xStocks by PAYWARD

Weekly Research

Week of September 21, 2026

Executive Summary

The Federal Reserve's September 16 rate hike is not necessarily bearish for equities. Across six completed tightening phases since 1994, the S&P 500 finished higher four times, while the Nasdaq 100 rose in five. The Russell 2000 ranged from a 7.5% loss in 1994-1995 to a 21.5% gain in 2004-2006. While tighter policy direction may put pressure on valuations, earnings growth and a strong macroeconomic backdrop can carry markets higher. In addition to monitoring monetary policy, we're also tracking two geopolitical channels. Gulf supply disruptions keep headline inflation in focus, while the September 24 Trump-Xi summit puts tariffs and technology restrictions back in play.

Market Dashboard

Macro Markets

ASSET	LEVEL	WOW	YTD
S&P 500	7,764.70	+1.9%	+13.4%
Bitcoin (BRRNY)	86,366.73	+9.2%	-1.1%
US 10Y Treasury Yield	4.95%	-4 bps	+78 bps
HY Credit Spread (OAS)	267 bps	-4 bps	+1 bps
DXY	100.41	+1.0%	+2.1%
Gold	4,342.95	+1.2%	+0.5%
Oil (WTI)	95.78	-5.5%	+66.8%
Fed Funds Target Range	3.75%-4.00%	+25 bps	+25 bps

Federal Reserve target range after the September 16 decision. October FOMC next move: 42% hold and 58% probability of a 25 bp hike, up 11 percentage points over the week. The calculation calendar-weights the October and November fed funds futures implied rates of 3.895% and 4.025% for the October 27-28 meeting, assuming the rate change takes effect October 29 and only hold or +25 bp outcomes. WoW and YTD changes for the target-range row use the upper bound.

xStocks Tokenized Equities

METRIC	THIS WEEK	WOW
Total Volume (On-Chain Observed)	$480.9M	+8.4%
Weekend Share of Volume	24.7%	+4.3pp
Aggregate TVL (Priced Subtotal)	$908.0M	+7.5%

Source: Bloomberg; Federal Reserve September 16 statement; Dune AUM and volume queries, refreshed September 22. xStocks volume is directly observed on-chain DEX activity in this pull; no residual-derived CEX estimates are included. TVL is a priced subtotal. WoW: week over week; YTD: year to date; bps: basis points.

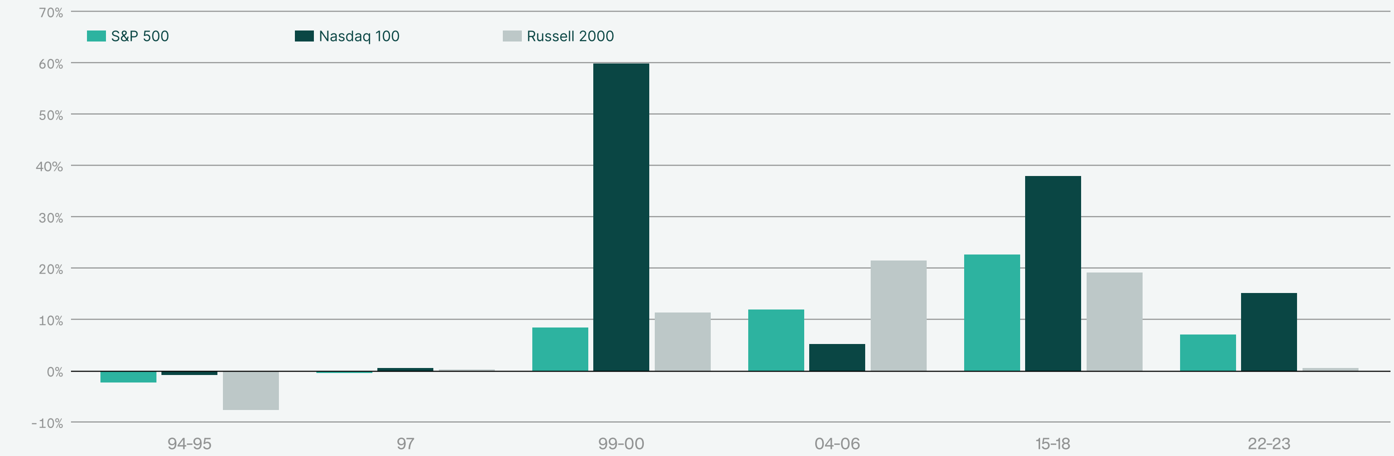
Rate Hikes Have Not Prevented Equity Gains

The Fed's September 16 hike raises a familiar question: can equities move higher while monetary policy tightens? The S&P 500 rose in four of six completed hiking cycles since 1994, including each of the three since 2004. The 1994-1995 phase returned -2.1%, and the one-step 1997 hike returned -0.2%.

Leadership varied across broad indices. The Nasdaq 100 gained 59.9% in 1999-2000, while the Russell 2000 led the S&P 500 in 2004-2006. The Russell then lagged in 2022-2023, gaining 0.6% against 7.1% for the S&P 500 and 15.2% for the Nasdaq 100. Financing sensitivity and earnings composition offer possible explanations for the dispersion.

The path remains important. The S&P 500 gained 7.1% across the 2022-2023 hiking window yet suffered a 22.8% peak-to-trough decline within it. Six completed hiking phases are a small sample, but they reject a mechanical rates rule. With the Fed tightening again, the more useful test is whether companies can absorb higher financing costs and an energy-driven inflation risk.

Hiking cycles produced varied results across broad US equity indices



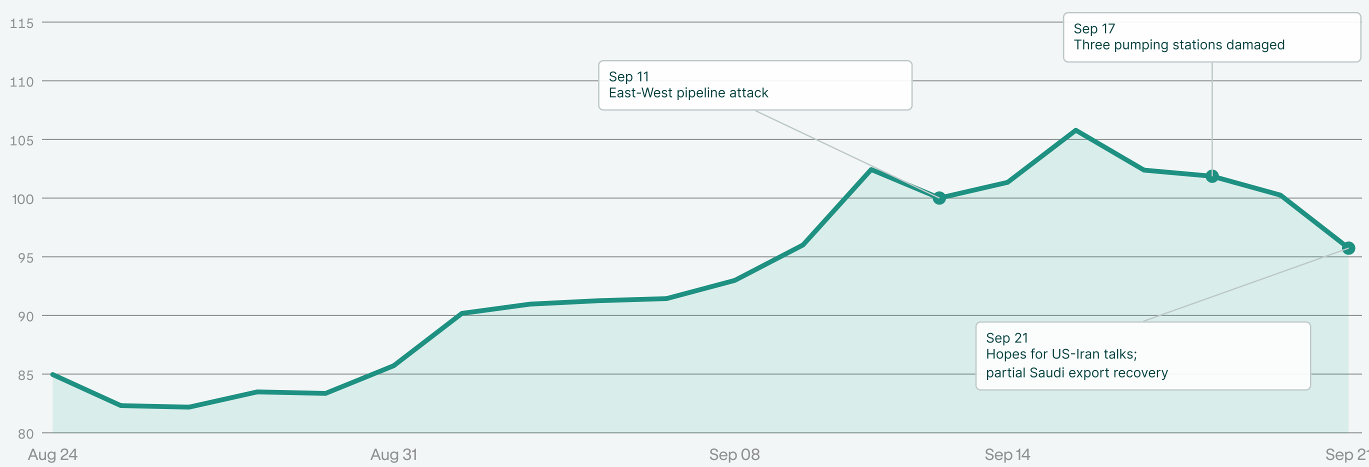
Federal Reserve decision statements and policy history; Yahoo Finance daily closes; CF Benchmarks calculations. Cumulative USD price returns, excluding dividends, cover six completed hiking phases from 1994 to 2023. Windows run from the prior trading close before the first decision through the first close on or after the final decision; intervening holds are included and trailing holds are excluded. The one-step March 1997 phase is retained because the next target change reversed direction. The incomplete September 2026 phase is excluded. Nasdaq 100 is technology-heavy; Russell 2000 is a small-cap benchmark.

Energy Disruption and Trade Talks Remain In Focus

WTI SETTLEMENT	EAST-WEST PIPELINE FLOW	TRUMP-XI SUMMIT
$95.78 on Sep 21	4M-5M bpd before damage	September 24

Lower oil prices offer near-term relief, but disrupted Gulf infrastructure leaves long-term inflation risks. WTI settled at $95.78 on September 21 amid hopes for US-Iran talks and a partial recovery in Saudi exports. Damage to the East-West pipeline leaves shipments more dependent on Hormuz. Sustained recovery could ease transport costs and margin pressure, while renewed disruption would complicate the rate outlook. Separately, the September 24 Trump-Xi summit puts tariffs, technology restrictions and rare-earth access in focus. For technology and industrial equities, the useful evidence will be restored deliveries and published changes to trade rules. A diplomatic meeting alone does not establish either outcome.

WTI rose with Gulf supply risks, then eased on diplomacy headlines



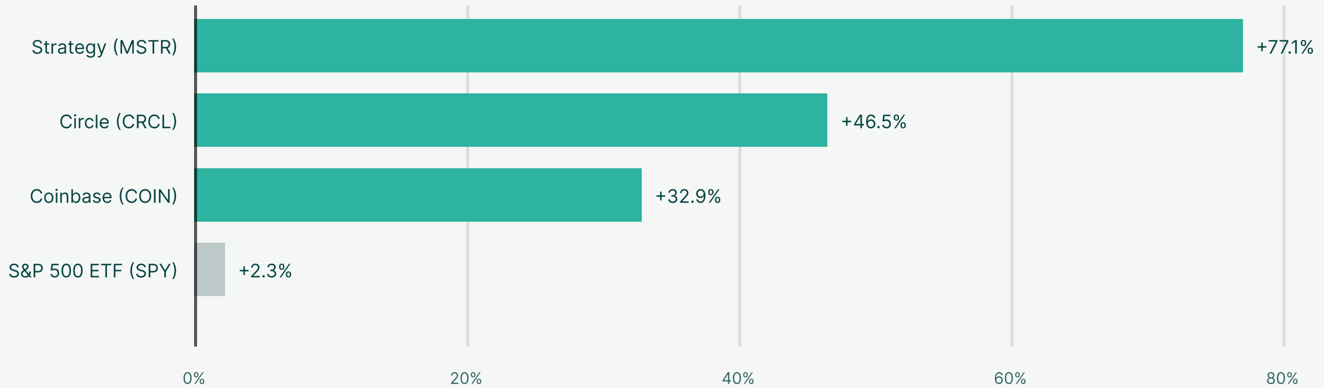
Yahoo Finance front-month WTI daily closes, August 24 to September 21, 2026; Reuters, September 17-21, 2026: WTI October settlement and expiry; Saudi East-West pipeline damage and prior throughput; provisional visible Hormuz vessel traffic; China state visit and summit preview. WTI October expires September 22. Vessel counts exclude transponder-dark ships and do not measure oil volumes. No Iran agreement or US-China summit outcome was established at the September 21 news cutoff. Points are plotted by trading day, so non-trading days are not spaced.

Crypto Equities Have Outpaced US Large Cap Equities in H2

Crypto equities have led the second half of 2026. Strategy, Circle and Coinbase each outperformed SPY from June 30 through September 18. Strategy's 77.1% gain led the group, followed by Circle at 46.5% and Coinbase at 32.9%, versus 2.3% for SPY. Company disclosures show different sensitivities: Circle's reserve income depends on USDC circulation and reserve yields, Coinbase combines trading with subscription and services revenue, and Strategy is a Bitcoin treasury company. Recent performance also diverged: Circle fell 3.9% in September while Strategy and Coinbase advanced. This divergence is likely a result of the different business models; Strategy and Coinbase are more sensitive to price moves in the crypto market.

Crypto equities outpaced SPY in the selected H2 comparison

June 30 to September 18, 2026, USD adjusted-close returns



Yahoo Finance adjusted closes, June 30 to September 18, 2026; CF Benchmarks calculations. Underlying US securities and SPY ETF, not xStocks token returns. Selected names are not a crypto-equity index. Business sensitivities: Circle Q2 results, August 5; Coinbase Q2 results, July 30; Strategy Form 8-K, September 14. Issuer releases establish exposure, not the cause of H2 returns.

Week Ahead

DATE	CATEGORY	EVENT	CONSENSUS / PRIOR	WHY IT MATTERS
Wed Sep 23	Earnings	Cintas fiscal Q1 results	$1.35/$1.29	Uniform-services demand and margins provide a read on business activity and labor costs.
Wed Sep 23	Earnings	Paychex fiscal Q1 results	$1.32/$1.32	Small-business payroll trends provide a company-level check on labor-market resilience.
Thu Sep 24	Regulatory and Policy	Trump-Xi summit in Washington	State visit Sep 23-25; tariff truce expires Nov 10	Changes to tariffs, export permissions or rare-earth access could affect technology and industrial earnings visibility.
Thu Sep 24	Earnings	Costco fiscal Q4 results	$4.86/$4.50	Membership and sales trends offer a read on consumer demand after the Fed's rate increase.

Earnings dates follow company investor-relations schedules. Consensus estimates were not independently verified and are omitted. The September 24 summit remains an upcoming event; no policy outcome is assumed. Categories: Macro Data · Central Banks · Earnings (xStocks-listed names plus index-moving mega-caps only) · Regulatory and Policy · Protocol and Crypto Events.

Data Sources

Federal Reserve · Bloomberg · Dune · Yahoo Finance · Reuters · Company filings · CF Benchmarks

Research powered by CF Benchmarks, a Payward company

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