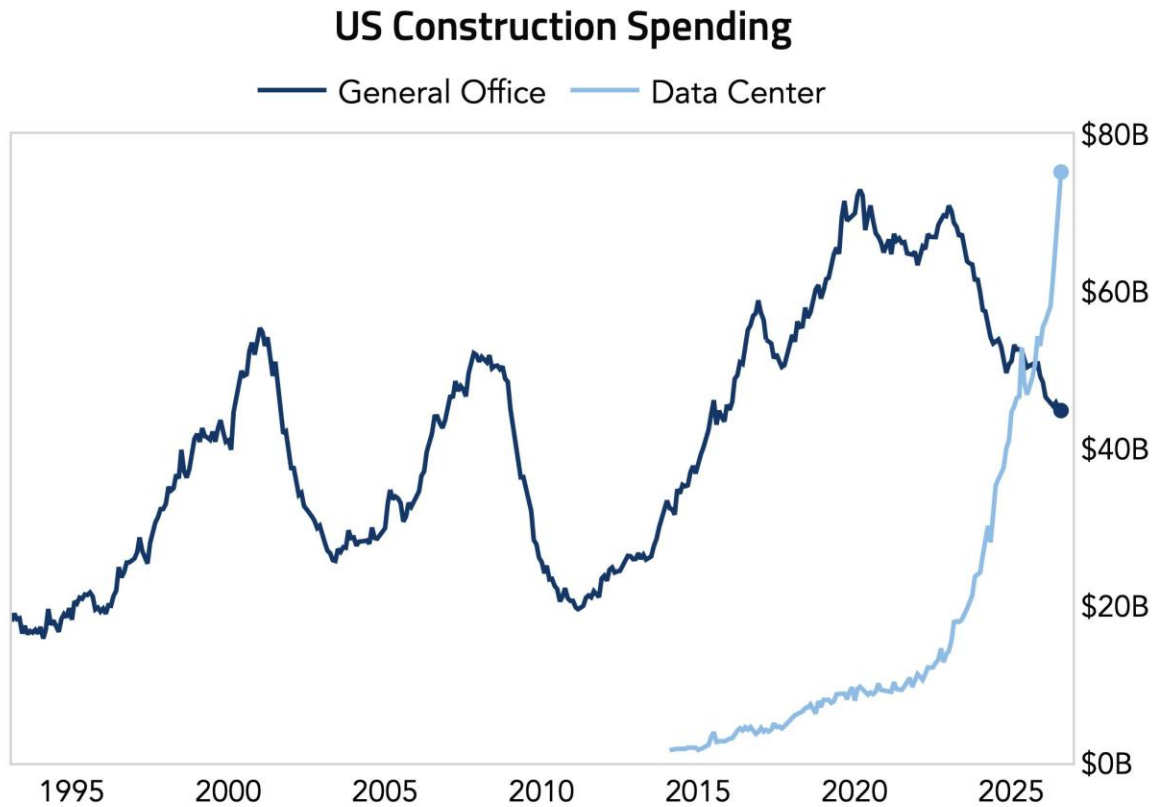
Note: Unit is in USD / M tokens

Chart: Alex Harring / CNBC

Source: Silicon Data

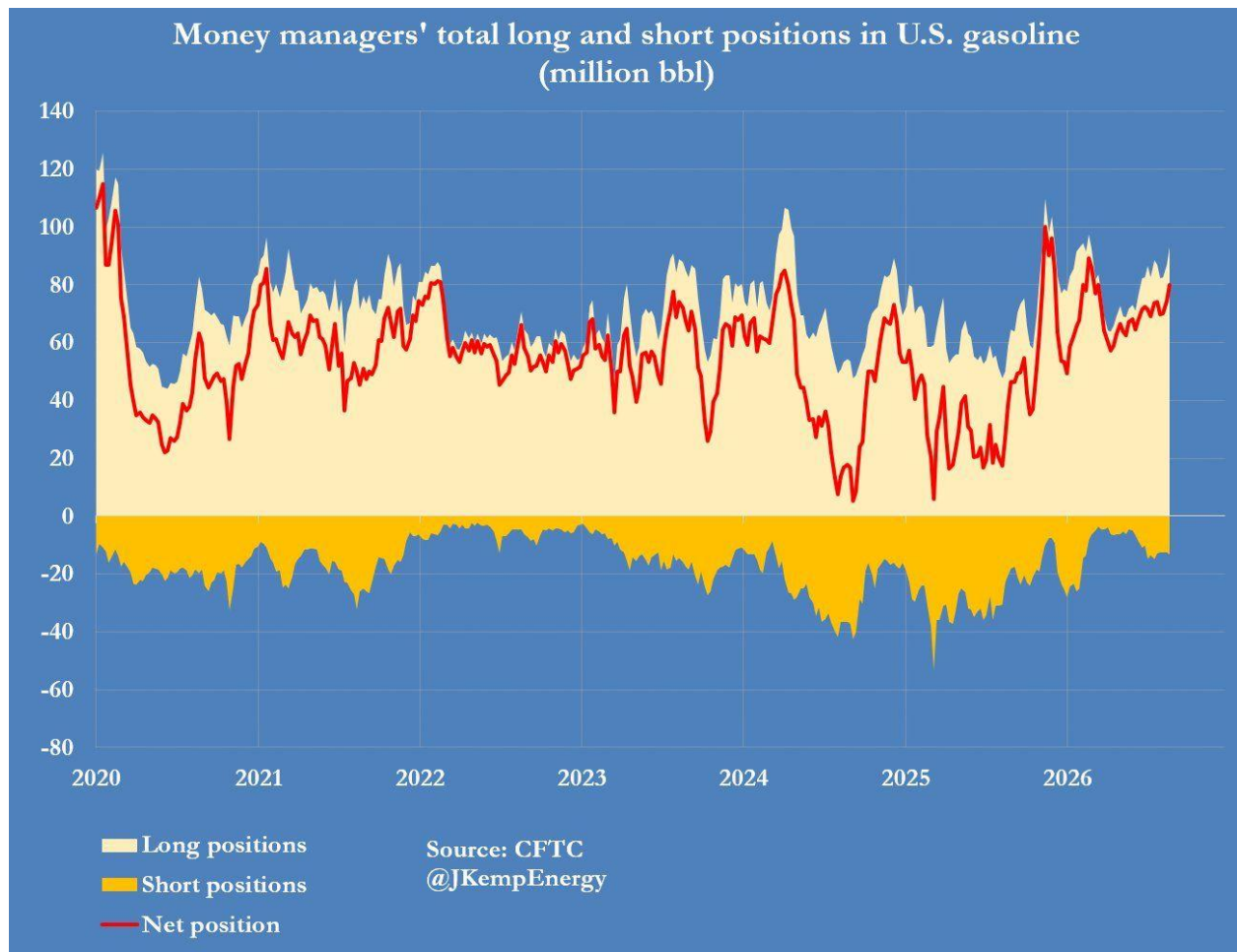
CNBC

Data center construction spending continues to surge and has now surpassed the peak in spending on general office construction.

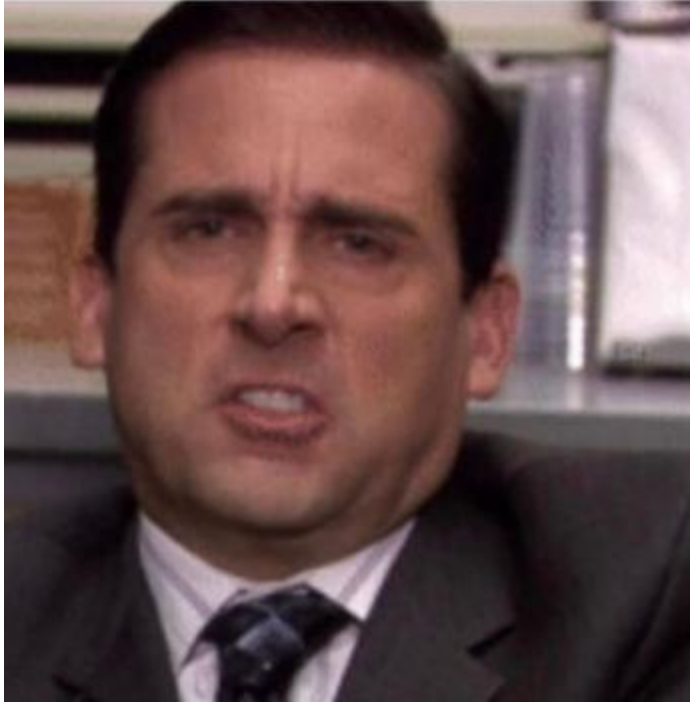


Hedge funds vs. gasoline -JKemp Energy

- Investors are increasingly focused on the price of refined products rather than crude.
- U.S. gasoline has become a particular target for oil bulls as stocks have depleted to the lowest level for well over a decade despite high rates of crude processing



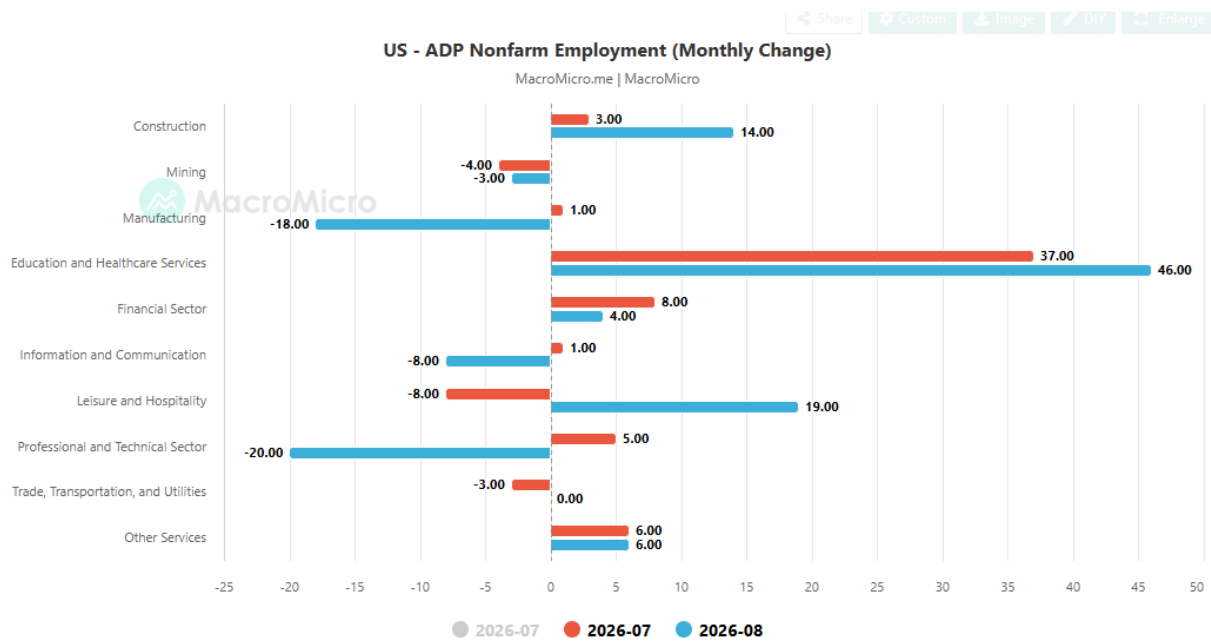
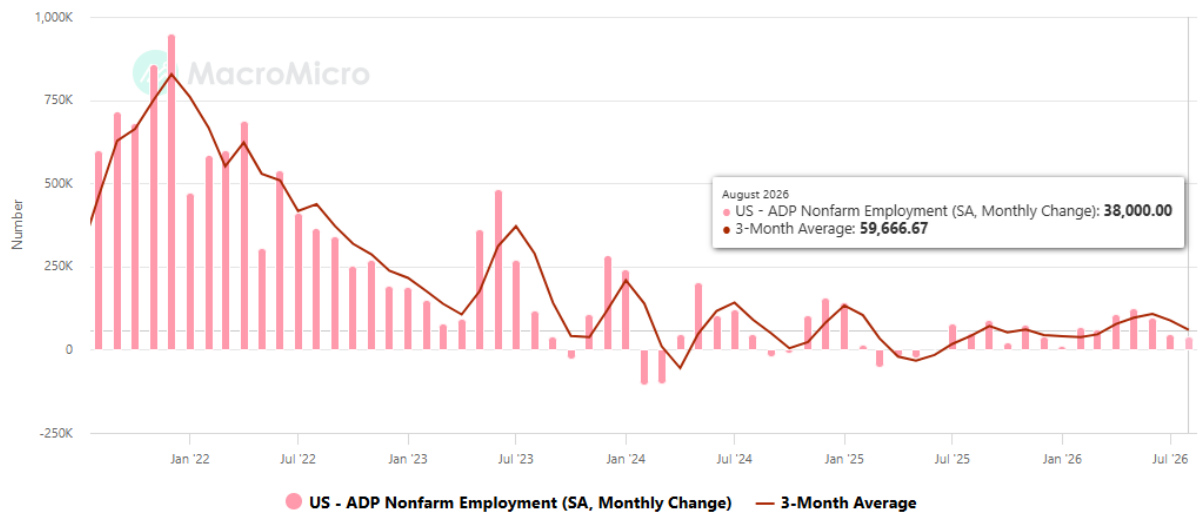
When I am on a Zoom call that I think is about to end—and then someone asks a very daft question to keep it going...



Economic

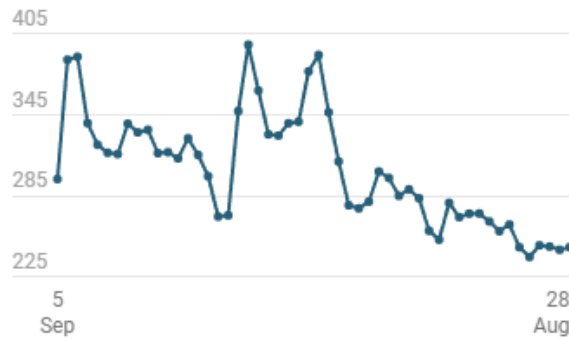
- *ADP US AUG. PRIVATE EMPLOYMENT RISES 38,000; EST. +47K – BBG
 - ADP Private Payrolls: +38K in August
 - Expected: +48K
 - July: +44K
 - August gain was the smallest since January

- MBA MORTGAGE APPS
 - Rates barely ticked and purchase demand still showed up. Refi did not.
 - ◆ Applications index: 247.3 vs 245.3 prior
 - ◆ Purchase index: 157.8 vs 154.4 prior
 - ◆ Refinance index: 732.6 vs 740.8 prior
 - ◆ 30-year fixed: 6.79%, up 1 bp from 6.78%



MBA Mortgage Applications

MBA Mortgage Applications Index



MBA 30-Yr Fixed Mortgage Rate



MBA Purchase Applications Index



MBA Refinance Applications Index

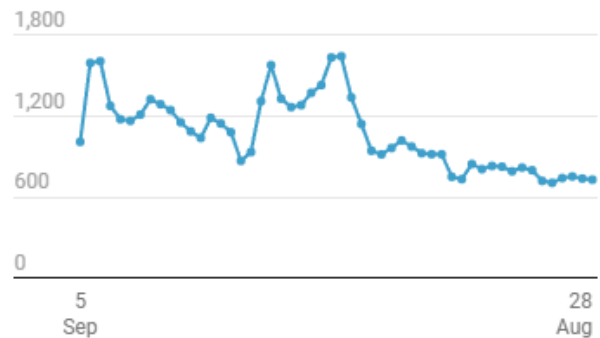


Chart: MTS Insights • Source: MBA • [Get the data](#) • Created with [Datawrapper](#)

When you're hungry-but all you have are ingredients...



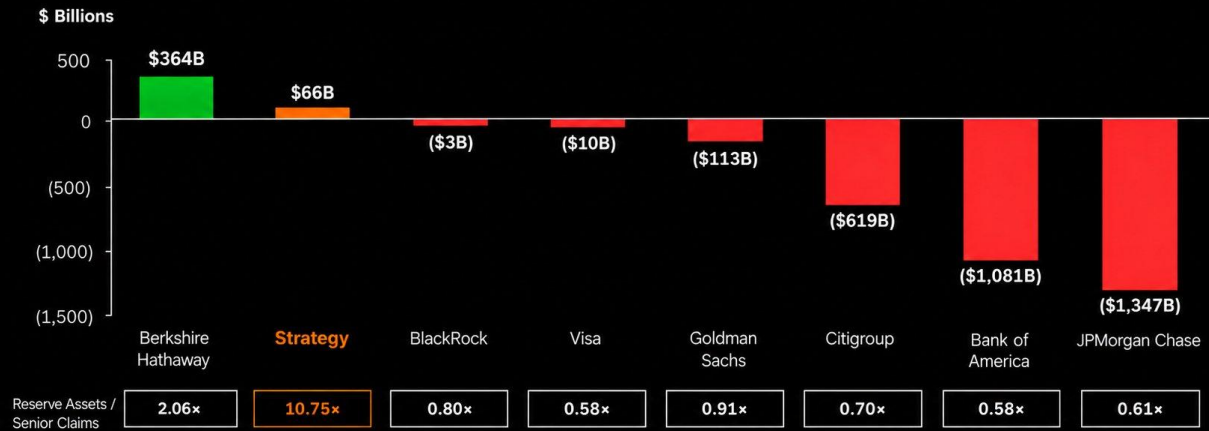
Cryptocurrency

- G20 agrees to develop clear regulatory framework for crypto and stablecoins.

Strategy now has more Total Reserve Capital than every financial services company in the S&P 500 except Berkshire Hathaway

Strategy has the second-largest Total Reserve Capital⁽¹⁾

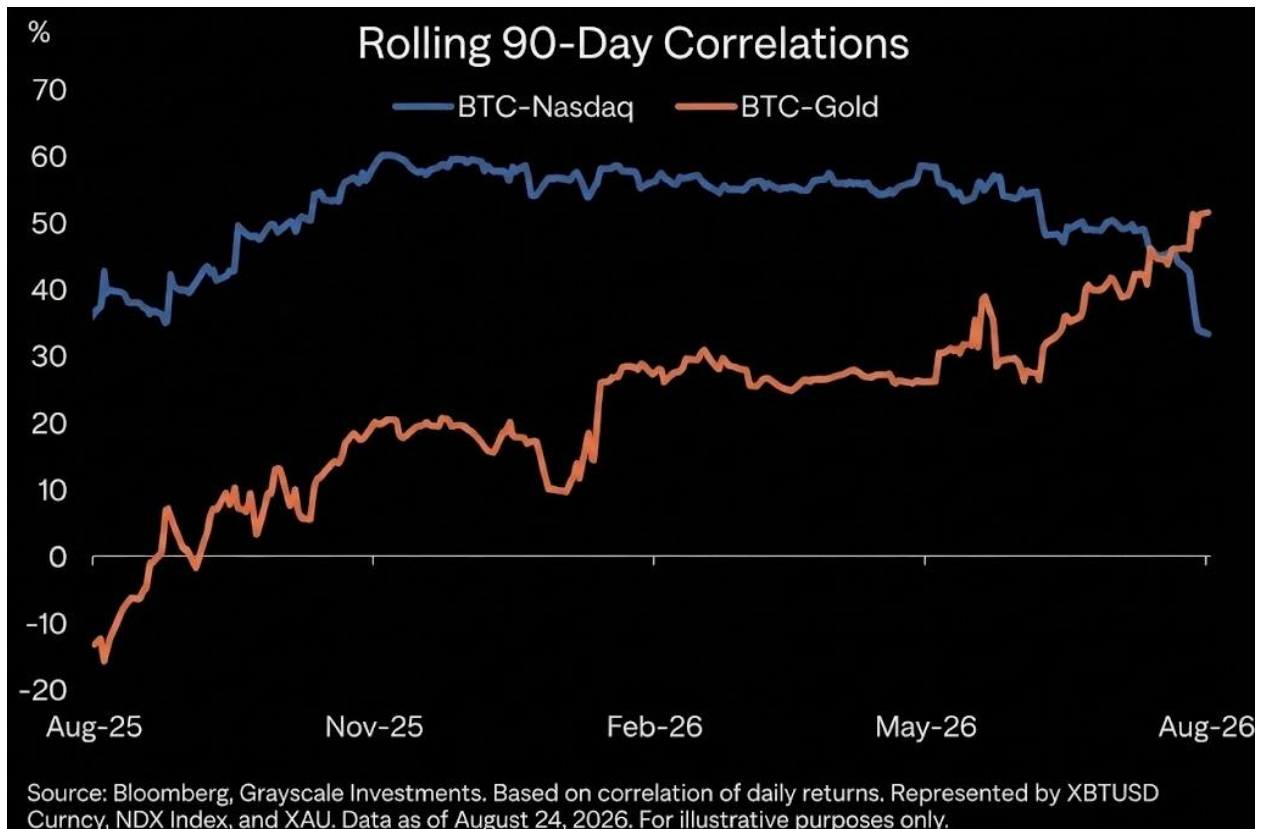
Total Reserve Capital (TRC) = reserve assets minus senior claims



Note: Reserve assets include unrestricted cash and marketable securities and exclude restricted or encumbered assets. Total Reserve Capital (TRC) equals reserve assets minus senior claims within the reserve-only perimeter. Other firms as of June 30, 2026; Strategy as of September 1, 2026.
 (1) Compared to financial services companies in the S&P 500.

Strategy®

Grayscale: BTC correlation to gold hits 50% on persistent deficits and rising yields.



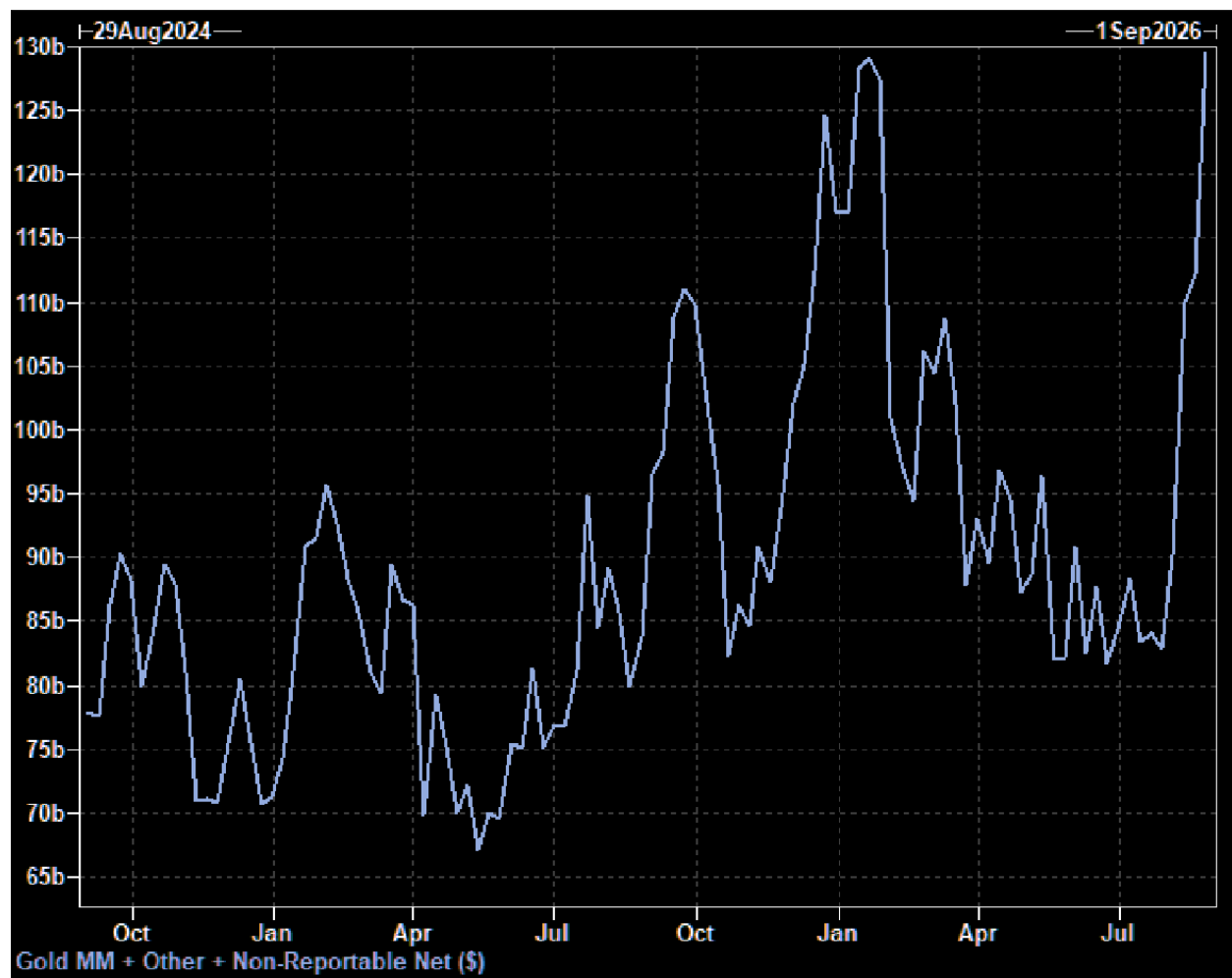
“We just need to go over there for a quick lunch. You’ll be fine.

Me:



Speculators vs. gold.

- COT data showed a substantial wave of speculative gold buying around the Treasury intervention announcement, with \$10.4bn added between August 18 and 25, extending the buying that began after the July FOMC.

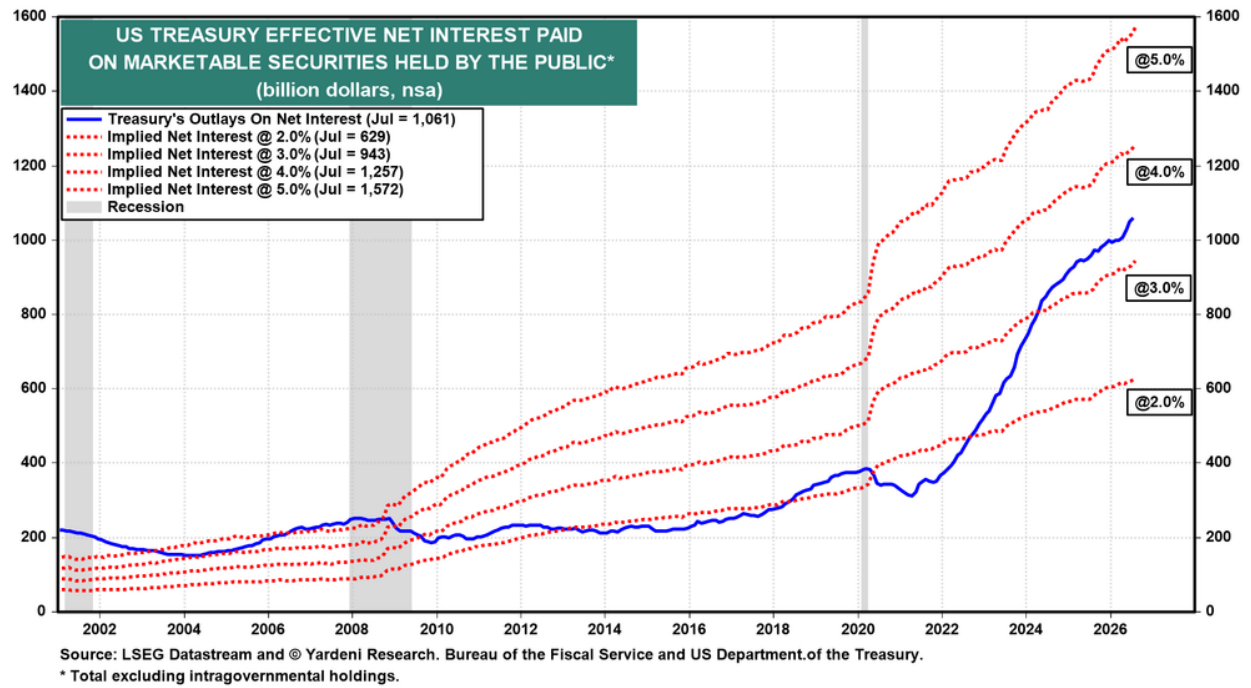


First meal prepped after buying groceries for 2 weeks....



Net interest outlays

- Treasury net interest outlays has climbed above \$1 trillion on a 12-month basis, putting it on par with national defense spending.
- The recent rise in the yield curve, along with mounting debt, will push net interest outlays higher. There is no way to put lipstick on this pig.



VIP Pricing

	LAST	CHANGE	% CHG		LAST	CHANGE	% CHG
.DJI	53,061.51 USD	+294.63	+0.56%	SLV	59.07 USD	+1.15	+1.99%
.IXIC	26,217.828 USD	+118.054	+0.45%	PSLV	21.37 USD	+0.39	+1.86%
.SPX	7,666.67 USD	+35.20	+0.46%	AG	21.20 USD	+1.34	+6.75%
@SP.1	7,677.00 USD	+34.25	+0.45%	SPCX	140.71 USD	-1.52	-1.07%
.VIX	15.26 USD	-1.08	-6.61%	LOFD	7.62 USD	+0.16	+2.16%
@CL.1	90.89 USD	+0.67	+0.74%	LOFF	15.07 USD	-0.33	-2.14%
@GC.1	4,434.80 USD	+38.40	+0.87%	SKHY	164.94 USD	+4.16	+2.58%
@SI.1	65.885 USD	+0.516	+0.79%	MU	956.08 USD	+22.64	+2.43%
@TY.1	107.4688 USD	+0.0938	+0.09%	SNDK	1,553.40 USD	+16.53	+1.08%
US10Y	4.78%	-0.016	-0.3336%	BITO	10.41 USD	+0.02	+0.24%
US30YFRM	6.91 USD	+0.02	+0.29%	AA	51.06 USD	+0.16	+0.31%
BTC.CM=	77,337.78 USD	+76.81	+0.10%	UNH	399.66 USD	+3.36	+0.85%
ETC.BF=	7.23 USD	-0.07	-0.98%	AI	10.52 USD	+0.18	+1.74%
CAD=	1.3837	-0.0056	-0.4031%	LLY	1,160.00 USD	UNCH	UNCH
EUR=	1.1587	-0.0005	-0.0431%	RH	147.68 USD	+3.20	+2.21%
GBP=	1.3485	-0.003	-0.222%	COIN	174.96 USD	-1.86	-1.05%
JPY=	158.74	-1.43	-0.8928%	CRK	15.54 USD	-0.48	-3.00%
AAPL	324.96 USD	-0.17	-0.05%	CVX	211.76 USD	+0.71	+0.34%
AMZN	254.98 USD	+0.06	+0.02%	GLW	144.16 USD	-1.40	-0.96%
BRK.B	505.09 USD	+2.76	+0.55%	SBUX	106.72 USD	+0.57	+0.54%
DEFT	0.6493 USD	-0.0145	-2.1844%	MNTN	13.13 USD	+0.74	+5.97%
TSLA	357.10 USD	+1.01	+0.28%	HIMS	28.68 USD	+0.24	+0.84%
META	592.85 USD	+14.31	+2.47%	RIOT	18.64 USD	+0.85	+4.75%
MSFT	496.82 USD	-4.20	-0.84%	DEFI			
GOOGL	337.12 USD	+2.10	+0.63%	XRPI	7.30 USD	-0.08	-1.02%
NVDA	224.41 USD	+6.97	+3.21%	ASTS	62.40 USD	+6.60	+11.83%
QQQ	709.31 USD	+1.67	+0.24%	BRZE	32.94 USD	+0.16	+0.49%
NFLX	82.73 USD	+1.92	+2.38%	DJT	9.14 USD	+0.08	+0.88%
UVXY	17.95 USD	-0.87	-4.62%	GME	18.97 USD	+0.16	+0.85%
XOM	164.19 USD	-0.37	-0.22%	BA	208.87 USD	+3.21	+1.56%

RECAP 9/2 Unusual Puts:

\$CCJ Oct 80 P
\$APH Oct 135 P
\$HL Jan-28 10 P
\$UAMY Sep25 4.5 P
\$ARRY Oct 4 P
\$NLY Sep 22.5 P
\$A Oct 140 P
\$XBI Sep 158 P
\$NU Nov 14 P

RECAP 9/2 Unusual Calls:

\$APA Oct 55 C
\$INTC Oct 110 C
\$RKT Sep04 14 C
\$HTZ Sep 3 C
\$NVDA Oct02 230 C
\$PURR Sep04 12 C
\$AUR Jan 7 C
\$SOFI Sep25 18 C
\$FSLY Oct 22.5 C
\$RUN Oct 10 C
\$UBER Sep04 78 C
\$EYPT Oct 10 C
\$VOD Jan-28 20 C
\$CORZ Dec 21 C
\$TTD Jan-28 20 C
\$VSTS Nov 220 C

RECAP 9/2 -Neg Comments:

\$TCRX - Wedbush, Needham
\$NIO - Freedom Broker
\$SNN - Morgan Stanley
\$KRM - J Cap

RECAP 9/2 +Pos Comments:

\$NVDA + Cramer
\$VOGX + WBB Securities
\$DE + Evercore
\$CNH + Evercore

Coin		Price	1h	24h	7d	24h Volume	Market Cap	Last 7 Days
 Bitcoin BTC	Buy	\$77,364.09	▼ 0.1%	▲ 0.2%	▼ 1.6%	\$27,033,753,417	\$1,553,373,238,371	
 Ethereum ETH	Buy	\$2,394.25	▼ 0.2%	▼ 0.9%	▼ 3.4%	\$13,225,152,881	\$292,145,787,597	
 Tether USDT		\$0.9997	▲ 0.0%	▲ 0.0%	▲ 0.0%	\$48,511,064,991	\$183,315,087,618	
 BNB BNB	Buy	\$686.97	▼ 0.1%	▲ 1.0%	▼ 1.8%	\$808,805,728	\$91,474,630,638	
 XRP XRP	Buy	\$1.35	▲ 0.2%	▼ 0.8%	▼ 2.9%	\$2,295,489,486	\$84,520,054,858	
 USDC USDC		\$0.9998	▲ 0.0%	▲ 0.0%	▲ 0.0%	\$13,196,546,672	\$73,765,838,696	
 Solana SOL	Buy	\$99.75	▼ 0.2%	▼ 0.3%	▲ 2.5%	\$2,945,528,810	\$58,391,340,437	
 TRON TRX	Buy	\$0.3244	▼ 0.2%	▲ 0.6%	▼ 3.4%	\$349,564,780	\$30,799,550,747	
 Figure Heloc FIGR_HELOC	Buy	\$1.01	▲ 0.0%	▼ 0.1%	▲ 0.4%	\$69,943,256	\$22,401,639,952	
 Hyperliquid HYPE	Buy	\$81.19	▼ 0.8%	▼ 0.7%	▼ 0.1%	\$1,044,885,690	\$18,073,252,937	

Symbol	Price	Exp Date	Type	Strike	Moneyness	Bid	Latest	Ask	Volume	Open Int	Vol/OI	Imp Vol	IV	Delta
NVDA	224.40	09/02/26 (0)	Put	225.00	+0.22%	0.88	0.89	0.89	402,775	1,466	274.74	33.36%	10.95%	-0.6889
META	594.32	09/02/26 (0)	Put	595.00	-0.22%	1.91	1.91	2.00	24,303	126	192.88	35.58%	10.61%	-0.6362
MSFT	497.15	09/02/26 (0)	Call	497.50	-0.22%	0.37	0.42	0.43	28,322	154	183.91	24.54%	7.92%	0.3068
MSFT	497.15	09/02/26 (0)	Call	495.00	+0.28%	1.72	2.00	1.98	16,515	102	161.91	24.54%	9.18%	0.7329
KHC	26.27	09/11/26 (9)	Call	27.00	-2.66%	0.07	0.10	0.12	20,102	150	134.01	26.28%	20.56%	0.2029
META	594.32	09/02/26 (0)	Put	592.50	-0.64%	0.61	0.71	0.71	31,044	254	122.22	35.58%	9.94%	-0.3276
NVDA	224.40	09/02/26 (0)	Put	227.50	+1.34%	3.05	3.20	3.15	94,464	945	99.96	33.36%	18.23%	-0.9301
GRAB	3.48	10/09/26 (37)	Put	3.50	+1.16%	0.23	0.24	0.24	14,820	165	89.82	44.24%	53.24%	-0.4663
NVDA	224.40	09/02/26 (0)	Put	230.00	+2.45%	5.55	5.65	5.65	12,910	153	84.38	33.36%	21.91%	-0.9886
META	594.32	09/02/26 (0)	Call	597.50	-0.20%	0.13	0.13	0.18	64,075	852	75.21	35.58%	9.53%	0.1095
TSLA	352.91	09/02/26 (0)	Call	352.50	+0.19%	0.99	0.99	1.00	157,076	2,150	73.06	41.60%	9.51%	0.6214
WULF	15.02	10/02/26 (30)	Call	17.00	-12.81%	0.64	0.71	0.72	8,774	126	69.63	82.60%	88.35%	0.3173
TSLA	352.91	09/02/26 (0)	Call	355.00	-0.52%	0.13	0.14	0.14	302,596	4,706	64.30	41.60%	10.02%	0.1436
AMZN	255.17	09/04/26 (2)	Call	247.50	+3.06%	7.60	8.08	8.30	21,824	469	46.53	29.06%	37.10%	0.8633
INTC	89.87	09/09/26 (7)	Call	94.00	-4.65%	1.01	1.04	1.05	4,979	114	43.68	55.23%	50.60%	0.2752
PLTR	168.88	09/04/26 (2)	Call	167.50	+0.94%	3.75	3.80	3.90	11,748	272	43.19	46.70%	60.86%	0.5867
META	594.32	09/02/26 (0)	Call	595.00	+0.22%	0.58	0.61	0.65	86,166	2,281	37.78	35.58%	8.84%	0.3400
TSLA	352.91	09/02/26 (0)	Put	352.50	-0.19%	0.26	0.25	0.27	212,258	5,640	37.63	41.60%	6.63%	-0.3310
RKT	13.57	09/25/26 (23)	Call	13.50	+0.95%	0.72	0.76	0.78	7,511	212	35.43	50.69%	50.60%	0.5544
KO	88.51	09/11/26 (9)	Call	89.00	-0.41%	0.70	0.78	0.79	6,538	187	34.96	18.37%	17.33%	0.4275
PLTR	168.88	09/11/26 (9)	Call	177.50	-4.97%	1.89	1.94	1.96	12,263	360	34.06	46.70%	46.56%	0.2656
PSKY	10.97	09/04/26 (2)	Put	11.00	+0.18%	0.17	0.20	0.23	5,366	183	29.32	50.06%	57.88%	-0.5119
DINO	106.97	09/18/26 (16)	Call	110.00	-2.96%	3.10	3.10	3.30	3,907	135	28.94	50.27%	50.59%	0.4145
MU	953.01	09/02/26 (0)	Call	955.00	-0.36%	1.94	2.00	2.05	41,443	1,435	28.88	57.48%	12.38%	0.4386
MU	953.01	09/02/26 (0)	Call	945.00	+0.69%	9.10	9.25	9.90	43,058	1,558	27.64	57.48%	15.73%	0.8785

Cheers,

-NOD-

Nathaniel Orr-Depner

<https://www.stickytrades.com/nodlive/>