

Bank and Semiconductor Earnings set the Tone for Q4

Equities trading carried the first bank results, after a drawdown that had already separated the banks

Executive Summary

Bank results opened on Tuesday with trading revenue doing most of the work: Goldman Sachs and Citigroup beat estimates, while JPMorgan fell short even as it raised its net interest income outlook. With the 10-year Treasury yield above 5%, the question for the sector is whether higher rates add more to income than they cost in capital and buybacks.

That rate path runs through Wednesday's September CPI. Energy is expected to lift headline inflation while core stays subdued, and a firm core reading would lift October hike pricing from about one in five. ASML and TSMC then test whether AI hardware spending still supports semiconductor earnings, and Chair Warsh's discussion at the IMF meetings late Thursday is the last scheduled Fed appearance before the blackout.

Market Dashboard

Macro Markets

ASSET	LEVEL	WOW	YTD
S&P 500	7,807.24	+0.4%	+14.0%
Bitcoin (BRRNY)	82,528.45	-3.7%	-5.5%
US 10Y Treasury Yield (Oct 9 close)	5.24%	-7 bps	+107 bps
HY Credit Spread (OAS)	308 bps	+1 bps	+42 bps
DXY	102.59	+0.4%	+4.3%
Gold	4,170.66	+0.8%	-3.4%
Oil (WTI)	93.17	+4.2%	+62.3%
Fed Funds Target Range	3.75%-4.00%	+0 bps	+25 bps

xStocks Tokenized Equities

METRIC	THIS WEEK	WOW
xStocks Volume, All Venues (7 Days)	\$445.6M	+58.2%
xStocks Volume, Kraken (Oct 5-11)	\$71.2M	+61.4%
Aggregate TVL, xStocks (All Chains)	\$938.6M	+3.4%

Federal Reserve target range after the September 16 decision. October FOMC next move: 21% probability of a 25 bp hike, up 1.1 percentage points from 19.9% a week earlier, and 79% hold, our calendar-weighted calculation from the October and November Bloomberg fed funds futures implied rates of 3.882% and 3.930% (refreshed October 13, 9:14 ET) for the October 27-28 meeting, assuming the change takes effect October 29 and only hold or +25 bp outcomes. CME FedWatch showed 19.5% on October 13. WoW and YTD changes for the target-range row use the upper bound. Source: Bloomberg, October 12 US close; the 10-year yield is the October 9 close (Columbus Day). Volume: Payward Services internal data, all venues for the seven days to the latest available day and Kraken for October 5 to 11, each against the prior period. The volume basis differs from last week's report, which used on-chain observed volume only. TVL: Backed.fi registry snapshot, October 12, 9:02 ET; WoW against the \$908.0M in the October 5 report.

Research Insight

Trading carried the first bank results, after a drawdown that had already separated the banks

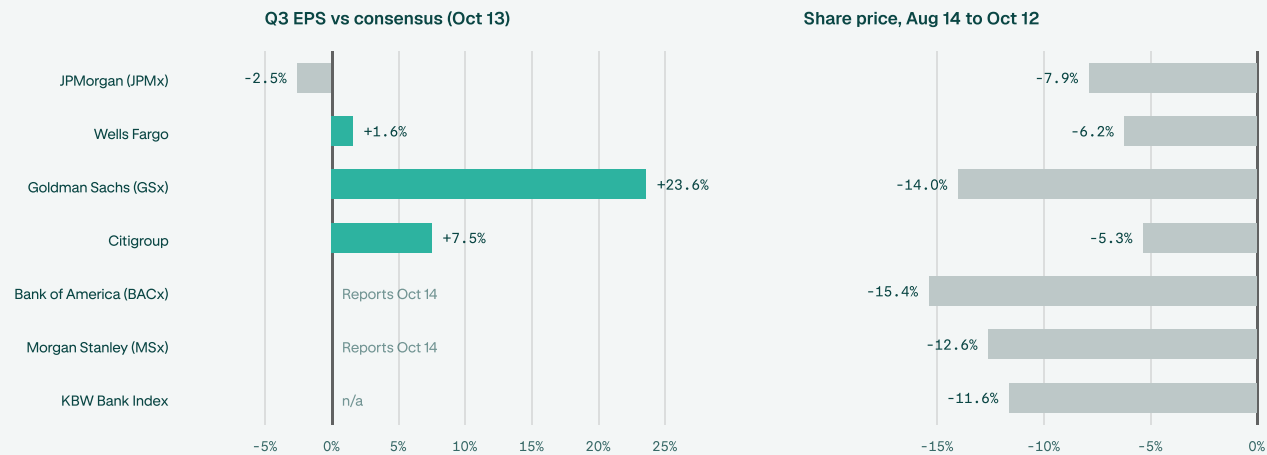
Goldman Sachs and Citigroup beat consensus, Wells Fargo was slightly ahead and JPMorgan fell short. Goldman posted the widest beat, 24%; its estimates had been cut 16% in the prior four weeks. Equities trading did most of the work, with revenue up 72% at Goldman Sachs and 49% at JPMorgan, while fixed income was flat to lower at three of the four. JPMorgan raised its full-year net interest income guidance to about \$106.2 billion but reduced share repurchases.

The KBW Bank Index ended Monday 11.6% below its August 14 high. Goldman Sachs, Bank of America and Morgan Stanley, the three banks whose estimates were cut, were down 14.0%, 15.4% and 12.6%, against 5.3% to 7.9% for JPMorgan, Wells Fargo and Citigroup, whose estimates changed by 1% or less. A 10-year yield above 5% lifts lending income over time but lowers fixed-rate securities values, which Citi named as a capital drag.

Bank of America and Morgan Stanley report before Wednesday's open, after consensus cuts of 7% and 5% in four weeks. If trading offsets softer investment banking, trading, more than lending, is carrying bank earnings. BACx and MSx turnover before the cash open, against the prior five sessions, will show whether the releases draw activity on-chain.

Bank Results and the Drawdown Before Them

Company releases, Oct 13, 2026, against Bloomberg BEst consensus (Oct 5); Yahoo Finance closes, Aug 14 to Oct 12, 2026



Company releases and SEC Form 8-K exhibits, October 13, 2026. JPMorgan EPS \$5.75 excluding \$498 million after-tax securities losses (\$5.57 reported, below consensus on either basis). Consensus: Bloomberg BEst adjusted EPS, October 5 pull. EPS surprises use the consensus rounded to the cent. Bank of America and Morgan Stanley report October 14; the KBW Bank Index has no EPS comparison. Prices: Yahoo Finance daily closes; the chart shows the underlying shares.

Fed and Rates Watch

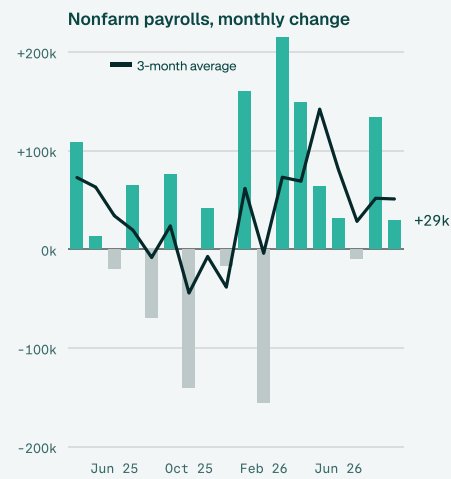
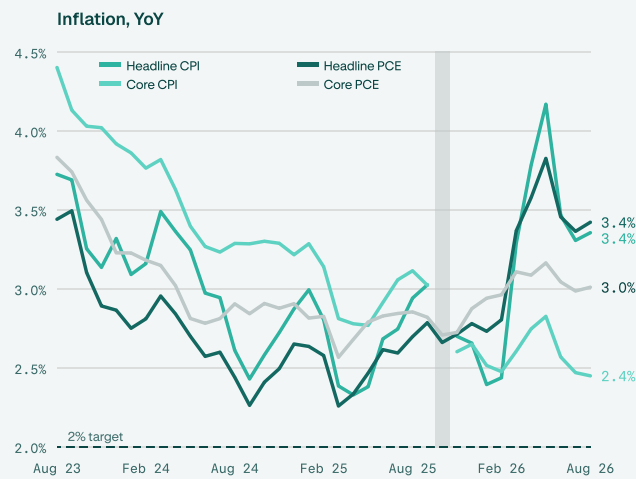
Core CPI decides whether October hike pricing rises, with Warsh speaking after the data

AUGUST CORE CPI, YOY	SEPTEMBER CORE CONSENSUS	OCTOBER HIKE PRICING
2.4%	+0.2% m/m, 2.5% y/y	About 1 in 5

September CPI on Wednesday is expected to show headline prices up 0.6% in the month, with gasoline at a record for September, and core up 0.2%, for annual rates of about 3.6% and 2.5%. Core CPI has run below core PCE, at 3.0% in August, in each month since November 2025. After September payrolls rose 29,000, fed funds futures cut October hike odds to about one in five, so a firmer core reading is what would lift them. Chair Warsh speaks late Thursday, after CPI, PPI and retail sales; in September he declined to give forward guidance and tied higher long-term yields partly to competition for capital from hyperscaler borrowing.

The Fed's Two Mandates

Inflation to Aug 2026 (shaded: no Oct 2025 CPI, government shutdown) · payrolls to Sep 2026



FRED CPIAUCSL, CPILFESL, PCEPI and PCEPILFE, seasonally adjusted, year over year on a calendar-month lag (BLS published no October 2025 CPI); FRED PAYEMS, first-differenced (BLS Employment Situation, October 2). Core CPI has run below core PCE in each month since November 2025: our calculation from FRED CPILFESL and PCEPILFE.

AI Hardware Watch

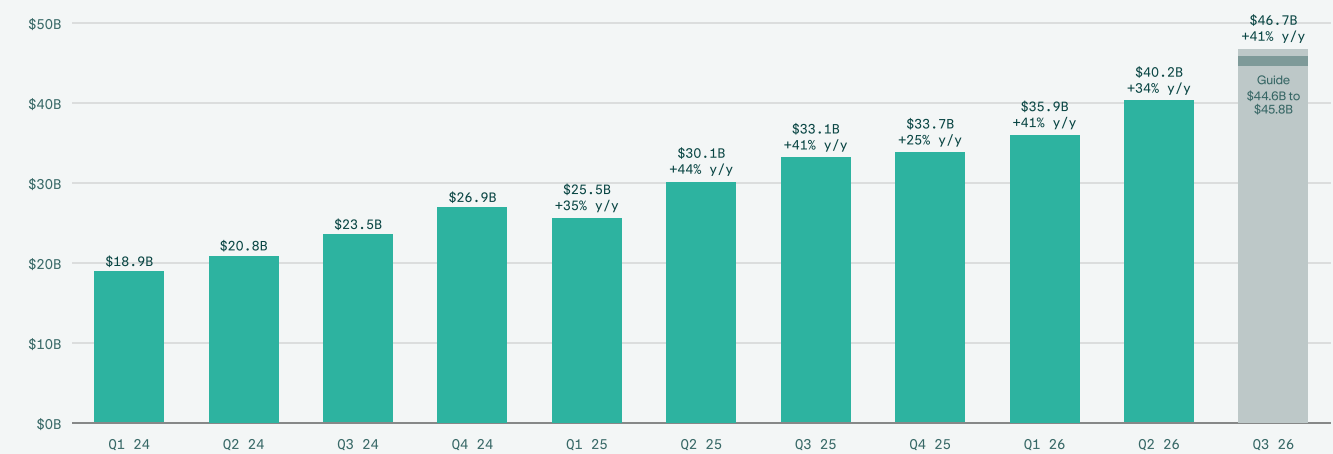
TSMC's monthly sales already beat its guide, so Thursday turns on the outlook and margins

TSMC Q3 REVENUE, IMPLIED	TSMC 2026 CAPEX GUIDE	ASML 2026 SALES GUIDE
\$46.7B, +41% y/y	\$60B to \$64B	€43B to €45B

TSMC's monthly filings put third-quarter revenue at about \$46.7 billion, 2% above the top of its guidance. Management has flagged 3 to 4 points of gross margin dilution from the 2nm ramp in the second half, after raising 2026 capital spending to \$60 billion to \$64 billion. ASML reports on Wednesday as the upstream read on that spending. It raised its 2026 sales outlook to €43 billion to €45 billion in July and no longer discloses bookings, so comments on customer commitments, EUV demand and China matter most. The PHLX Semiconductor Index (SOX) ended Monday 16.4% below its 2026 high. A fourth-quarter gross margin guide flat on the third-quarter range of 65% to 67% despite 2nm dilution is the test.

TSMC Quarterly Revenue, US\$ Billions

Reported to Q2 2026; Q3 2026 (grey) implied by monthly revenue at NT\$32 per US\$



TSMC monthly revenue releases, SEC Form 6-K, August 10, September 10 and October 8, 2026 (July NT\$467.6bn, August NT\$514.8bn, September NT\$511.9bn), converted at the NT\$32 per US\$ guidance rate; TSMC reports Q3 in US\$ at the actual average rate, so the October 15 figure may differ. Guidance from the 2Q26 earnings release, July 16, 2026. Q4 2024 is backed out from the Q4 2025 growth rate.

Earnings Scorecard

UnitedHealth's beat and raised outlook led Tuesday's other results, with Netflix and Tesla next

UNH ADJ. EPS VS CONSENSUS	UNH 2026 ADJ. EPS OUTLOOK	NEXT WEEK
\$4.69 vs \$4.13	At least \$20.50	NFLX Oct 20, TSLA Oct 21*

UnitedHealth reported third-quarter adjusted EPS of \$4.69 against \$4.13 expected and raised its full-year adjusted EPS outlook to at least \$20.50, from a range of \$19.50 to \$20.00, on revenue of \$112.7 billion. The medical care ratio, the swing factor for managed care margins, was 88.4%, down from 89.9% a year earlier, with \$610 million of favorable prior-period reserve development. Next week shifts to growth names. Netflix reports after the close on October 20; Tesla is expected October 21, not yet confirmed by the company. Source: UnitedHealth Q3 2026 release, SEC Form 8-K, October 13, 2026; consensus: Bloomberg BEst, October 5 pull; prior outlook: UnitedHealth Q2 2026 results. Netflix press release, September 14, 2026; Tesla date: Bloomberg. * Date not confirmed by the company.

Week Ahead

DATE	CATEGORY	EVENT	CONSENSUS / PRIOR	WHY IT MATTERS
Wed Oct 14	Earnings	ASML Q3, 07:00 CEST (1:00 am ET)	Company guide: sales €11B to €12B; gross margin 55% to 57%	Comments on customer commitments, EUV demand and the 2027 outlook set the tone for semiconductor equipment.
Wed Oct 14	Earnings	Bank of America and Morgan Stanley Q3, before the open	EPS consensus: BAC \$1.11, MS \$3.01 (Bloomberg BEst, October 5)	Completes the bank read; whether trading again offsets softer investment banking.
Wed Oct 14	Macro Data	September CPI, 8:30 ET	Bloomberg survey: headline +0.6% m/m; core +0.2% m/m, 2.5% y/y. Prior: 3.4% and 2.4% y/y	Core decides whether hike pricing for the October 27-28 meeting rises.
Wed Oct 14	Central Banks	Beige Book, 2:00 ET	Prior edition: September 2	District reports on prices and hiring ahead of the October meeting.
Thu Oct 15	Earnings	TSMC Q3 results and call, 2:00 am ET	Company guide: revenue \$44.6B to \$45.8B; gross margin 65% to 67%	Gross margin and fourth-quarter guidance are the clearest read on AI hardware demand.

Week Ahead (continued)

DATE	CATEGORY	EVENT	CONSENSUS / PRIOR	WHY IT MATTERS
Thu Oct 15	Macro Data	September PPI and retail sales, 8:30 ET	Consensus: PPI +0.5% m/m; retail sales +0.3%. Prior: +0.4% and +1.2%	PPI shows how far energy costs are passing through; retail sales test consumer demand.
Thu Oct 15	Central Banks	Chair Warsh with IMF Managing Director Georgieva, 11:30 pm ET	Moderated discussion, IMF and World Bank Annual Meetings, Bangkok	Last scheduled Fed appearance before the blackout that begins October 17.
Fri Oct 16	Macro Data	September industrial production, 9:15 ET	Consensus: +0.1% m/m	A growth check after the inflation releases.
Fri Oct 16	Market Structure	Monthly equity options expiration	Third Friday of October	Expiry can lift single-stock turnover in the underlying shares.

Dates follow the BLS, Federal Reserve, Federal Reserve G.17 and company investor-relations calendars; PPI and retail sales times are from third-party calendars. Forecasts: CPI, Bloomberg survey via Yahoo Finance, October 10; PPI and retail sales, Bloomberg and Reuters calendars via investingLive, October 9; industrial production, Trading Economics; bank EPS, Bloomberg BEst, October 5. Categories: Macro Data · Central Banks · Earnings (xStocks-listed names plus index-moving mega-caps only) · Regulatory and Policy · Protocol and Crypto Events · Market Structure.

Data Sources

Bloomberg · Federal Reserve · FRED · BLS · BEA · AAA · SEC filings · TSMC · ASML · Company releases · Payward Services internal data · Yahoo Finance · CF Benchmarks

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