

Never doubt the courage of the French. They were the ones who discovered that snails are edible. ~~Doug Larson



Good Monday morning,

[Nasdaq 100 futures](#) rose on Monday, led by a tech rebound following last week's rout in shares related to artificial intelligence. Wall Street enters Monday facing three major risks: an accelerating semiconductor selloff, crude oil approaching \$110, and Treasury yields above 5%. A major earnings week could determine whether the recent weakness remains concentrated in technology or spreads into the broader market.

1. AI and semiconductor stocks face a critical test

The semiconductor ETF SOXX's benchmark counterpart, the VanEck Semiconductor ETF, lost approximately 10.5% last week. Micron, AMD, Broadcom and Intel were among the names under pressure.

Watch: NVDA, AVGO, AMD, MU, INTC, SMH.

2. Oil closes near \$110 as Middle East tensions intensify

Brent settled Friday at \$109.86, rising 3.7%. Iran's foreign minister said Sunday that an offer to reopen the Strait of Hormuz within seven days remained available, while regional security risks persisted.

Watch: XOM, CVX, OXY, XLE, airlines and transports.

3. Treasury yields remain the valuation pressure point

The 10-year Treasury ended Friday near 5.09%. Investors face the combination of elevated borrowing costs, persistent inflation and expensive growth-stock valuations.

Watch: 10-year yield, TLT, QQQ, IWM and rate-sensitive housing stocks.

4. Meta earnings could reset the AI investment narrative

Meta reports Wednesday after the close. Wall Street will focus on AI infrastructure spending, capital expenditures, advertising growth and the returns generated by its data-center investments.

Watch: META, NVDA, AVGO, ORCL and AI infrastructure names.

5. Tesla and Netflix headline major earnings releases

Netflix is scheduled for Tuesday, while Tesla reports Wednesday. Investors will scrutinize Netflix's advertising and subscriber economics and Tesla's margins, deliveries and product outlook.

Watch: NFLX, TSLA and consumer-discretionary stocks.

When you combine the start of a new season with the sentiments of starting a new week....



Headlines for Monday morning, 19-Oct-26:

- Earnings season accelerates across the market
 - Roughly 70 S&P 500 companies are expected to report this week. Monday's scheduled names include Fifth Third Bancorp before the open and Steel Dynamics after the close.
- Fed policy expectations remain unsettled
 - Recent inflation readings and higher energy prices have kept the possibility of further tightening alive. Investors are looking ahead to the October 28 policy meeting.
- Housing data will test the impact of elevated mortgage rates
 - Monday brings the NAHB homebuilder confidence index, followed by Tuesday's housing starts and permits report. Mortgage rates around 7.4% remain a significant obstacle for buyers.
- Key economic and earnings calendar

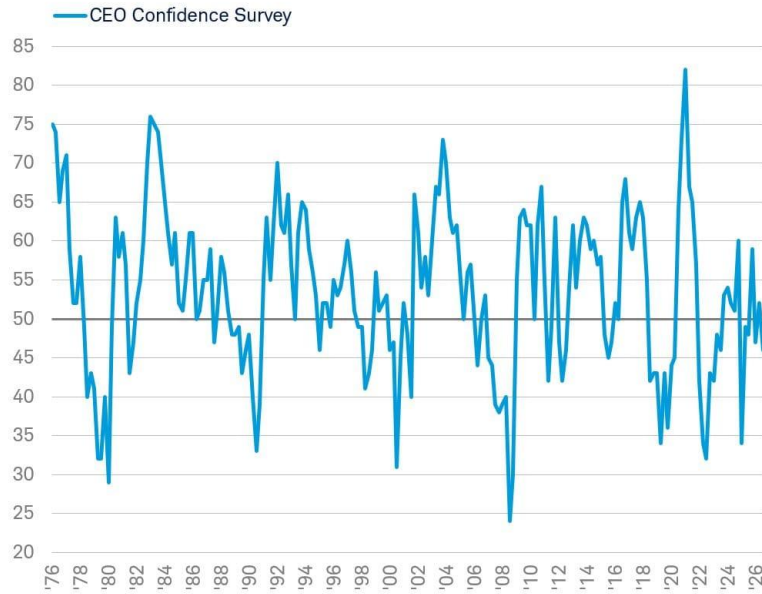
Date	Event	Market focus
Mon, Oct. 19	NAHB housing sentiment	Homebuilder demand
Tue, Oct. 20	Housing starts and permits	Construction outlook
Tue, Oct. 20	Netflix, GM, GE earnings	Consumer and industrial demand
Wed, Oct. 21	Meta, Tesla, IBM earnings	AI spending and growth
Thu, Oct. 22	Initial jobless claims	Labor-market strength
Fri, Oct. 23	Flash manufacturing/services PMIs	Economic momentum
Fri, Oct. 23	Consumer sentiment	Inflation expectations

- Barclays See 25bp Fed Hike Each In December And January Vs Prior Forecast Of A Hike In December This Year

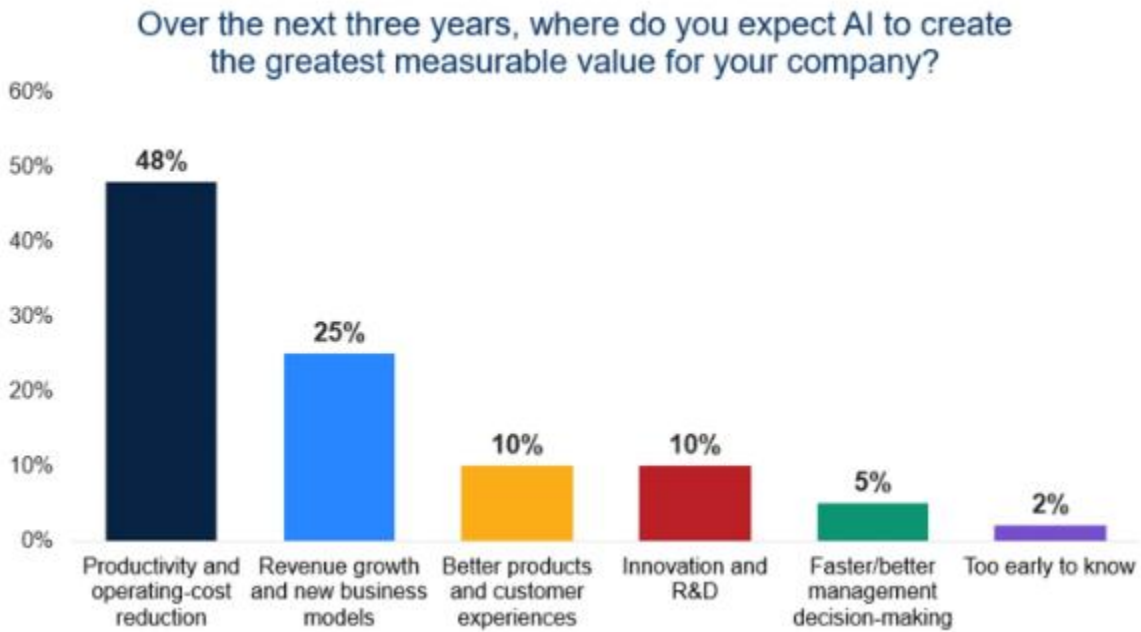
CEO Confidence

- CEO confidence declined in 4Q26, falling 6 points to 46 to its lowest level since 2Q25
- The drop in optimism likely reflects rising geopolitical tensions and higher oil prices

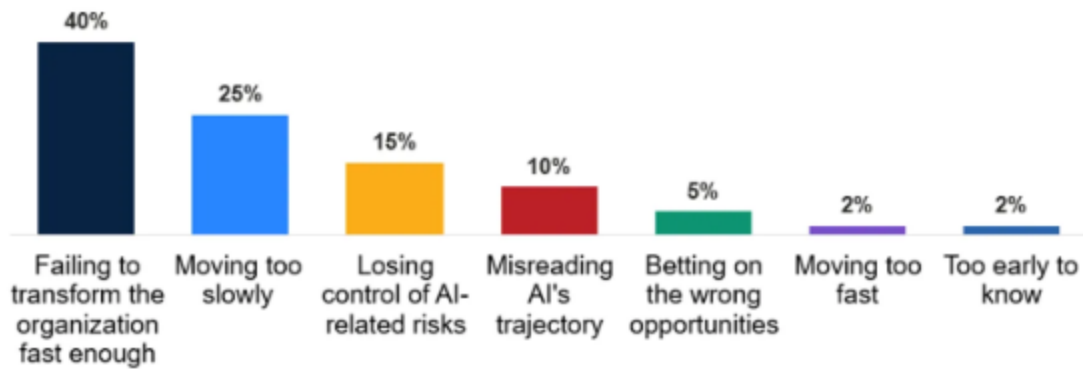
- CEOs primarily expected AI to increase productivity and lower costs. CEOs were most worried about sluggish AI adoption.
- The majority of CEOs expected AI-driven productivity gains to constitute 5% or more of their company's plans



Source: Charles Schwab, The Conference Board Measure of CEO Confidence™ in collaboration with The Business Council, 6/30/1976-10/15/2026.



Looking ahead 3 years, which AI-related risk poses the greatest threat to your company's enterprise value?

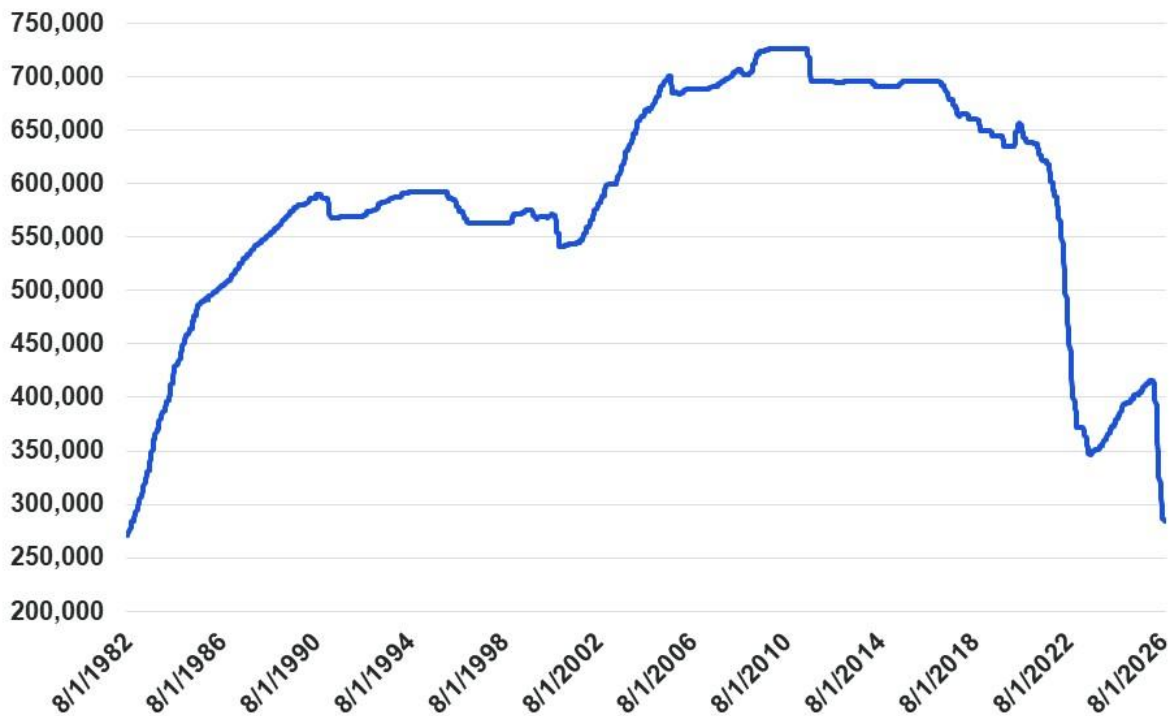


What level of AI-driven productivity improvement are you building into your company's plans over the next 3-5 years?

U.S. strategic oil reserve hits lowest level since 1982

— Weekly U.S. Ending Stocks of Crude Oil in SPR (Thousand Barrels)

HEDGEYE



Data Source: Hedgeye Estimates, AAA, Bloomberg

© Hedgeye Risk Management LLC.

Industrial production

- Total industrial production rose 0.66% in September, the most since April and a sixth straight monthly gain, lifting output to the highest level since December 2018.

Industrial production +0.66%, the most since April

Total industrial production (bars) and manufacturing (orange), month-over-month %, seasonally adjusted, since 2022



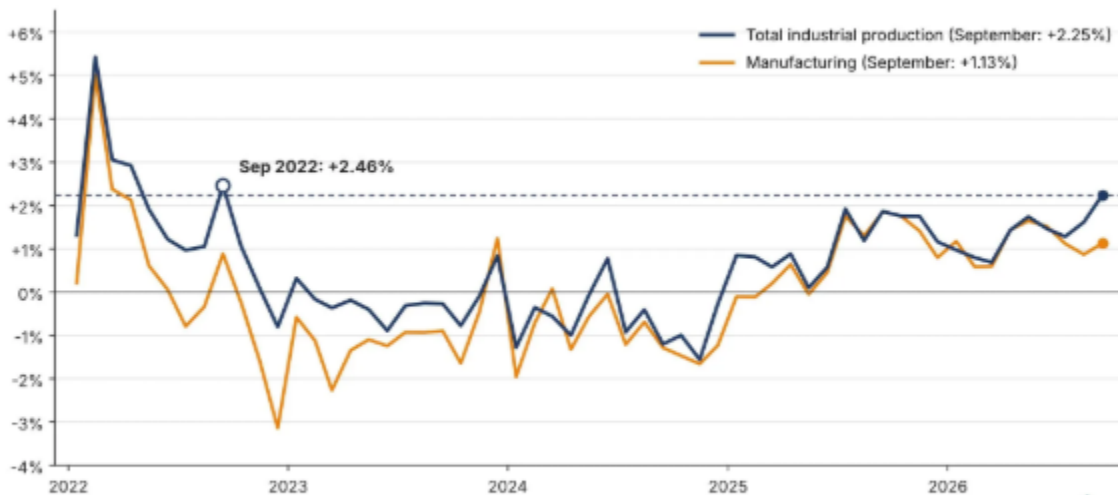
Source: Federal Reserve G.17; calculations by Sethi Associates. Dashed line marks the September 2026 reading.



SethiAssociates.com

Industrial production +2.25% year over year, the most since September 2022

Total industrial production (blue) and manufacturing (orange), year-over-year %, seasonally adjusted, since 2022



Source: Federal Reserve G.17; calculations by Sethi Associates. Dashed line marks the September 2026 reading.



SethiAssociates.com

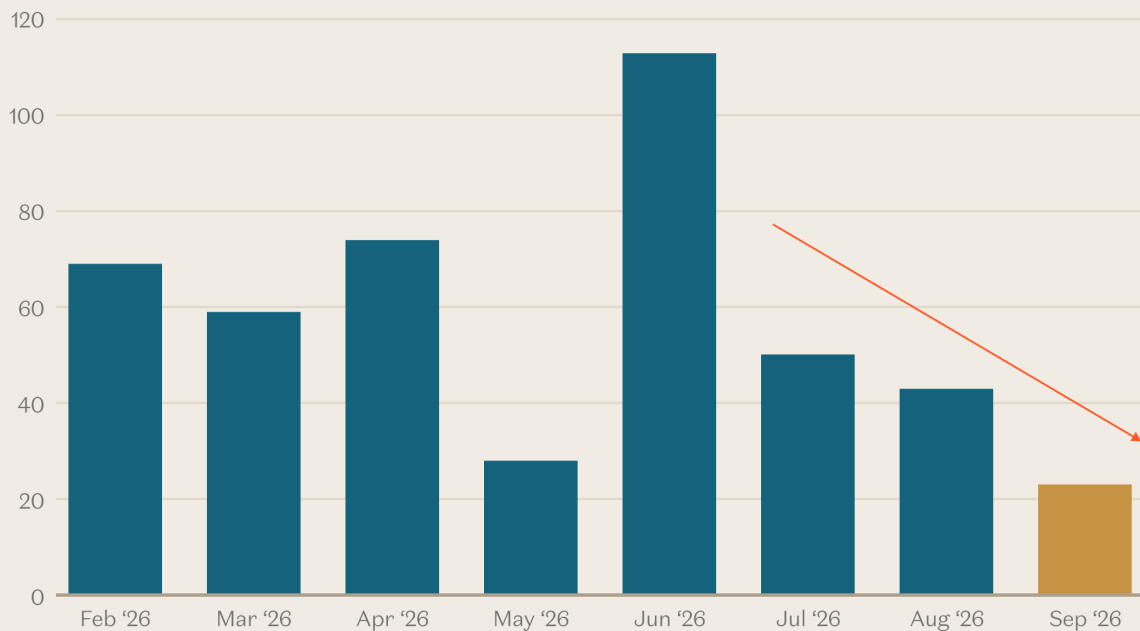
[@neilsethinew](#)

AI debt issuance

- After growing substantially throughout the first half of the year, AI-linked debt issuance has fallen off since its June peak, with September issuance checking in at barely half of what was issued in August (which was already less than what was issued in July).

AI-Linked Debt Issuance Drops By Half

AI-linked borrowing across global credit markets (\$B)



Source: The FT (10.10.26). Morgan Stanley

More charts: a16z.news/subscribe

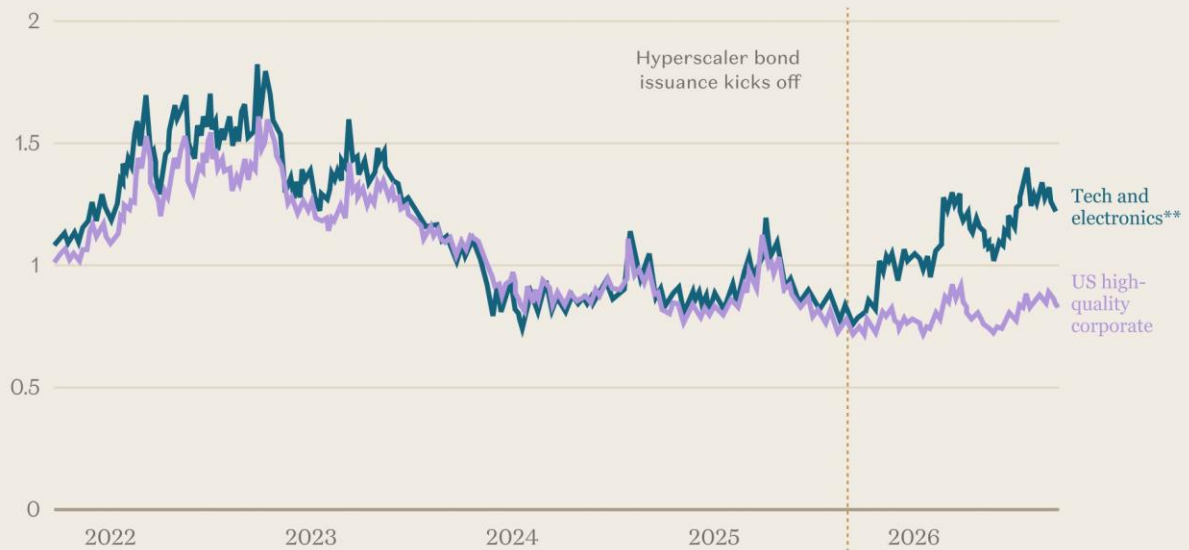
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Tech credit spreads

- Rates for bonds linked to the tech sector have meaningfully diverged from the broader universe of corporate issuance, beginning roughly in September of '25, when capex borrowing began to take off.

Price Of Tech Debt Has Increased As Well

Additional rates paid by tech and gen. corporate over equivalent gov't bonds (pp, by indices, 15-years plus*)



Source: The FT (10.10.26). ICE; Bloomberg • *ICE BofA 15+ year US Tech and Electronics index; ICE 15+ year AAA-A US Corporate index; **the technology index contains US companies across a broad spectrum of ratings, from A1 to BBB3

More charts: a16z.news/subscribe

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Quaker Oats guy BEFORE 2026 vs Quaker Oats guy DURING 2026;



Cryptocurrency

- Total cryptocurrency market capitalization fell 3.47% to \$2.74 trillion on today, even as \$BTC rose 0.57% to \$81,983.
 - \$ETH slipped 0.40% to \$2,417, while \$XRP edged up 0.05% to \$1.30 and \$BNB gained 0.51% to \$723.
 - \$BTC 's share of the market rose to 60.1%, with \$ETH at 10.8%.
 - Liquidations across Binance, Bybit and OKX totaled \$196.3 million over 24 hours, with longs accounting for \$148.9 million.
 - \$HBAR led gains among the top 39 assets, up 6.48%, while \$PUMP fell 4.61%.
 - \$BTC is holding while the broader market weakens
- Kraken co-CEO Arjun Sethi calls going public in the US the slowest piece of financial plumbing left
 - "Going public in the United States is expensive. It is the slowest piece of financial plumbing left."
 - "I'm living it, and so are my portfolio companies."

- "What I've seen up close from the founder side, sitting on the boards of companies and investing in them is time. The process is measured in quarters and years, not weeks."

Bitcoin is approaching a key support level.

- Short Term Holder Realized Price: \$74,595
- This level helped mark the 2023 bottom before Bitcoin rallied higher.
- If we pull back towards \$74,600, it could offer major support and form the next higher low.
- Last time, Bitcoin rallied 14% out of the wedge.
- Bitcoin is showing the same hidden bullish divergence as last month.



Bitcoin hasn't had two consecutive red Octobers since at least 2013.

- 2025 closed red, and 2026 is on track to do the same.

Bitcoin Monthly returns(%) coinglass

BTC ▾ Daily returns(%) Weekly returns(%) Monthly returns(%) Quarterly returns(%)

Time	January	February	March	April	May	June	July	August	September	October	November	December
2026	-10.17%	-14.94%	+1.81%	+11.87%	-3.41%	-20.48%	+7.36%	+24.95%	+6.33%	-1.87%		
2025	+9.29%	-17.39%	-2.3%	+14.08%	+10.99%	+2.49%	+8.13%	-6.49%	+5.14%	-3.69%	-17.67%	-2.97%
2024	+0.62%	+43.55%	+16.81%	-14.76%	+11.07%	-6.96%	+2.95%	-8.6%	+7.29%	+10.76%	+37.29%	-2.85%
2023	+39.63%	+0.93%	+22.96%	+2.81%	-6.98%	+11.98%	-4.02%	-11.29%	+3.91%	+28.52%	+8.81%	+12.18%
2022	-16.68%	+12.21%	-5.39%	-17.3%	-15.6%	-37.28%	+16.8%	-13.88%	-3.12%	+5.56%	-16.23%	-3.59%
2021	+14.51%	+36.78%	+29.84%	-1.98%	-35.31%	-5.96%	+18.19%	+13.8%	-7.03%	+39.93%	-7.11%	-18.9%
2020	+29.95%	-0.6%	-24.92%	+34.26%	+9.51%	-3.18%	+24.03%	+2.83%	-7.51%	+27.7%	+42.95%	+46.92%
2019	-8.58%	+11.14%	+7.05%	+34.36%	+52.38%	+26.67%	-6.59%	-4.6%	-13.38%	+10.17%	-17.27%	-5.15%
2018	-25.41%	+0.47%	-32.85%	+33.43%	-18.99%	-14.62%	+20.96%	-9.27%	-5.58%	-3.83%	-36.57%	-5.15%
2017	-0.04%	+23.07%	-9.85%	+32.71%	+52.71%	+10.45%	+17.92%	+65.32%	-7.44%	+47.81%	+53.48%	+38.89%
2016	-14.83%	+20.08%	-8.35%	+7.27%	+16.78%	+27.14%	-7.67%	-7.49%	+6.04%	+14.71%	+5.42%	+30.8%
2015	-33.05%	+18.43%	-4.38%	-3.46%	-3.17%	+15.19%	+8.2%	-18.67%	+2.35%	+33.49%	+19.27%	+13.83%
2014	+10.03%	-31.03%	-17.25%	-1.6%	+39.46%	+2.2%	-9.69%	-17.55%	-19.01%	-12.95%	+12.82%	-15.11%
2013	+44.0%	+1.77%	+172.76%	+50.01%	-8.56%	-29.89%	+9.6%	+30.42%	-1.76%	+60.79%	+449.35%	-34.81%
Average	+2.81%	+11.11%	+11.47%	+12.98%	+7.35%	-1.59%	+7.58%	+2.82%	-2.41%	+18.36%	+41.12%	+4.16%
Median	+0.29%	+11.68%	-0.24%	+9.57%	+3.17%	-0.49%	+8.16%	-6.99%	-2.44%	+12.73%	+8.81%	-2.97%

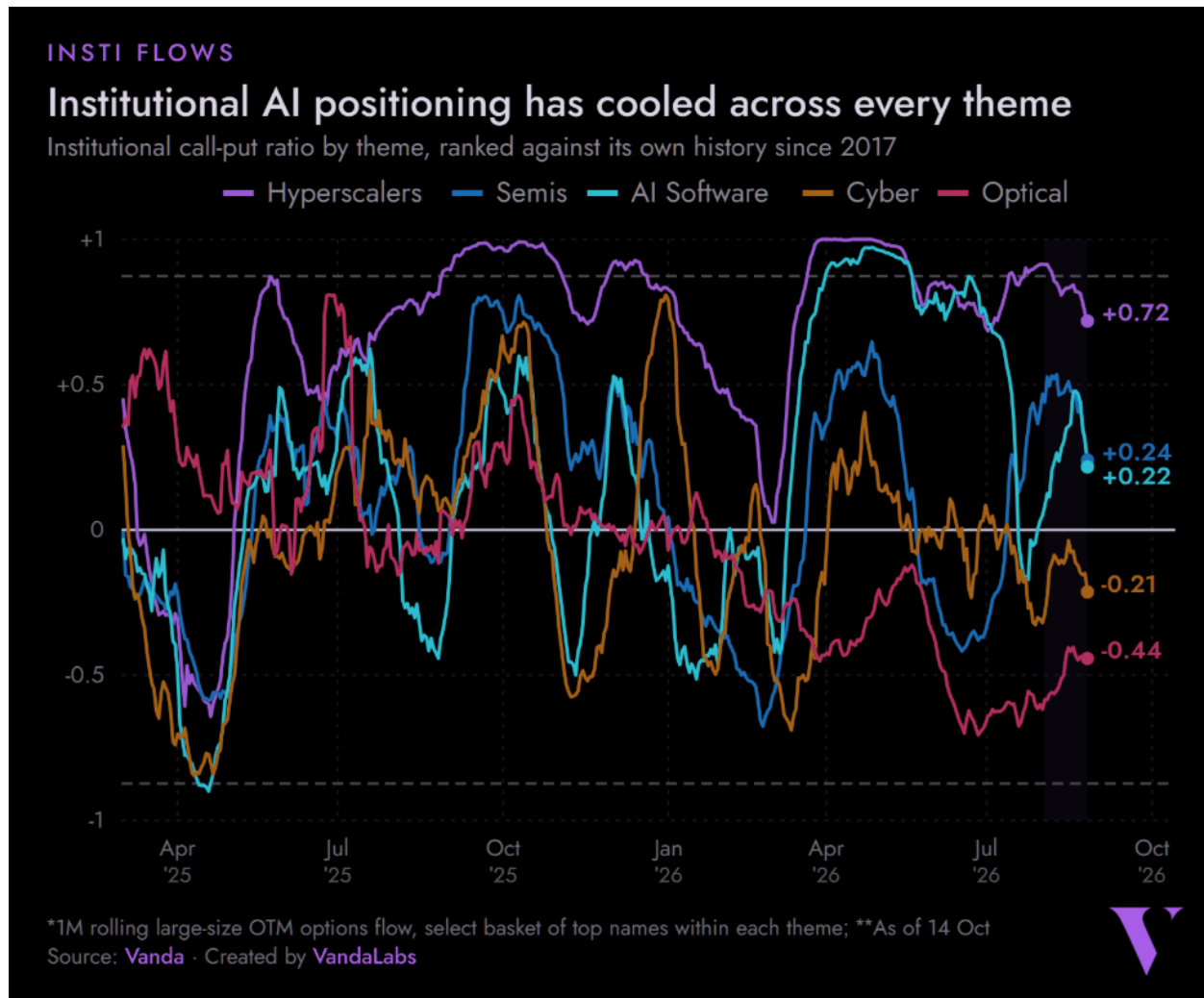
When “modern design” tries to kill you..



Institutional AI positioning -Vanda

- But institutional options flows have been deteriorating across the major AI baskets.
- This on its own tells you a lot about where conviction sits on the street right now.

- Institutional investors are very much in wait-and-see mode now.



“No, I insist....YOU go first...”

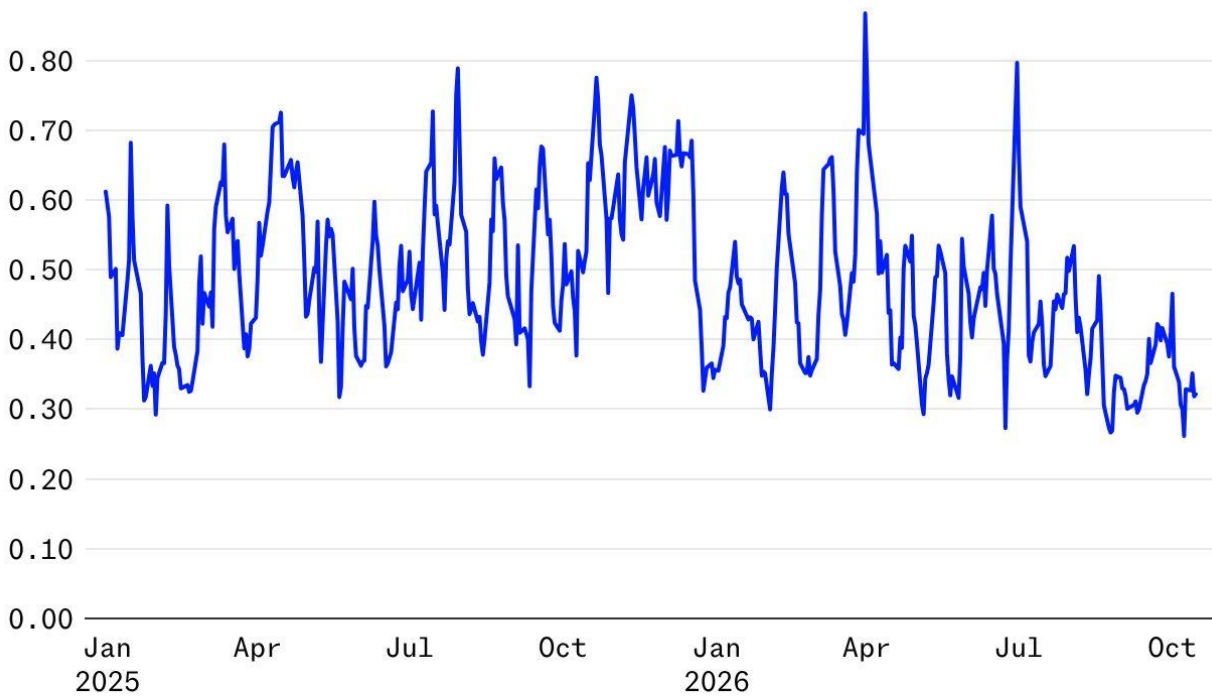


VIX Put/Call ratio

- Traders looking for protection in the event of a vol spike was a leading (rather than coincidental) indicator around the market's recent spot of bother.
- The five-session put/call ratio for the VIX Index hit multi-year lows on October 8, just a couple sessions removed from the S&P 500's record close.

VIX options activity turned more cautious in October

Five session cumulative VIX put/call ratio hit multi-year lows on October 8



Source: Bloomberg, @LJKawa

Sherwood

VIP Pricing

	LAST	CHANGE	% CHG		LAST	CHANGE	% CHG
.DJI	52,002.41 USD	-175.28	-0.34%	SLV	52.08 USD	+0.57	+1.11%
.IXIC	26,140.034 USD	-572.992	-2.14%	PSLV	18.63 USD	+0.15	+0.81%
.SPX	7,659.44 USD	-84.62	-1.09%	AG	15.92 USD	-0.06	-0.38%
@SP.1	7,737.00 USD	+32.75	+0.43%	SPCX	147.24 USD	+1.21	+0.83%
.VIX	18.79 USD	-1.20	-6.00%	LOFD	6.47 USD	+0.04	+0.62%
@CL.1	101.06 USD	-0.35	-0.35%	LOFF	15.70 USD	+0.20	+1.29%
@GC.1	4,184.20 USD	+3.10	+0.07%	SKHY	142.56 USD	+6.07	+4.45%
@SI.1	57.695 USD	+0.39	+0.68%	MU	910.00 USD	+31.16	+3.55%
@TY.1	105.5469 USD	+0.0938	+0.09%	SNDK	1,357.31 USD	+58.01	+4.46%
US10Y	5.09%	-0.008	-0.1569%	BITO	10.99 USD	+0.11	+1.01%
US30YFRM	7.37 USD	+0.04	+0.55%	AA	41.60 USD	+0.15	+0.36%
BTC.CM=	82,311.12 USD	+1,449.91	+1.79%	UNH	398.30 USD	-3.13	-0.78%
ETC.BF=	7.74 USD	+0.28	+3.69%	AI	11.34 USD	+0.02	+0.18%
CAD=	1.4076	-0.0061	-0.4315%	LLY	1,249.49 USD	-7.54	-0.60%
EUR=	1.1225	-0.0014	-0.1246%	RH	112.99 USD	-4.88	-4.14%
GBP=	1.3329	+0.0001	+0.01%	COIN	176.05 USD	+2.89	+1.67%
JPY=	158.23	+0.24	+0.15%	CRK	14.11 USD	+0.11	+0.79%
AAPL	341.98 USD	-1.48	-0.43%	CVX	222.23 USD	-2.76	-1.23%
AMZN	253.66 USD	+3.66	+1.46%	GLW	136.68 USD	+4.68	+3.55%
AVGO	338.65 USD	+9.90	+3.01%	SBUX	97.60 USD	+0.08	+0.08%
NFLX	70.17 USD	-0.36	-0.51%	MNTN	10.16 USD	-0.33	-3.15%
DEFT	0.44 USD	+0.0089	+2.0645%	HIMS	28.44 USD	+0.37	+1.32%
TSLA	354.64 USD	-0.08	-0.02%	RIOT	14.37 USD	+0.65	+4.75%
META	709.75 USD	+0.42	+0.06%	XRPI	7.00 USD	+0.02	+0.33%
MSFT	529.66 USD	+0.61	+0.12%	ASTS	42.35 USD	+1.69	+4.16%
GOOGL	341.90 USD	+1.31	+0.38%	BRZE	29.30 USD	-0.04	-0.14%
NVDA	218.10 USD	+3.97	+1.85%	DJT	7.06 USD	+0.07	+1.03%
QQQ	718.79 USD	+8.99	+1.27%	GME	26.76 USD	-0.05	-0.19%
BRK.B	529.54 USD	-2.48	-0.47%	BA	190.24 USD	+0.03	+0.02%
UVXY	17.76 USD	-0.74	-4.00%	DKS	144.35 USD	+3.51	+2.49%

Coin		Price	1h	24h	7d	24h Volume	Market Cap	Last 7 Days							
 Bitcoin BTC	Buy	\$82,340.19	▲ 0.1%	▲ 0.3%	▼ 1.4%	\$26,596,804,229	\$1,654,347,109,744								
 Ethereum ETH	Buy	\$2,420.78	▲ 0.0%	▲ 0.1%	▼ 5.3%	\$10,034,644,243	\$295,631,583,967								
 Tether USDT		\$0.9994	▲ 0.0%	▲ 0.0%	▲ 0.0%	\$48,205,191,916	\$183,553,373,128								
 BNB BNB	Buy	\$725.84	▲ 0.2%	▲ 0.4%	▼ 3.3%	\$724,511,356	\$95,447,058,545								
 XRP XRP	Buy	\$1.31	▲ 0.1%	▲ 0.4%	▼ 7.2%	\$1,523,625,771	\$82,424,521,335								
 USDC USDC		\$0.9999	▲ 0.0%	▲ 0.0%	▲ 0.0%	\$14,303,669,870	\$72,418,172,837								
 Solana SOL	Buy	\$104.85	▲ 0.1%	▲ 0.7%	▼ 6.2%	\$2,691,981,762	\$61,790,332,160								
 TRON TRX	Buy	\$0.3313	▲ 0.1%	▼ 0.5%	▼ 0.1%	\$342,525,465	\$31,472,300,391								
 Zcash ZEC	Buy	\$1,143.77	▲ 0.1%	▲ 0.8%	▼ 13.2%	\$1,031,074,304	\$19,403,746,553								
Symbol	Price~	Exp Date	Type	Strike	Moneyness	Bid	Latest	Ask	Volume	Open Int	Vol/OI	Imp Vol	IV	Delta	Last Trade
PBR	26.00	11/06/26 (20)	Call	27.00	-3.85%	1.02	1.06	1.08	61,144	130	470.34	54.11%	60.29%	0.4236	10/16/26
CORZ	13.48	12/17/27 (426)	Put	12.00	-10.98%	3.05	3.20	3.30	34,811	152	229.02	90.96%	78.47%	-0.2747	10/16/26
MSTR	136.83	10/23/26 (6)	Call	148.00	-8.16%	1.55	1.57	1.60	32,004	174	183.93	73.13%	74.21%	0.2205	10/16/26
AI	11.32	10/23/26 (6)	Call	11.50	-1.59%	0.26	0.30	0.35	47,802	290	164.83	61.73%	66.05%	0.4457	10/16/26
MSTR	136.83	10/23/26 (6)	Call	139.00	-1.59%	4.35	4.35	4.50	9,182	100	91.82	73.13%	76.64%	0.4584	10/16/26
SIRI	26.97	10/30/26 (13)	Call	29.00	-7.53%	0.10	0.30	0.43	17,254	190	90.81	34.44%	45.44%	0.2106	10/16/26
OXY	62.38	10/23/26 (6)	Call	67.00	-7.41%	0.15	0.16	0.17	21,735	276	78.75	36.84%	42.60%	0.1012	10/16/26
DNN	2.28	04/16/27 (181)	Put	2.00	-12.28%	0.20	0.30	0.30	11,000	142	77.46	77.62%	65.79%	-0.2912	10/16/26
TSLA	354.72	10/19/26 (2)	Call	352.50	+0.63%	5.50	5.56	5.65	10,527	152	69.26	47.17%	41.48%	0.5897	10/16/26
UBER	70.35	11/06/26 (20)	Put	60.00	-14.71%	0.27	0.34	0.53	18,795	275	68.35	43.21%	54.23%	-0.0914	10/16/26
TSLA	354.72	10/19/26 (2)	Call	355.00	-0.08%	4.15	4.20	4.25	19,196	286	67.12	47.17%	41.05%	0.4985	10/16/26
MU	878.84	10/23/26 (6)	Put	550.00	-37.42%	0.14	0.17	0.25	20,321	336	60.48	51.48%	141.70%	-0.0038	10/16/26
CRBG	34.43	01/15/27 (90)	Put	32.00	-7.06%	1.10	1.15	1.35	6,710	111	60.45	39.62%	34.68%	-0.2974	10/16/26
CE	47.49	12/18/26 (62)	Call	60.00	-26.34%	0.80	0.88	0.90	6,197	116	53.42	60.21%	52.19%	0.1709	10/16/26
APLD	18.05	10/30/26 (13)	Put	17.00	-5.82%	0.62	1.00	1.00	8,162	153	53.35	96.24%	96.83%	-0.3351	10/16/26
PBR	26.00	06/17/27 (243)	Call	30.00	-15.38%	1.69	1.82	1.93	10,004	190	52.65	54.11%	37.17%	0.3835	10/16/26
PBR	26.00	11/06/26 (20)	Call	29.00	-11.54%	0.42	0.45	0.47	61,920	1,187	52.17	54.11%	57.84%	0.2314	10/16/26
SIRI	26.97	10/30/26 (13)	Call	28.00	-3.82%	0.33	0.44	0.62	17,271	335	51.56	34.44%	43.43%	0.3381	10/16/26
XP	29.23	11/20/26 (34)	Put	22.00	-24.73%	0.85	1.01	1.35	6,512	129	50.48	94.27%	118.01%	-0.1652	10/16/26
ALLY	37.68	11/20/26 (34)	Call	40.00	-6.16%	0.55	0.65	0.80	6,783	141	48.11	35.82%	33.06%	0.2958	10/16/26

Cheers,

-NOD-

Nathaniel Orr-Depner

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