Week of November 2, 2026

xStocks by PAYWARD

Midterms & Treasury Refunding Set the Tone for Equities

The S&P 500 has risen in the year after every midterm since 1950, whichever party won control

Executive Summary

Americans vote for a new Congress today with prediction markets favoring Democrats to take both chambers, and Treasury sets out its debt sales on Wednesday. Both events reach equities mainly through the bond market, where the 10-year yield has eased to 4.91% from its October high.

The result itself has mattered little for stocks. Since 1950 the S&P 500 has risen in the twelve months after every midterm, whichever party won control. Fiscal deadlines and debt supply are the more direct channel. Government funding lapses on December 11, and Wednesday's refunding statement is expected to leave auction sizes unchanged, so investors are watching what Treasury says about buying back long-dated bonds. Earnings remain supportive, though growth leadership is on course to pass from the largest technology companies to the rest of the index, and AMD, Arm and Qualcomm test the AI trade again this week.

Market Dashboard

Macro Markets

ASSET	LEVEL	WOW	YTD
S&P 500	7,541.40	-1.8%	+10.2%
Bitcoin (BRRNY)	$76,838.27	-3.8%	-12.0%
US 10Y Treasury Yield	4.91%	-8 bp	+74 bp
HY Credit Spread (OAS)	340 bp	+12 bp	+74 bp
DXY	101.77	-0.2%	+3.5%
Gold	$3,946.80	-1.7%	-8.6%
Oil (WTI)	$95.93	-5.7%	+67.1%
Fed Funds Target Range	3.75%-4.00%	Unch	+25 bp

xStocks Tokenized Equities

METRIC	THIS WEEK	WOW
xStocks Volume, Estimated All Venues (Oct 27-Nov 2)	$571.0M	-3.6%
Weekend Share of Volume	24.4%	+1.9pp
Aggregate TVL, xStocks (All Chains)	$1,061.8M	+4.2%

Federal Reserve target range after the October 28 hold. Fed funds futures price a 74.7% probability of a 25 bp hike at the December 8-9 FOMC, down from 81.7% a week earlier on the same basis, and 25.3% for a hold. This is our calendar-weighted calculation from Bloomberg's November and December fed funds futures implied rates (3.8825% and 4.015%, November 2, 4:27 pm ET), assuming a change takes effect December 10 and only hold or +25 bp outcomes. WoW and YTD changes for the target range use the upper bound. Source: Bloomberg, November 2 US close. Bitcoin: CF Benchmarks BRRNY via Bloomberg. Volume and weekend share: our calculation from Dune query 6964551, provider xstocks, October 27 to November 2 against October 20 to 26, combining directly observed DEX volume with residual-derived CEX estimates; the latest day's CEX estimate is preliminary, so this week's total is provisional. October 20 to 26 is revised to $592.1M from the $674.7M published last week, mainly through a lower October 26 CEX estimate. TVL: Backed.fi registry, November 3 snapshot; WoW against the $1,019.4M in the October 26 report.

Research Insight

Prediction markets favor Democrats in both chambers, the rarest midterm outcome, but the S&P 500 has risen in the year after every midterm since 1950

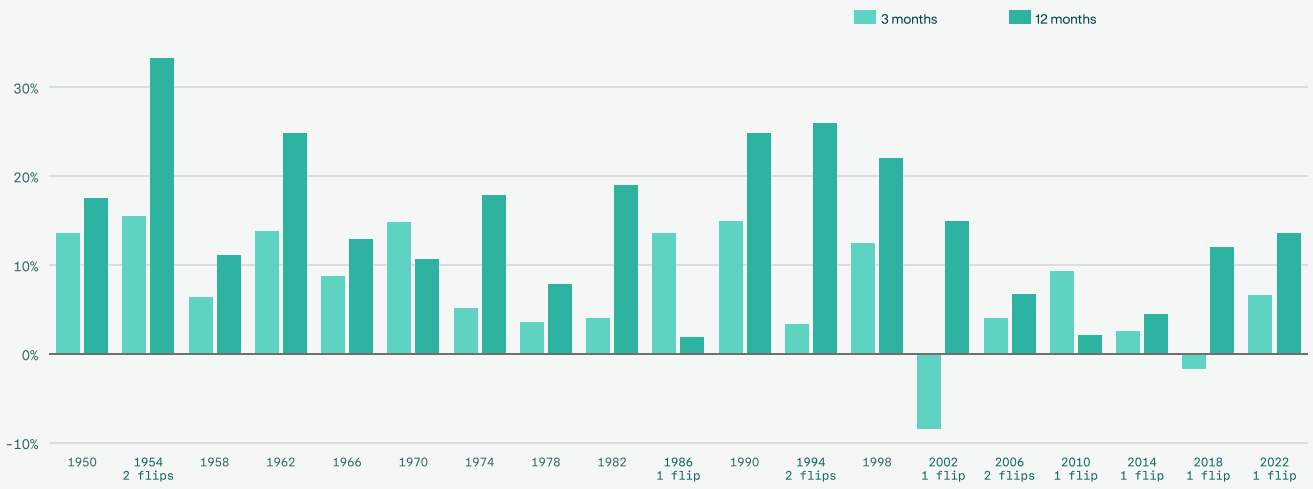
On the eve of the vote, prediction markets priced Democrats at 94% to win the House and 74% to win the Senate; taking both would change control of both chambers. Since 1950 that has happened at only three midterms, in 1954, 1994 and 2006. The S&P 500 rose a median 4.0% over the following three months and 25.9% over twelve, against 10.5% and 17.7% when neither chamber changed hands and 4.6% and 8.2% when one did.

With three cases, that twelve-month figure rests largely on 1954 and 1994. The sturdier result is that the index rose in the twelve months after all 19 midterms, by a median 13.6%, against 10.4% for all twelve-month windows since 1950, and over three months it fell only twice, in 2002 and 2018. The record reflects the vote passing, not who won.

This year the policy channel runs through the bond market. Morgan Stanley's base case is divided government, which would make major legislation harder to pass. With government funding expiring December 11 and the debt limit projected to bind around May 2027, gridlock moves fiscal risk onto those deadlines rather than removing it.

S&P 500 three and twelve months after each midterm

1950 to 2022, from the election-day close · flips = chambers of Congress that changed hands



S&P 500 price index, daily close: Yahoo Finance (^GSPC), checked against FRED SP500 where they overlap; our calculation of the return over the 63 and 252 trading days after the election-day close, midterms 1950 to 2022. The NYSE was closed on election day through 1980, so those years use the prior close. Change in control compares the Congress sitting at the election with the one it elected (US House Office of the Historian; US Senate Historical Office).

Earnings Watch

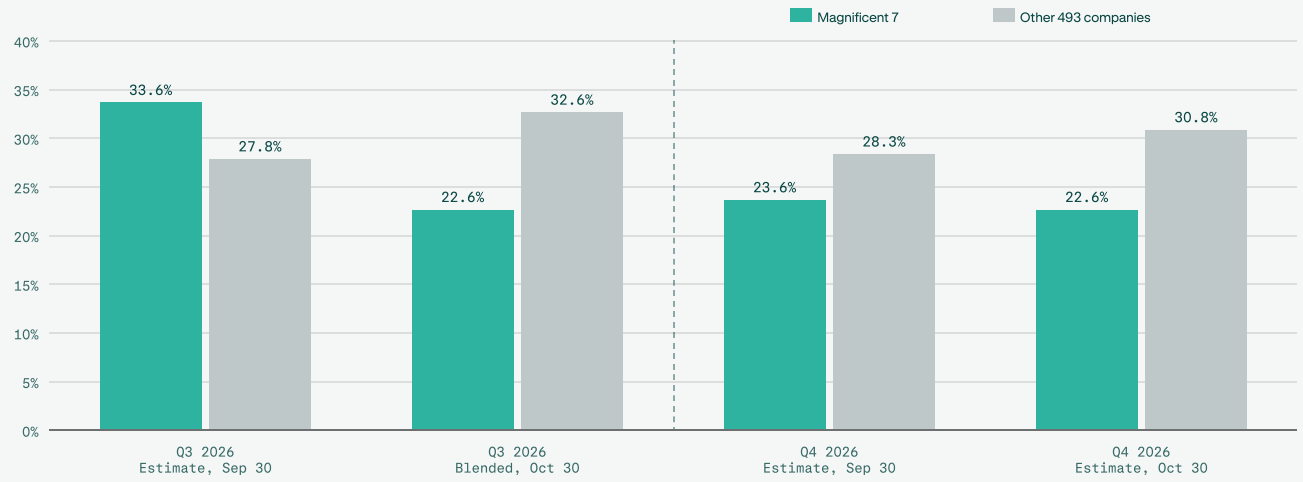
The Magnificent 7 are on course to grow earnings more slowly than the rest of the S&P 500 for the first time since 2022

MAG 7 Q3 EPS GROWTH, BLENDED	OTHER 493 Q3 EPS GROWTH	MAG 7 Q4 EPS GROWTH, EST.
22.6%, from 33.6% on Sep 30	32.6%, from 27.8%	22.6% vs 30.8% for the 493

S&P 500 earnings growth is broadening away from its largest companies. With five of the Magnificent 7 reported, FactSet puts their blended third-quarter growth at 22.6%, down from 33.6% expected on September 30, while growth for the other 493 companies has risen to 32.6% from 27.8%. If that holds, it will be the first quarter since late 2022 in which the Mag 7 grew more slowly. Part of the gap is accounting. Alphabet and Meta booked an investment loss and a litigation charge, and Amazon's year-ago base includes Anthropic gains. Analysts expect it to persist into the fourth quarter, at 22.6% against 30.8%, so companies outside the seven largest would supply more of the index's expected 28.4% growth. Source: FactSet Earnings Insight, John Butters, October 30, 2026, pages 3 to 5; Q3 2026 figures are blended actual and estimated results with 5 of the 7 and 60% of the index reported. Apple reported on November 2, after these figures, with revenue of $114.5 billion, up 12%. FactSet uses GAAP EPS for Alphabet, Amazon and Meta.

Magnificent 7 earnings growth has dropped below the rest of the S&P 500

Year-over-year EPS growth, FactSet estimates and blended results as of Oct 30, 2026



FactSet Earnings Insight, John Butters, October 30, 2026, pages 3 to 5. Magnificent 7: Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, Tesla. Q3 2026 blended figures combine actual and estimated results with 5 of the 7 and 60% of the index reported. FactSet uses GAAP EPS for Alphabet, Amazon and Meta.

Treasury Supply

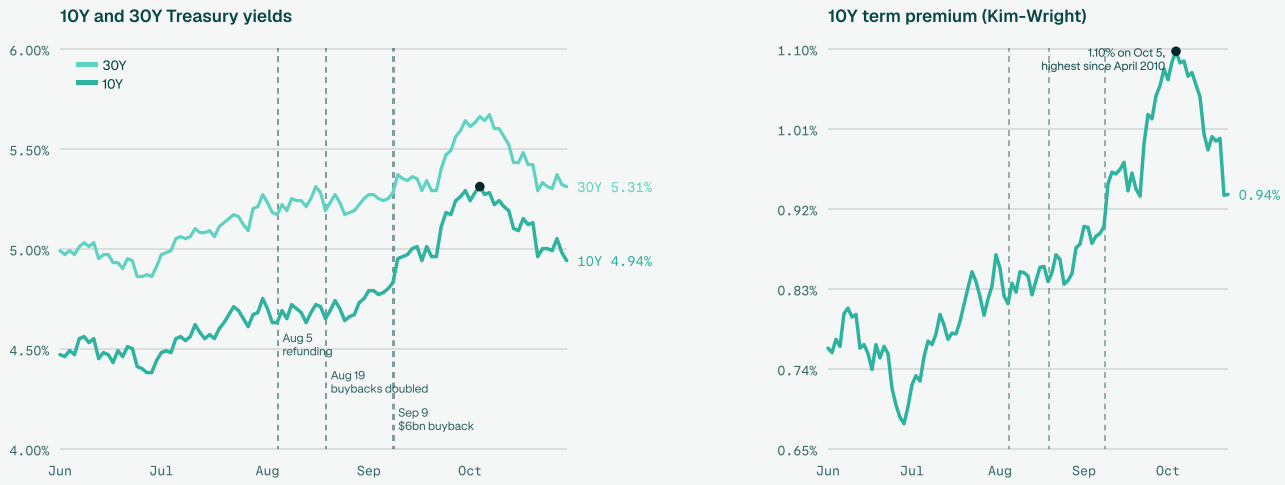
Wednesday's refunding is expected to leave auction sizes unchanged, putting the focus on long-bond buybacks; real estate and utilities have been the sectors most exposed to higher yields

OCT TO DEC BORROWING ESTIMATE	REFUNDING SIZE IF UNCHANGED	MOST RATE-SENSITIVE SECTOR
$618B, $10B below August	$125B across 3Y, 10Y, 30Y	Real estate, -0.88 pp per 10 bp

Dealers expect Wednesday's statement to keep each regular auction the same size, at $58 billion of 3-year notes, $42 billion of 10-year notes and $25 billion of 30-year bonds, so the long end gets no extra supply. Investors are focused on buybacks, in which Treasury repurchases older long-dated bonds and takes duration out of the market. Doubling them on August 19 cut the 30-year yield 9 bp that day, but a $6 billion operation on September 9 fell short of the $10 billion some investors wanted, and the 30-year reached 5.67% on October 7, its highest since 2002. The buyback size Treasury sets for after November 4 is the figure to watch. For sector performance in equities, the level of yields has mattered more than the curve. Each 10 bp rise in the 10-year cost real estate 0.88 points of weekly return against the S&P 500 and utilities 0.73. Both borrow heavily and are owned for dividends that compete with Treasury yields. Technology gained 0.34, as yields in this period rose alongside stronger growth and AI earnings expectations. No sector responded significantly to a steeper 2s10s curve. The two-year window covers the 57 bp rise in the 10-year on recent fiscal concerns; five years, including the 2022 hiking cycle, gives the same extremes.

Long-end yields have eased from their October peak, the term premium less so

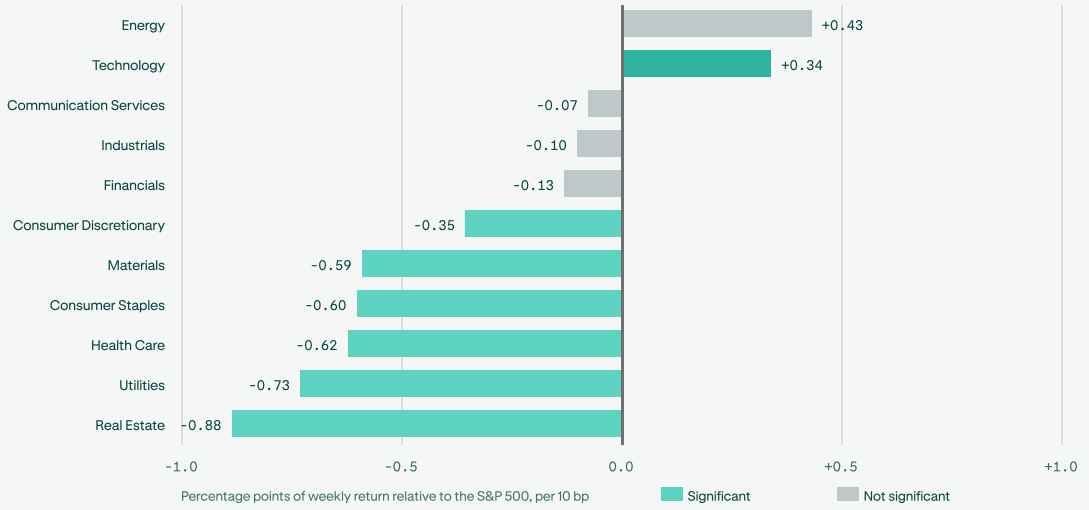
Jun 1, 2026 to Oct 30, 2026



Yields and term premium: FRED DGS10, DGS30 (through October 30) and THREEFYTP10, the Kim-Wright estimate from the Federal Reserve Board (through October 23); yield highs are our calculation from the same series. Event dates: US Treasury refunding, August 5; Reuters, August 19; Euronews, September 10, 2026.

Sector return vs the S&P 500 when the 10-year yield rises 10 bp

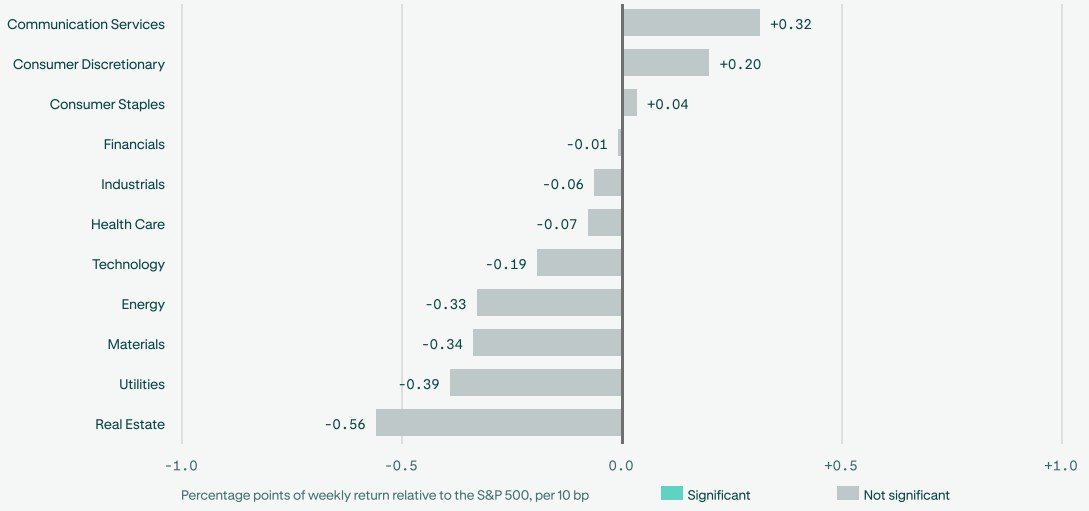
Weekly, Nov 8, 2024 to Oct 30, 2026



Our regressions of weekly total returns of the SPDR Select Sector ETFs relative to SPY (Yahoo Finance, adjusted close) on weekly changes in the 10-year yield (FRED DGS10), 104 weeks to October 30, 2026. Bars in grey are not statistically significant (|t| < 2).

Sector return vs the S&P 500 when the 2s10s curve steepens 10 bp

Weekly, Nov 8, 2024 to Oct 30, 2026 · no sector is statistically significant



Our regressions of weekly total returns of the SPDR Select Sector ETFs relative to SPY (Yahoo Finance, adjusted close) on weekly changes in the 10-year minus 2-year spread (FRED DGS10, DGS2), 104 weeks to October 30, 2026. Bars in grey are not statistically significant (|t| < 2).

Week Ahead

DATE	CATEGORY	EVENT	CONSENSUS / PRIOR	WHY IT MATTERS
Tue Nov 3	Regulatory and Policy	US midterm elections; first polls close 6:00 pm ET	Prediction markets: Democrats win House 94%, Senate 74% (Nov 2)	Control of Congress shapes the December 11 funding deadline and future borrowing.
Tue Nov 3	Macro Data	JOLTS job openings, September, 10:00 am ET	n/a	Labor demand ahead of Friday's payrolls.
Tue Nov 3	Earnings	AMD Q3, after the close; call 5:00 pm ET	Revenue about $13.1B; guide $13.0B	MI450 revenue start and the Q4 guide show whether AI accelerator demand broadens beyond the largest suppliers.
Wed Nov 4	Regulatory and Policy	Treasury quarterly refunding statement, 8:30 am ET	3Y $58B, 10Y $42B, 30Y $25B if unchanged	Coupon guidance and buyback sizes bear on the term premium.
Wed Nov 4	Earnings	Circle Q3; call 8:00 am ET*	Revenue $785M to $797M	USDC circulation and reserve income drive results.
Wed Nov 4	Earnings	Uber* and McDonald's* Q3, before the open	Uber revenue about $14.7B; McDonald's EPS $3.38	Uber's Q4 gross bookings guide and McDonald's restaurant traffic read on consumer demand.
Wed Nov 4	Earnings	Qualcomm*, Arm and AppLovin* Q3, after the close	Qualcomm EPS $2.16; Arm revenue about $1.38B	Handset demand against memory costs at Qualcomm, royalty and licensing revenue at Arm, and AI-driven advertising at AppLovin.
Fri Nov 6	Macro Data	October employment report, 8:30 am ET	n/a	Payrolls decide whether December hike pricing firms or fades.
Mon Nov 9	Regulatory and Policy	3-year note auction*	$58B if unchanged	The first test of demand after the refunding.

Week Ahead Continued

Earnings dates and call times: company investor relations pages (AMD, Arm, Circle) and Stock Titan's earnings calendar for the week of November 2, 2026. Earnings consensus: Benzinga, November 2, 2026; Hudson Labs for AMD and Arm revenue; AMD guide from the company. Refunding time: US Treasury, November 2, 2026; auction sizes and dates: Bloomberg, November 2, 2026. JOLTS and employment report: BLS release schedule. Election odds: Kalshi, November 2, 2026, noon ET. * Date or time from third-party calendars, not yet confirmed by the issuer or agency. 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 · Backed.fi · Dune · FRED · US Treasury · FactSet · Kalshi · Company releases · Reuters · Euronews · Morgan Stanley · FXStreet · Benzinga · Hudson Labs · Stock Titan · Yahoo Finance · SPDR Select Sector ETFs

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