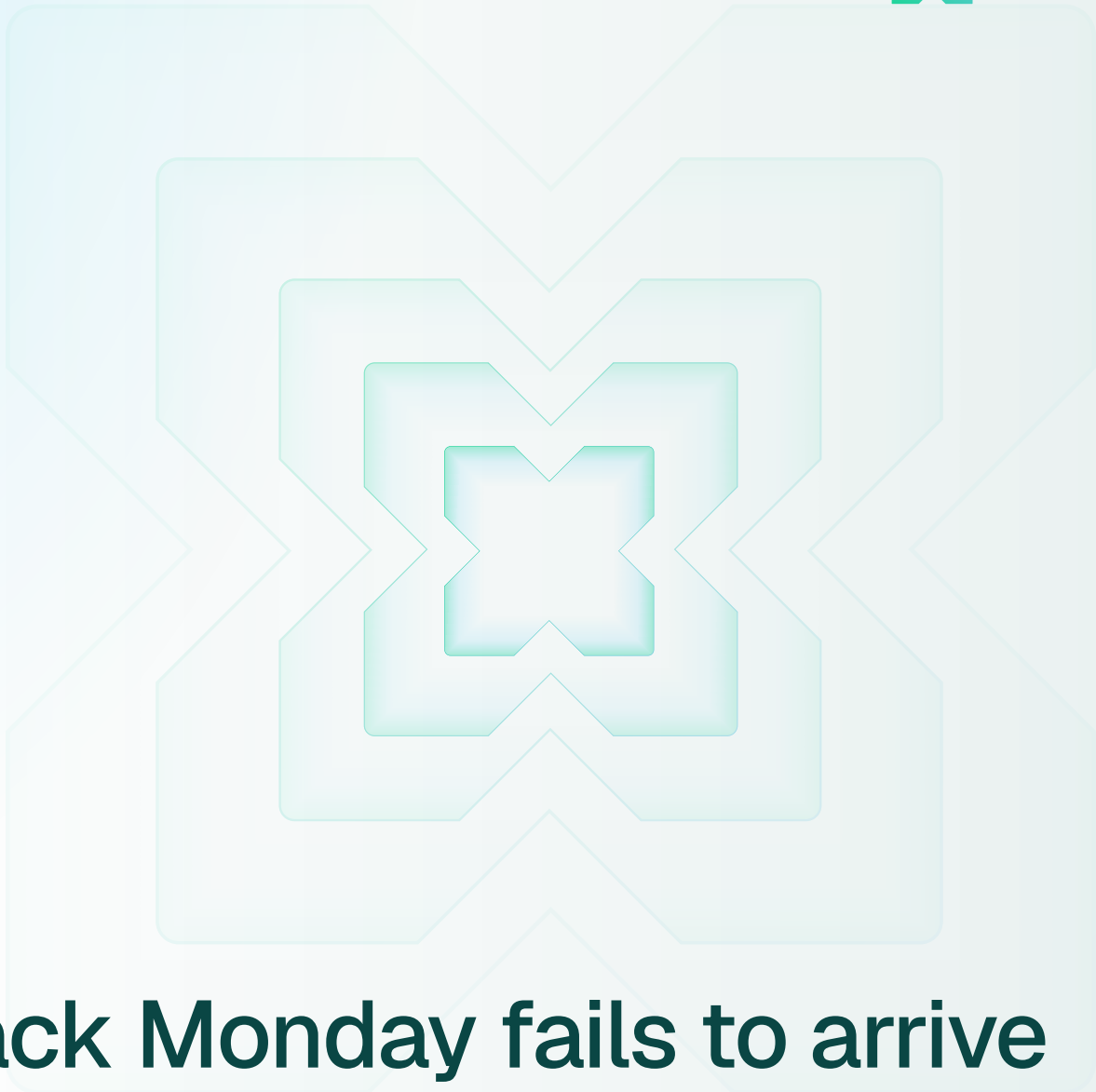




Black Monday fails to arrive

xStocks priced no crash over the weekend and moved with futures once they reopened

Executive Summary

The Black Monday warnings that circulated on social media over the weekend did not arrive. The S&P 500 and Nasdaq closed higher on Monday, led by a rebound in chip stocks after the semiconductor index's longest losing run since 2008, although most S&P 500 members still closed lower.

The pressures behind the warnings have not gone away. Crude oil is above \$100 after attacks on shipping around the Strait of Hormuz, the 10-year Treasury yield is above 5% and September inflation ran hot. xStocks traded through the weekend close to Friday's levels and moved with futures when they reopened, so the weekend showed no sign of a crash being priced. Tesla, Meta and Netflix report this week, a test of whether earnings can broaden a one-day rebound led by chips.

Market Dashboard

Macro Markets

ASSET	LEVEL	WOW	YTD
S&P 500	7,690.73	-1.5%	+12.3%
Bitcoin (BRRNY)	\$81,835.78	-0.6%	-6.3%
US 10Y Treasury Yield	5.14%	-10 bp	+97 bp
HY Credit Spread (OAS)	331 bp	+23 bp	+65 bp
DXY	101.98	-0.6%	+3.7%
Gold	\$4,141.08	-0.5%	-4.1%
Oil (WTI)	\$103.66	+10.6%	+80.5%
Fed Funds Target Range	3.75%-4.00%	Unch	+25 bp

xStocks Tokenized Equities

METRIC	THIS WEEK	WOW
xStocks Volume, All Venues (Oct 12-18)	\$699.5M	+57.0%
xStocks Volume, Kraken (Oct 12-18)	\$139.0M	+95.3%
Aggregate TVL, xStocks (All Chains)	\$952.9M	+1.5%

Federal Reserve target range after the September 16 decision. Fed funds futures price an 18.8% probability of a 25 bp hike at the October 27-28 FOMC, down from 21.0% a week earlier, and 81.2% for a hold. This is our calendar-weighted calculation from Bloomberg's October and November fed funds futures implied rates (3.8825% and 3.925%, October 19, 5:20 pm ET), assuming a change takes effect October 29 and only hold or +25 bp outcomes. WoW and YTD changes for the target range use the upper bound. Source: Bloomberg, October 19 US close. Bitcoin: CF Benchmarks Bitcoin Reference Rate, New York Variant (BRRNY), via Bloomberg. Volume: Payward Services internal data, all venues and Kraken, October 12 to 18 against October 5 to 11. TVL: market value of xStocks outstanding across all chains, from the Backed.fi registry snapshot, October 19, 9:02 am ET; WoW against the \$938.6M in the October 12 report.

Research Insight

xStocks priced no crash over the weekend and moved with futures once they reopened

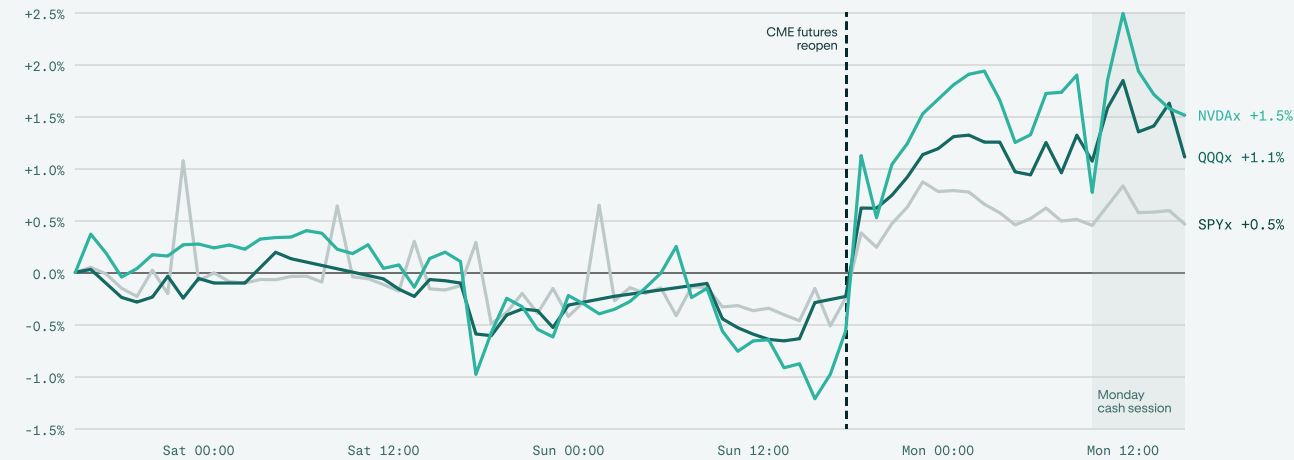
Calls for a Black Monday on the anniversary of the 1987 crash spread across social and crypto accounts after Friday's selloff, citing oil, inflation and AI valuations. Tokenized equities traded through the weekend, and xStocks did not price one. Before CME equity futures reopened at 6:00 pm ET on Sunday, the weekend low was 0.5% below Friday's close for SPYx, 0.7% for QQQx and 1.2% for NVDAx, against Friday losses of 1.1% for the S&P 500 and 2.5% for the Nasdaq 100.

The turn came in the hour futures reopened, when all three moved above Friday's close as trading picked up. By Monday's close SPYx was up 0.5%, QQQx 1.1% and NVDAx 1.5%, in line with cash-market gains of 0.4% for the S&P 500, 1.2% for the Nasdaq 100 and 1.4% for NVIDIA.

For the 50 hours from Friday's close to the futures open, tokenized equities were one of the few places these names traded, and xStocks drifted with Friday's tone without extending it. Once futures reopened, the tokens repriced alongside them, not ahead of them. A weekend move that holds its direction through the futures open would be the stronger signal.

xStocks over the weekend, % vs Friday close

Hourly, October 16 16:00 ET to October 19 16:00 ET



Our calculation from Dune query 8568670, median-filtered hourly DEX closes, as a percentage of each token's close in the hour ending 4:00 pm ET on October 16. Futures reopen: CME Globex equity index schedule, Sunday 6:00 pm ET. Weekend liquidity is thin: single-hour SPYx moves of up to 1.1%, on as few as 32 trades, reversed within the next hour. QQQx did not trade in every hour, so its line is drawn across the hours in which it did. The chart shows the tokens, not the underlying shares.

AI Hardware Watch

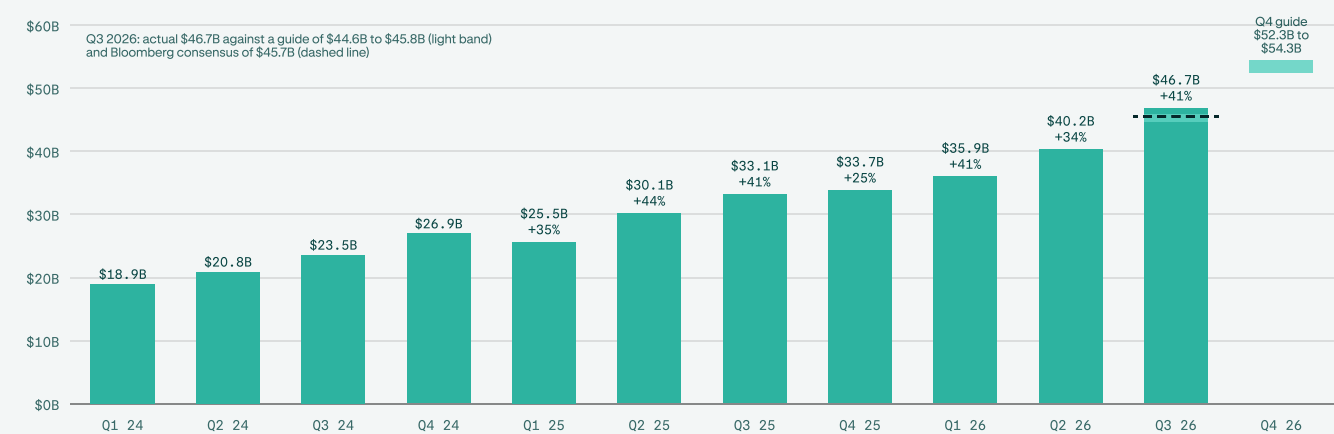
TSMC beat estimates, but chips fell for two more sessions before a narrow Monday rebound

SOX, OCT 6 TO OCT 16	TSMC Q3 REVENUE VS CONSENSUS	TSMC Q4 REVENUE GUIDE
-15.7% (8 sessions)	\$46.7B vs \$45.7B	\$52.3B to \$54.3B

The PHLX Semiconductor Index (SOX) fell for eight straight sessions to October 16, losing 15.7% as doubts about hyperscaler spending and its funding spread across AI hardware. TSMC's results on October 15 did not stop the slide. Third-quarter revenue of \$46.72 billion, up 41% from a year earlier, beat the Bloomberg consensus by 2.3% and the top of the company's guide, and the fourth-quarter guide implies 14% sequential growth at the midpoint with gross margin held at 65% to 67%. The SOX still fell 0.9% that day and 3.8% the next, so the market looked past the results. Monday's 1.6% rebound was narrow, with memory names leading while most S&P 500 members fell.

TSMC quarterly revenue, US\$ billions

Q1 2024 to Q3 2026 reported; Q4 2026 guidance from the October 15 release



TSMC 3Q26 earnings release, SEC Form 6-K, October 15, 2026; Q3 guidance from the 2Q26 release, July 16, 2026. Consensus: Bloomberg BEst revenue, October 5 pull (\$45.66 billion); a pre-release Bloomberg consensus for the fourth quarter was not available, so the chart shows the guide alone. Growth labels are year over year.

Inflation and Growth Pulse

Oil above \$100 lifted inflation, while the 10-year yield extended a decline that began before the CPI release

WTI, WEEK TO OCT 19	SEPTEMBER CPI, Y/Y	10Y YIELD, WEEK TO OCT 19
\$103.66, +10.6%	3.7% headline, 2.6% core	5.14%, -10 bp

WTI crude rose 10.6% in the week to \$103.66 after attacks on shipping around the Strait of Hormuz and Houthis missile strikes on Saudi Arabia. The energy shock is already in the inflation data: September CPI rose 0.6% in the month, lifting the annual rate to 3.7% from 3.4%, while core rose 0.3%, for 2.6%. Treasuries did not sell off on it. The 10-year yield, which peaked at 5.31% on October 5, was 5.21% the day before the release and 5.09% by October 16, then rose 5 bp to 5.14% on Monday. With high-yield spreads 23 bp wider and hike odds easing, the decline is consistent with a bid on growth and risk concerns.

US 10-year Treasury yield, %

Jul 1, 2026 to Oct 19, 2026



Daily 10-year yield, July 1 to October 16: FRED DGS10; the October 19 point is Bloomberg USGG10YR, as FRED had not yet posted it. CPI: FRED CPIAUCSL and CPILFESL, seasonally adjusted (BLS, released October 14). The axis is bracketed one step beyond the reference so the July low of 4.48% and the October 5 peak of 5.31% both sit inside the plot.

On-Chain Flows

The weekend took a larger share of xStocks turnover, and the mix moved away from chip tokens

VOLUME, ALL VENUES, OCT 12 TO 18	KRAKEN, OCT 12 TO 18	WEEKEND SHARE, OCT 12 TO 18
\$699.5M, +57.0%	\$139.0M, +95.3%	24.4%, +4.0 pp

xStocks volume across all venues rose 57.0% to \$699.5 million in the week to October 18, and Kraken volume nearly doubled. The mix moved away from chips: on estimated turnover, CRCLx rose 40% and TSLAx 64%, while NVDAx fell 25%. The weekend took a larger share. Saturday and Sunday carried 24.4% of the week's estimated turnover, up from 20.5%, and the directly observed DEX share rose as well. NVDAx carried about 92% of weekend turnover in chip tokens. Turnover is not net buying, and prices drifted only modestly, so the warnings drew activity without a crash being priced. Tesla, Meta and Netflix report after the close this week. Source: Payward Services internal data; token turnover, weekend share and chip-token share from Dune query 6964551, provider xstocks, October 12 to 18 against October 5 to 11, combining directly observed DEX volume with residual-derived CEX estimates (CRCLx \$108.2M, TSLAx \$60.6M, NVDAx \$76.7M; weekend DEX share 13.2% against 9.7%). Chip tokens are NVDAx, AMDx, AVGOx, MUX, INTCx, ASMLx, MRVLx and TSMx. Dune and Payward totals are measured differently and are not directly comparable.

Week Ahead

DATE	CATEGORY	EVENT	CONSENSUS / PRIOR	WHY IT MATTERS
Tue Oct 20	Earnings	Netflix Q3, after the close (4:01 pm ET)	EPS \$0.83; revenue \$12.88B	Subscriber and advertising trends test consumer demand outside AI hardware.
Tue Oct 20	Earnings	SpaceX Q3, after the close; webcast 4:30 pm ET	EPS \$0.15; revenue \$12.82B	SPCXx was the most-traded xStocks token in the week to October 11; launch cadence and Starlink growth are the read.
Tue Oct 20	Macro Data	September housing starts, 8:30 am ET	1.31M; prior 1.275M	Housing is where a 10-year yield above 5% bites first.
Wed Oct 21	Earnings	Tesla Q3, after the close; call 5:30 pm ET	EPS \$0.41; revenue \$27.86B	Third most-traded xStocks token from October 12 to 18; margins and delivery guidance are the swing factors.
Wed Oct 21	Earnings	Meta Q3, after the close; call 4:30 pm ET	EPS \$7.57; revenue \$63.25B	Capital spending guidance is the clearest read on hyperscaler demand after doubts weighed on chips.

Week Ahead continued

DATE	CATEGORY	EVENT	CONSENSUS / PRIOR	WHY IT MATTERS
Wed Oct 21	Earnings	Lam Research (call 5:00 pm ET), Texas Instruments and IBM Q3, after the close	Lam EPS \$2.19, revenue \$8.15B; IBM EPS \$2.87, revenue \$16.83B	Whether the SOX's eight-session decline reflected orders or sentiment.
Thu Oct 22	Macro Data	Weekly jobless claims, 8:30 am ET; existing home sales, 10:00 am ET*	Claims prior 199K	A growth read while energy lifts inflation.
Fri Oct 23	Macro Data	S&P Global flash PMIs, 9:45 am ET; University of Michigan final October sentiment, 10:00 am ET*	Composite PMI prior 58.4; sentiment preliminary 46.3	Shows how far oil above \$100 is feeding into prices and expectations before the October 27-28 FOMC.

Earnings dates and call times: company investor relations pages (Meta, October 12; SpaceX, October 16; Lam Research and Texas Instruments calendars) and third-party earnings calendars (Opening Bell Daily, TradingView, October 18-19). Earnings consensus: Bloomberg BEst, adjusted EPS and revenue, October 5 pull; Texas Instruments is not in that pull. Housing starts consensus: Reuters poll median. Claims prior: US Department of Labor, week to October 10. Composite PMI prior: S&P Global September flash. Sentiment: University of Michigan preliminary October reading, October 9. * Time from third-party calendars. Intel reports after this window. The Fed's blackout runs until the October 27-28 FOMC. Categories: Macro Data · Central Banks · Earnings (xStocks-listed names plus index-moving mega-caps only) · Regulatory and Policy · Protocol and Crypto Events.

Data Sources

Bloomberg · CF Benchmarks · Payward Services internal data · Backed.fi · Dune · FRED · BLS · Federal Reserve · CME Group · SEC filings · Company releases · Reuters · S&P Global · University of Michigan · Yahoo Finance

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