

The guy who invented the first wheel was an idiot. The guy who invented the other three, he was a genius. ~~Sid Caesar



Good FRI!-day evening,

Technology and AI stocks led another significant selloff, while investors rotated into energy, utilities and defensive sectors. The Nasdaq suffered the most as concerns about elevated borrowing costs and the financing of AI infrastructure continued to weigh on sentiment.

1. AI and semiconductor stocks remain under pressure.

Micron, AMD, Intel, Meta and Alphabet were among the technology names hit by selling. Investors are questioning whether AI-related capital spending and debt-financed infrastructure expansion can deliver sufficient returns in a high-rate environment. CoreWeave also fell sharply.

2. Treasury yields remain the central valuation problem.

The 10-year Treasury traded around 5.1%, with yields rebounding modestly after Thursday's decline. High borrowing costs continue to pressure growth-stock valuations and make debt-intensive investments less attractive.

3. Oil surged, supporting energy shares.

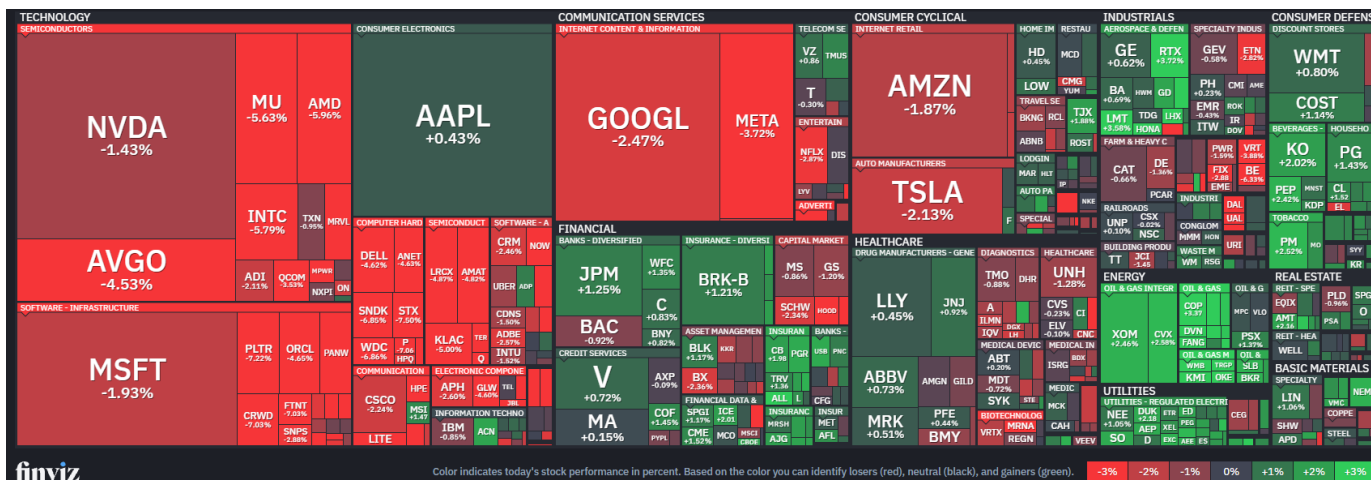
Brent crude climbed toward \$110 per barrel amid continuing Middle East supply concerns. ExxonMobil and Chevron benefited from the strength in energy prices, even as higher oil renewed concerns about inflation and consumer spending.

4. Investors are rotating rather than abandoning equities entirely.

Utilities, consumer staples and energy outperformed. Coca-Cola, Visa, Mastercard and several energy companies have recently reached record highs, illustrating the move away from highly valued semiconductor names toward businesses with more established cash flows.

5. Inflation and Fed uncertainty are complicating the outlook.

Recent stronger-than-expected inflation readings have increased expectations of further tightening, although markets still favor no change at the October 28 Fed meeting. The possibility of another increase later in the year remains an important risk.



My new Friday office attire;



Headlines from FRI!-day, 16-Oct-26:

- Nasdaq slides 2% Friday to post worst week since June, pressured by AI sell-off and oil prices
 - S&P 500 UNOFFICIALLY CLOSES DOWN 81.73 POINTS, OR 1.06 PERCENT, AT 7,662.33
 - DOW JONES UNOFFICIALLY CLOSES DOWN 208.06 POINTS, OR 0.40%, AT 51,969.63
 - NASDAQ UNOFFICIALLY CLOSES DOWN 568.58 POINTS, OR 2.13 PERCENT, AT 26,144.45
- Hot inflation reports complicate the Fed outlook
 - September producer prices reportedly rose 1.3% month over month and 6.3% year over year. Combined with elevated CPI, the figures are challenging the market's hopes for easier monetary policy.

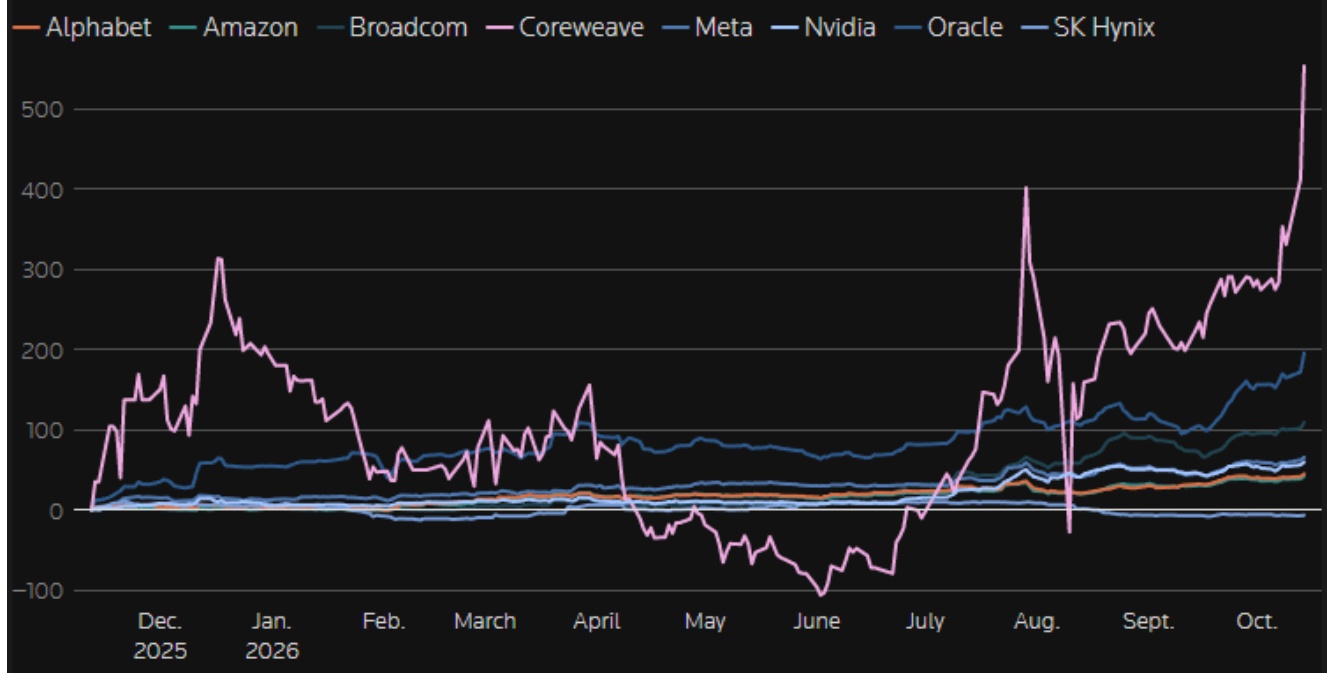
- U.S. businesses have largely stopped absorbing rising costs and are increasingly raising prices for customers, per WSJ
- U.S. budget deficit swells to almost \$2 trillion for fiscal 2026, up 12% in a single year
- Kevin Warsh avoided signaling an October hike. Market-implied odds of an October increase fell to approximately 15%, versus 28% yesterday, even as inflation remains elevated.
- Americans are pulling back on retirement saving to keep up with today's costs.
 - The share of workers who increased their retirement savings fell from 55% last year to 39% this year, per Goldman Sachs
 - The share who cut their savings nearly doubled, from 8% to 14%.
- **UBS WARNS OF LIMITED IPHONE SALES UPSIDE, MAINTAINS \$296 APPLE TARGET**
 - UBS reiterated its Neutral rating and \$296 price target on Apple, citing concerns about weakening iPhone demand indicators.
 - UBS Evidence Lab data across 30+ markets show iPhone Pro wait times are 4 days shorter year-over-year, while Pro Max wait times remain broadly unchanged.
 - Weekly wait times also declined by 1 day for Pro and 5 days for Pro Max.
 - The key concern: Shorter delivery times, combined with Apple's higher prices, suggest limited upside to iPhone sales estimates.
- PREDICTION MARKET ODDS ON TESLA-SPACEX MERGER ARE ABOVE 50% FOR EARLY 2027 - CNBC
- Apple's \$AAPL iPhone Duo is now sold out through Christmas, with new orders not arriving until 2027.

Tech default insurance -DeltaOne

- The cost of insuring against defaults by major U.S. tech companies has reached record highs as investors worry about AI spending, rising debt and higher interest rates.
- The key concern: Investors are questioning whether AI companies can generate enough profits to repay their growing debts.

Investors rush to hedge AI risks

Cost of insuring against default risk in the AI sector is surging

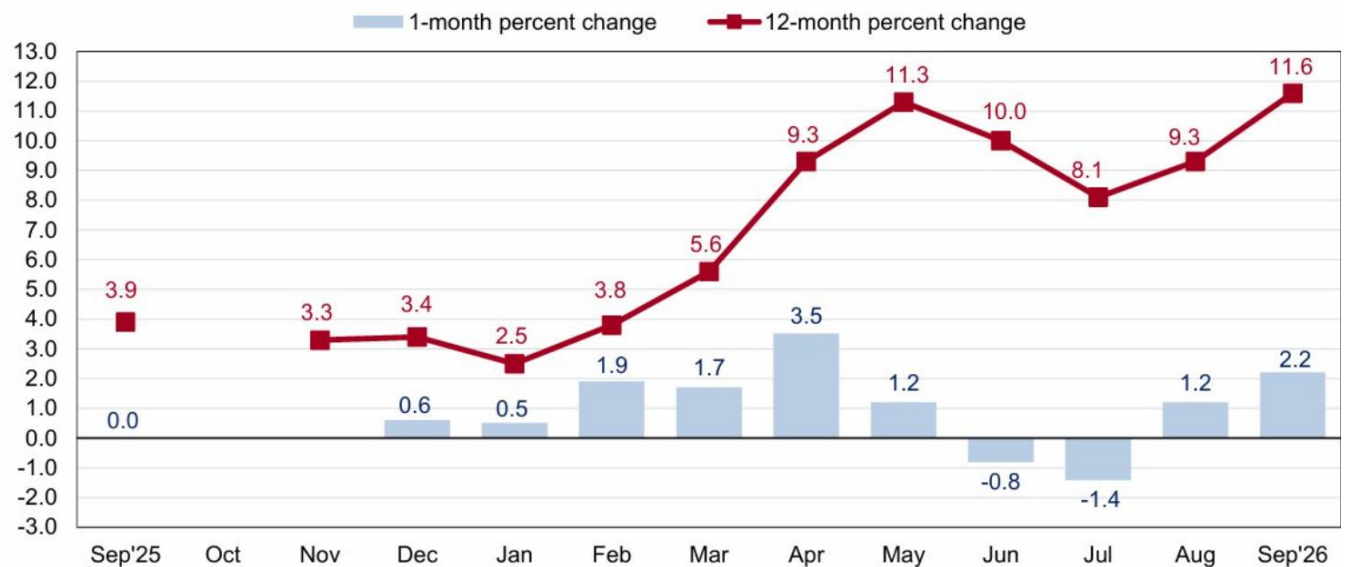


Export prices are zooming higher, up 2.2% M/M in September (~30% annualized) and 11.6% Y/Y - last month

- Both import and export price indices had their fastest annual increases since Jul '22, as agricultural export prices in particular accelerated sharply in September

Exports

Chart 2. One-month and 12-month percent changes in the Export Price Index: September 2025 – September 2026



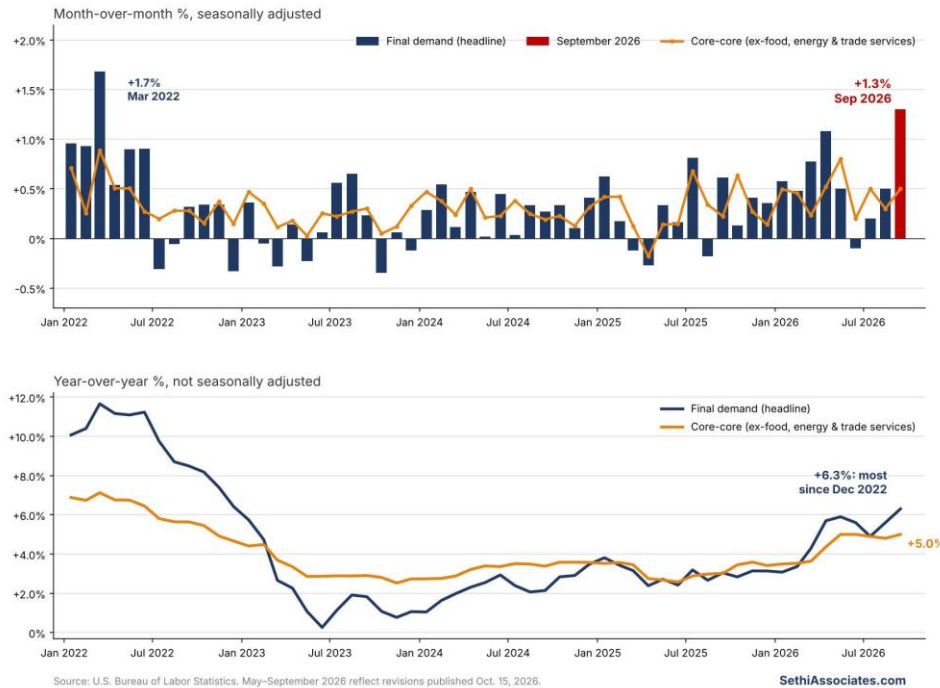
Note: The Oct 2025 data and 1-month percent change for Nov 2025 are not available due to the 2025 lapse in appropriations.

PPI

- September PPI comes in well above expectations at +1.3% m/m, the largest since March 2022, with goods +2.6%, the largest increase since data were first calculated in December 2009.

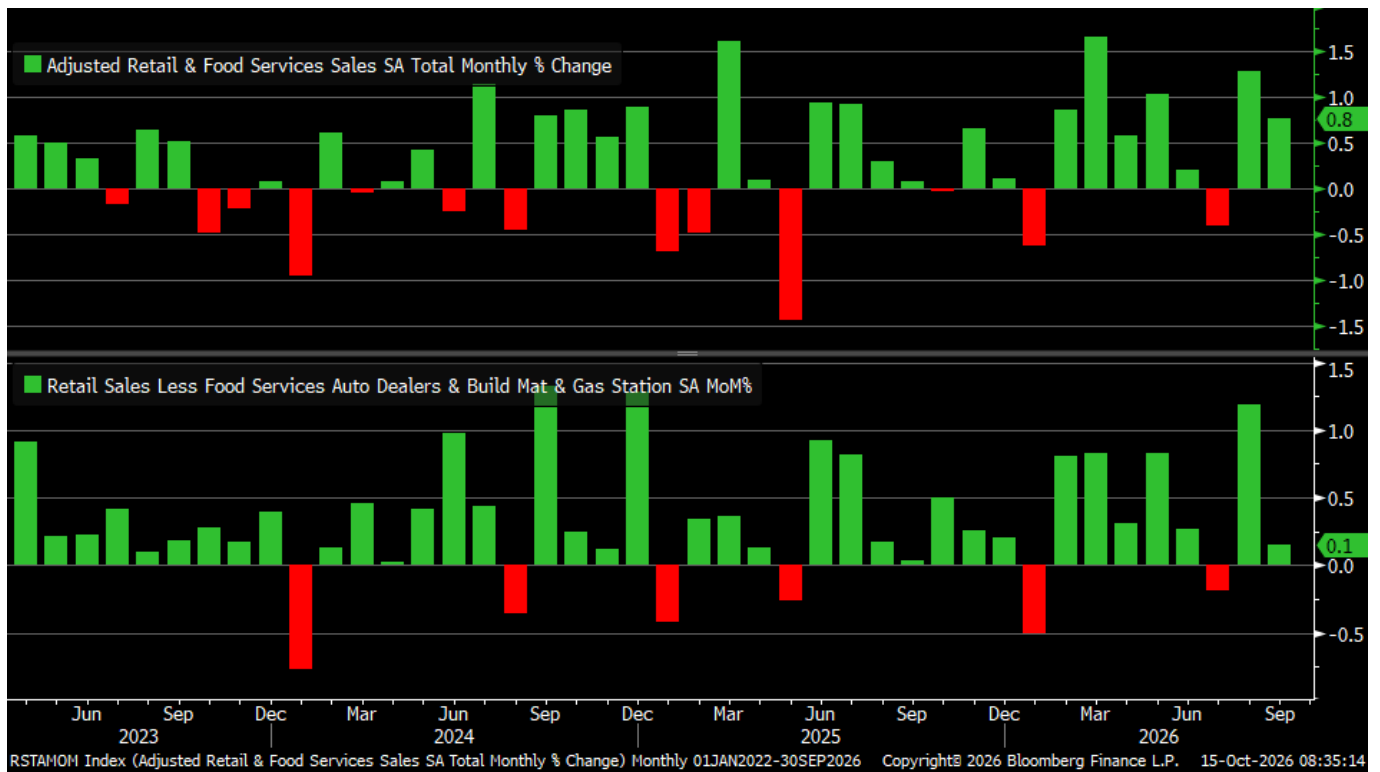
Producer prices jump +1.3% in September, the most since March 2022

U.S. PPI final demand. Goods +2.6% was the largest since data began in December 2009, with energy +10.8%.



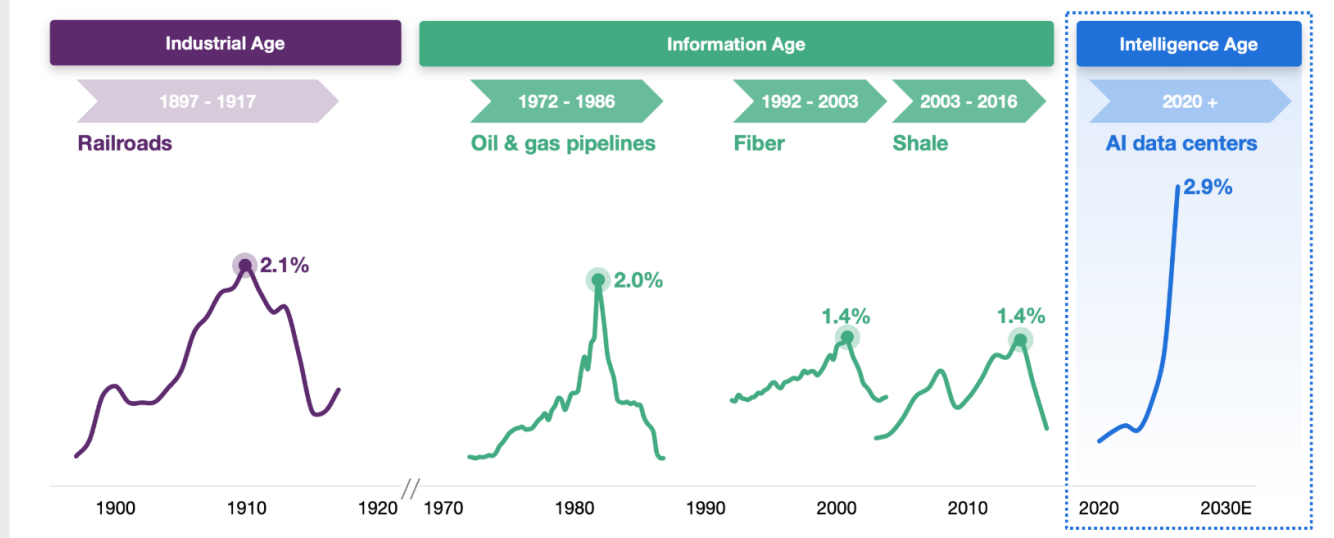
Retail sales

- Retail sales were strong on the surface with a 0.8% m/m gain but if you look at the control group, which matters for GDP, the gain was soft at just 0.1%



The world is becoming asset heavy

Sector capex as a % of US GDP



COATUE Coatue opinion and analysis as of October 2026. Industrial and Information Revolution series reflect U.S. investment; Intelligence Revolution reflects global investment divided by U.S. GDP. The dashed line is a Coatue forecast. The railroad investment comparison covers 1897-1917. Illustrative framework. This slide contains forward-looking statements and assumptions.

When I'm dragged to a work function outside of work hours..



Economic

- **US IMPORT AND EXPORT PRICES JUMP IN SEPTEMBER**
 - ◆ Import prices +1.1% MoM vs 0.8% expected, August revised to +0.5% from +0.70%
 - ◆ Export prices +2.2% MoM vs 1.0% expected, August revised up to +1.2% from +0.6%
 - ◆ Import prices +8.1% YoY vs 8.10% consensus, prior 7.00%
 - ◆ Export prices +11.6% YoY vs 9.5% expected, prior 8.6%
- **U.S. INDUSTRIAL PRODUCTION BEATS EXPECTATIONS IN SEPTEMBER**
 - U.S. industrial production rose 0.7% in September, beating expectations of 0.4%.
 - ◆ Manufacturing: +0.3% (in line)
 - ◆ Utilities: +3.5%
 - ◆ Mining: +0.2%

- ◆ Capacity utilization: 76.9% (forecast 76.5%)
- ◆ Industrial output excluding autos: +0.9%

Me, if overthinking was a workout;



Cryptocurrency

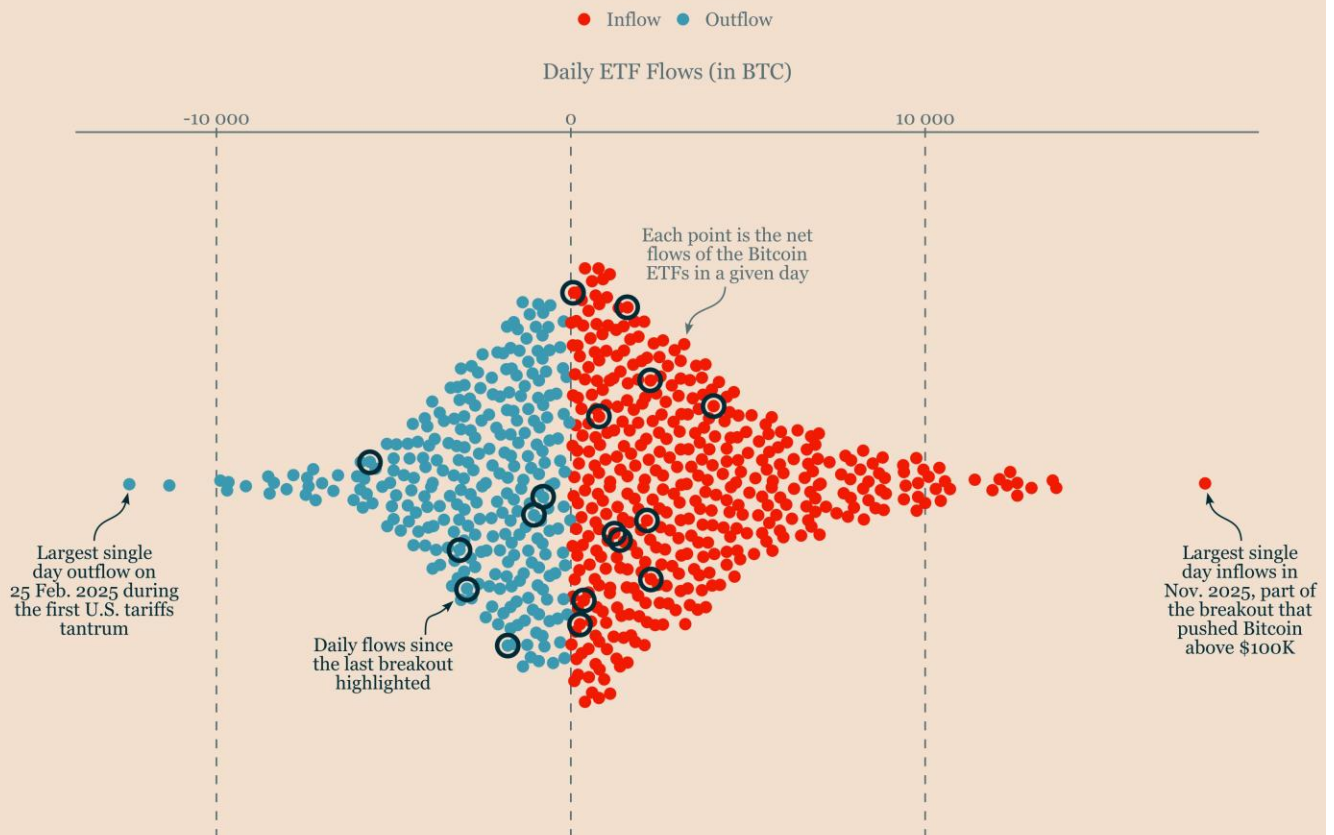
- \$13 trillion Charles Schwab fully launches Bitcoin & Ethereum trading to its 40 million eligible retail clients.
- Strategy faces potential MSCI index removal
 - MSCI's new rules could exclude Strategy and other crypto-treasury companies. Strategy previously warned that exclusion could trigger approximately \$2.8 billion in stock selling. Final affected-company list expected November 11.
- Visa expands commercial USDC settlement
 - Visa Direct has moved USDC prefunding into commercial production with Inyo Global, while Circle is targeting expansion into 40 new markets. Both developments strengthen the institutional stablecoin adoption story.

Bitcoin broke above \$80K three weeks ago. The ETF bid didn't follow through.

- Breakout: late September, above \$80K
- Since then: inflows and outflows have alternated, with neither side winning
- Net result over nearly three weeks: barely positive
 - No sustained withdrawals, so the recovery isn't breaking. But the steady buying it needs isn't there.

Neutral Bitcoin ETF Flows Since September Breakout

Bitcoin is still waiting for a catalyst after the breakout above \$80K from the end of September. And since then daily ETF flows have alternated between inflows and outflows without clearly establishing a trend. The result is that since then the net flows are barely positive.



Notes: Based on compilation of daily changes in Bitcoin holdings of spot Bitcoin ETF.
Source: Econometrics
By: @econometrics, econometrics.substack.com
Date: October 16, 2026

Econometrics

At least 15 altcoins SURGE over 10% in the past 24 hours as the cryptocurrency market rebounds.

- Celestia (TIA) leads with a 32% gain, followed by INJ (+27%), ZRO (+19%), ETHFI (+17%) and ARB (+15%).
- APT, NEAR and WLD also join the broad altcoin rally.

#	Name	Price	1h %	24h %	7d %
1	 Celestia TIA  	\$0.6986	▲ 0.37%	▲ 31.59%	▲ 45.57%
2	 Injective INJ  	\$9.08	▼ 0.81%	▲ 27.11%	▲ 29.85%
3	 LayerZero ZRO  	\$2.16	▼ 2.50%	▲ 18.57%	▲ 3.69%
4	 ether.fi ETHFI  	\$0.7013	▼ 0.11%	▲ 16.88%	▲ 0.93%
5	 Arbitrum ARB  	\$0.1989	▼ 1.10%	▲ 15.21%	▲ 10.81%
6	 Aptos APT  	\$0.8752	▼ 0.48%	▲ 14.48%	▲ 9.20%
7	 NEAR Protocol NEAR  	\$5.22	▼ 1.57%	▲ 14.35%	▲ 9.21%
8	 Worldcoin WLD  	\$0.5321	▼ 1.21%	▲ 14.35%	▲ 7.95%
9	 Filecoin FIL  	\$1.15	▲ 0.06%	▲ 13.01%	▲ 8.75%
10	 Zcash ZEC  	\$1,220.89	▼ 1.02%	▲ 12.59%	▼ 0.18%
11	 Sei SEI  	\$0.06511	▲ 0.01%	▲ 11.49%	▼ 1.09%
12	 Lighter LIT  	\$3.27	▲ 5.13%	▲ 11.12%	▼ 7.58%
13	 Ethena ENA  	\$0.2049	▼ 0.47%	▲ 10.46%	▼ 4.97%
14	 Plasma XPL  	\$0.08499	▼ 0.19%	▲ 10.17%	▲ 0.64%
15	 Bittensor TAO  	\$285.16	▼ 0.93%	▲ 10.08%	▲ 4.02%

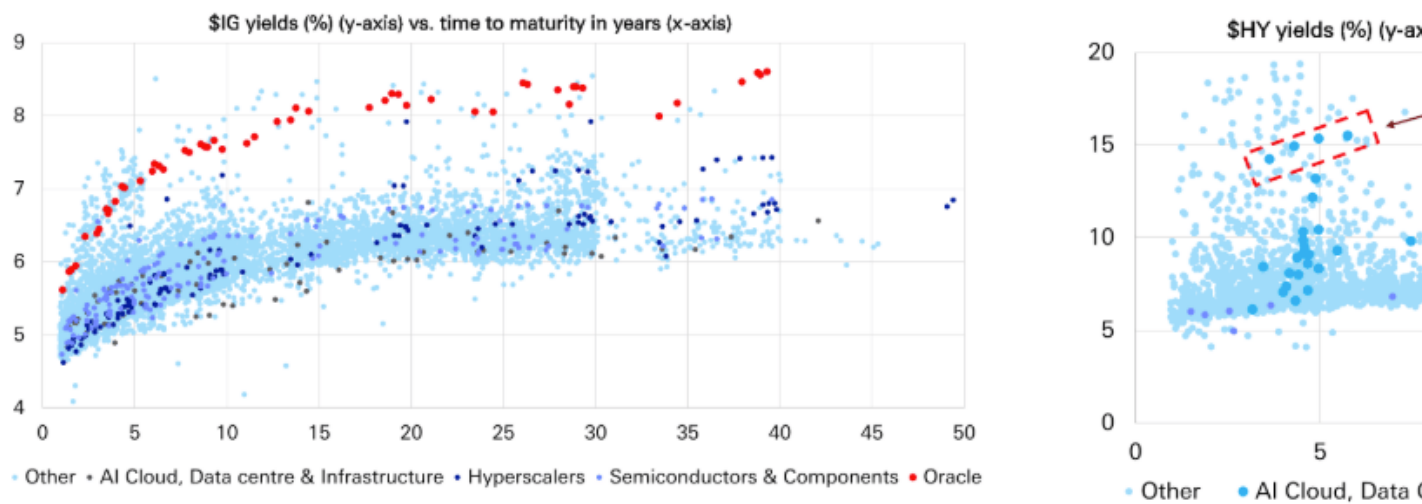
When you're already coughed 4 times on the Zoom call and are holding in the 5th one..



AI borrowing costs -Deutsche Bank

- For the moment at least, AI-linked financing costs are not excessive relative to the rest of the credit stack, although the gap opens up further out the curve.

Figure 1: All US IG and HY corporate yields with AI bonds highlighted



Source: Bloomberg Finance LP, Deutsche Bank; Note: hyperscalers include

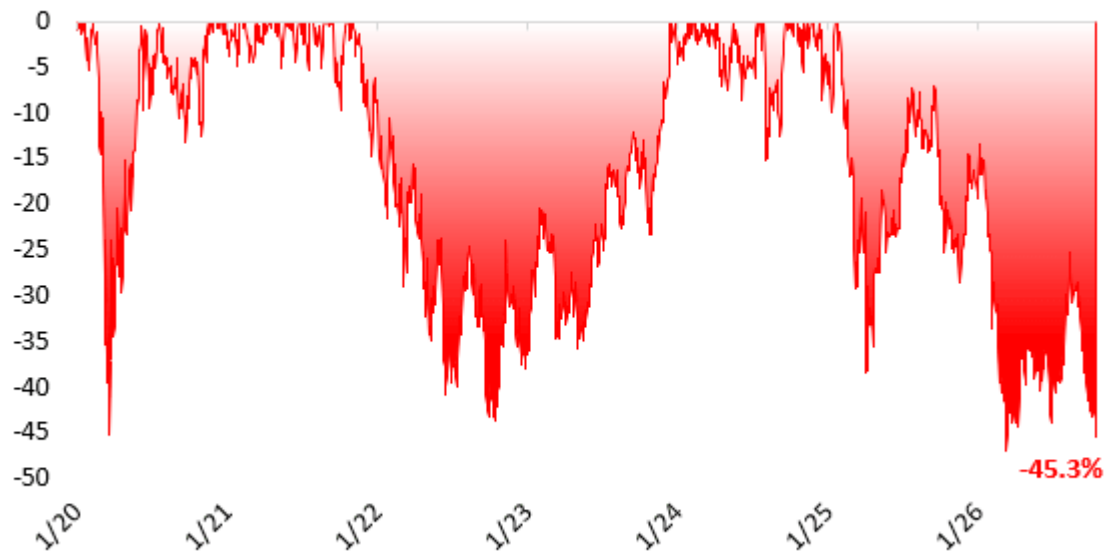
When SOME people's calendars show "busy"—this is what's actually happening:



Private equity drawdown

- An equal-weight basket of the six big publicly traded PE firms is now down 45% from highs. That's worse than its 2022 bear market drop and similar to its COVID crash.

Alternative Asset Managers Drawdowns (%) From Highs



Members (Equal-Weight): APO, ARES, BX, CG, KRR, and OWL (began trading on 12/14/20)

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	LAST	CHANGE	% CHG
.DJI	52,002.41 USD	-175.28	-0.34%
.IXIC	26,140.034 USD	-572.992	-2.15%
.SPX	7,659.44 USD	-84.62	-1.09%
@SP.1	7,696.00 USD	-95.00	-1.22%
.VIX	19.92 USD	+3.46	+21.02%
@CL.1	101.68 USD	+3.71	+3.79%
@GC.1	4,188.60 USD	+18.50	+0.44%
@SI.1	57.145 USD	-0.011	-0.02%
@TY.1	105.5781 USD	+0.0469	+0.04%
US10Y	5.085%	-0.002	-0.0393%
US30YFRM	7.37 USD	+0.04	+0.55%
BTC.CM=	81,522.04 USD	-832.70	-1.01%
ETC.BF=	7.89 USD	-0.18	-2.21%
CAD=	1.414	-0.0043	-0.3032%
EUR=	1.1238	+0.002	+0.1783%
GBP=	1.3326	+0.0053	+0.40%
JPY=	157.99	+0.01	+0.01%
AAPL	343.46 USD	+1.46	+0.43%
AMZN	250.00 USD	-4.76	-1.87%
AVGO	328.75 USD	-15.58	-4.52%
NFLX	70.55 USD	-2.06	-2.84%
DEFT	0.4311 USD	-0.0099	-2.2449%
TSLA	354.72 USD	-7.72	-2.13%
META	709.33 USD	-27.39	-3.72%
MSFT	529.05 USD	-10.39	-1.93%
GOOGL	340.59 USD	-8.63	-2.47%

NODLive

RECAP 10/16 Unusual Puts:

	LAST	CHANGE	% CHG	
SLV	51.51 USD	-0.41	-0.79%	\$XP Nov 26 P
PSLV	18.48 USD	-0.12	-0.65%	\$COHR Nov 160 P
AG	15.98 USD	-0.11	-0.68%	\$BBD Nov 3.5 P
SPCX	146.03 USD	-2.59	-1.74%	\$KMI Dec 30 P
LOFD	6.43 USD	+0.22	+3.54%	\$BORR Jan-28 2.5 P
LOFF	15.50 USD	-0.58	-3.61%	\$EWY Apr 100 P
SKHY	136.49 USD	-9.62	-6.58%	\$MRVL Nov 175 P
MU	878.84 USD	-52.40	-5.63%	\$SPCX Jan-28 110 P
SNDK	1,299.30 USD	-95.53	-6.85%	\$BBWI Oct30 20 P
BITO	10.88 USD	-0.12	-1.09%	\$NU Nov 13 P
AA	41.45 USD	+1.03	+2.55%	\$SKHY Nov 105 P
UNH	401.43 USD	-5.24	-1.29%	\$NOW Jun 85 P
AI	11.32 USD	-0.84	-6.91%	\$CORZ Dec-27 12 P
LLY	1,257.03 USD	+5.42	+0.43%	\$IGV Nov 97 P
RH	112.99 USD	-4.88	-4.14%	\$NFLX Oct30 65 P
COIN	173.16 USD	-10.65	-5.79%	\$CORZ Oct30 13 P
CRK	14.00 USD	+0.50	+3.70%	\$GIS Nov 35 P
CVX	224.99 USD	+5.67	+2.59%	\$CZR Jun 25 P
GLW	132.00 USD	-6.43	-4.64%	\$CMG Nov06 25 P
SBUX	97.52 USD	+0.64	+0.66%	\$BANC Jan 15 P
MNTN	10.16 USD	-0.33	-3.15%	\$AMPL Nov 13 P
HIMS	28.07 USD	-1.31	-4.46%	\$EWY Oct23 115 P
RIOT	13.72 USD	-1.78	-11.48%	\$ASTS Nov 30 P
XRPI	6.98 USD	-0.25	-3.50%	\$CRWV Oct40 42 P
ASTS	40.66 USD	-3.80	-8.55%	\$IBIT Jan 41 P
BRZE	29.34 USD	-1.04	-3.42%	\$WIX Jan 50 P

RECAP 10/16 Unusual Calls:

\$SPCX Oct19 149 C
 \$MSTR Oct23 148/155 C Spd
 \$ORCL Nov 140 C
 \$PCG Nov 18 C
 \$CLF Dec 13 C
 \$TSM Dec 500 C
 \$RKT Dec 18 C
 \$PURR Nov 11 C
 \$CART Apr 55 C
 \$CE Dec 60 C
 \$GME Oct30 30 C
 \$XLE Nov 70 C
 \$GME Jan-28 35 C
 \$SHAZ Nov 40 C
 \$SNAP Jan 7 C
 \$QXO Feb 15 C
 \$OXY Oct23 67 C
 \$SPCX Oct23 146 C
 \$FRMI Mar 4.5 C
 \$WOLF Jan 40 C

RECAP 10/16 +Pos Comments:

\$CEG + CIBC
 \$NRG + CIBC
 \$VST + CIBC
 \$OXY + Reth/MKM

Coin		Price	1h	24h	7d
 Bitcoin BTC	Buy	\$81,515.16	▲ 0.3%	▼ 1.0%	▼ 1.0%
 Ethereum ETH	Buy	\$2,408.32	▼ 0.1%	▼ 1.6%	▼ 2.8%
 Tether USDT		\$0.9991	▲ 0.0%	▲ 0.0%	▲ 0.0%
 BNB BNB	Buy	\$720.60	▲ 0.0%	▼ 1.8%	▼ 2.5%
 XRP XRP	Buy	\$1.30	▲ 0.3%	▼ 3.3%	▼ 6.4%
 USDC USDC		\$0.9998	▲ 0.0%	▲ 0.0%	▲ 0.0%
 Solana SOL	Buy	\$103.45	▲ 0.4%	▼ 2.2%	▼ 5.3%
 TRON TRX	Buy	\$0.3346	▲ 0.1%	▲ 0.9%	▲ 1.0%
 Figure Heloc FIGR_HELOC	Buy	\$1.03	▼ 0.1%	▲ 0.7%	▲ 0.0%
 Zcash ZEC	Buy	\$1,147.57	▲ 0.5%	▼ 7.0%	▼ 5.3%

Symbol	Price~	Exp Date	Type	Strike	Moneyness	Bid	Latest	Ask	Volume	Op
PBR	26.03	11/06/26 (21)	Call	27.00	-3.81%	1.02	1.04	1.22	61,093	
CORZ	13.48	12/17/27 (427)	Put	12.00	-11.76%	3.05	3.05	3.25	34,810	
MSTR	136.47	10/23/26 (7)	Call	148.00	-9.09%	1.27	1.36	1.30	31,672	
AI	11.32	10/23/26 (7)	Call	11.50	-2.86%	0.22	0.29	0.27	47,758	
SIRI	26.74	10/30/26 (14)	Call	29.00	-8.05%	0.04	0.30	0.33	17,254	
DNN	2.27	04/16/27 (182)	Put	2.00	-11.50%	0.20	0.30	0.30	11,000	
OXY	62.44	10/23/26 (7)	Call	67.00	-7.49%	0.17	0.17	0.18	19,898	
UBER	70.19	11/06/26 (21)	Put	60.00	-14.32%	0.33	0.38	0.39	18,793	
MU	877.11	10/16/26 (0)	Call	895.00	-1.10%	0.16	0.17	0.19	41,711	
TSLA	352.86	10/16/26 (0)	Call	352.50	-0.08%	0.50	0.53	0.53	61,693	
MU	877.11	10/23/26 (7)	Put	550.00	-37.87%	0.10	0.10	0.15	20,316	
MU	877.11	10/16/26 (0)	Put	895.00	+1.10%	12.50	12.30	12.75	42,364	
CRBG	34.38	01/15/27 (91)	Put	32.00	-7.33%	1.10	1.20	1.30	6,110	
CE	47.18	12/18/26 (63)	Call	60.00	-27.09%	0.80	0.83	0.95	6,186	
APLD	17.76	10/30/26 (14)	Put	17.00	-6.23%	0.85	0.85	0.96	8,143	
PBR	26.03	06/17/27 (244)	Call	30.00	-15.34%	1.69	1.82	1.95	10,004	
PBR	26.03	11/06/26 (21)	Call	29.00	-11.50%	0.42	0.44	0.47	61,759	
SIRI	26.74	10/30/26 (14)	Call	28.00	-4.32%	0.44	0.48	0.48	17,270	
XP	29.18	11/20/26 (35)	Put	22.00	-24.71%	1.00	1.01	1.10	6,512	
TSLA	352.86	10/19/26 (3)	Call	355.00	-0.79%	3.25	3.25	3.30	14,201	
TSLA	352.86	10/19/26 (3)	Call	352.50	-0.08%	4.30	4.30	4.40	7,472	
MSTR	136.47	10/23/26 (7)	Call	139.00	-2.45%	3.65	3.71	3.75	4,047	
AVGO	329.50	10/16/26 (0)	Call	332.50	-0.50%	0.15	0.17	0.19	5,422	

Cheers,

-NOD-

Nathaniel Orr-Depner

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