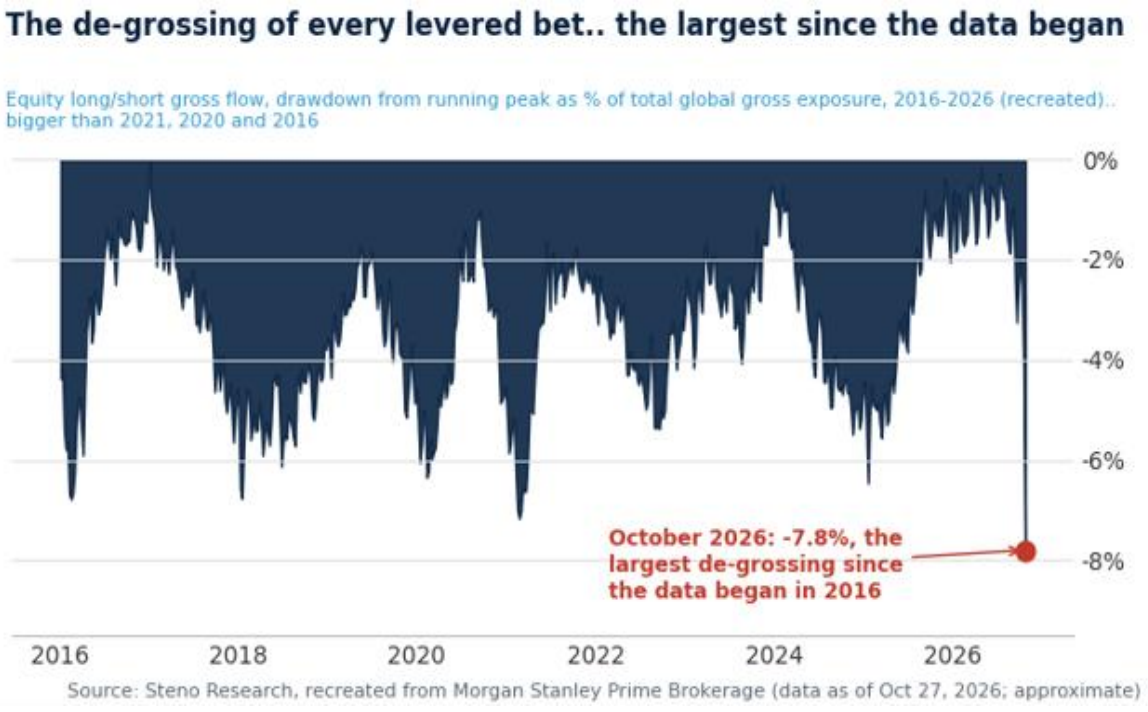
Chart of the week

The biggest deleveraging event in more than 10 years

This is the largest de-grossing of equity long/short funds since the data began in 2016.



Source: Steno Research

POWERED BY
CIO OFFICE & RESEARCH LAB

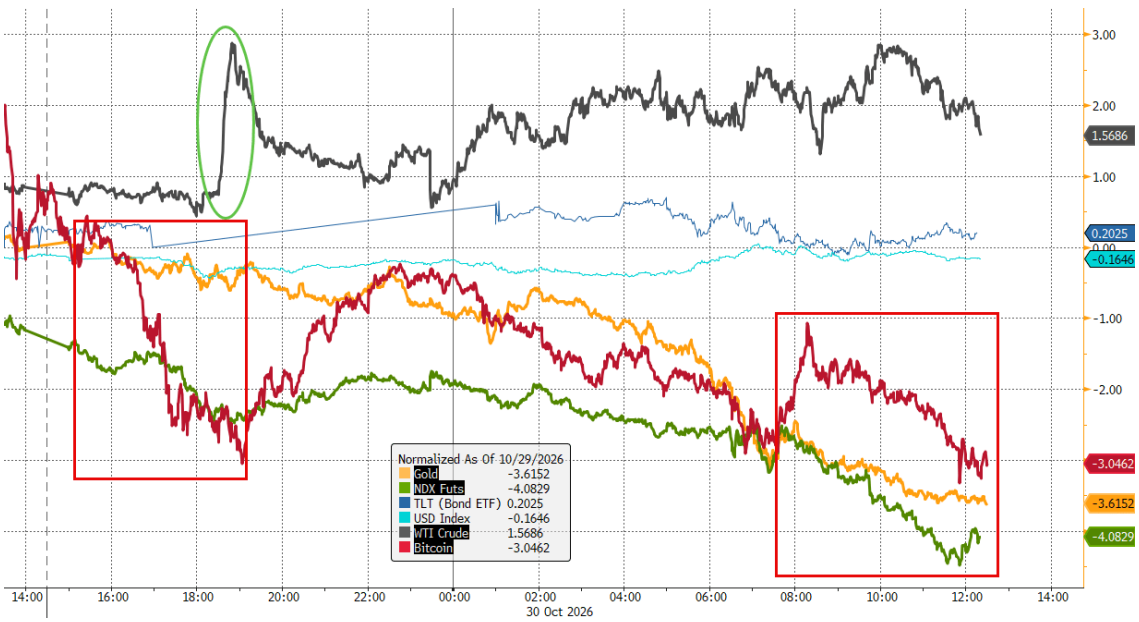
AI under scrutiny as Fed leaves rates unchanged

Major U.S. stock indexes closed the week mixed as large-cap growth and AI-related stocks sharply reversed early-week gains to finish lower, while small-cap and value-oriented stocks outperformed. The Russell 2000 index advanced 1.30%, while the Nasdaq Composite shed 2.00%, the Dow Jones Industrial Average lost 0.85%, and the S&P 500 Index dropped 0.57%. Large-cap value stocks outperformed their growth counterparts for the fourth consecutive week. AI-related stocks rallied early in the week, rebounding from the prior week's declines as some upbeat earnings results, funding announcements, and generally favorable management commentary helped renew optimism surrounding demand and capital spending. However, the rally reversed course late in the week as quarterly results from several major technology companies—including Alphabet and Amazon—reignited concerns surrounding sustainability and potential returns on large-scale capital expenditures. Oil price volatility continued as hopes for U.S.-Iran diplomacy competed with reports of potential additional attacks and expectations that military activity could escalate after the November 3 U.S. midterm elections. Meanwhile, The Fed, ECB and BoJ left rates unchanged. On the macro front, US Q3 GDP growth accelerated to 3.4% while PCE inflation remains elevated. U.S. Treasuries yields dropped while gold tumbled below $4.000. The pan-European STOXX Europe 600 Index and the Nikkei 225 index gained.

#markets

#cross-assets #friday

Friday had the smell of 'liquidation' to it...



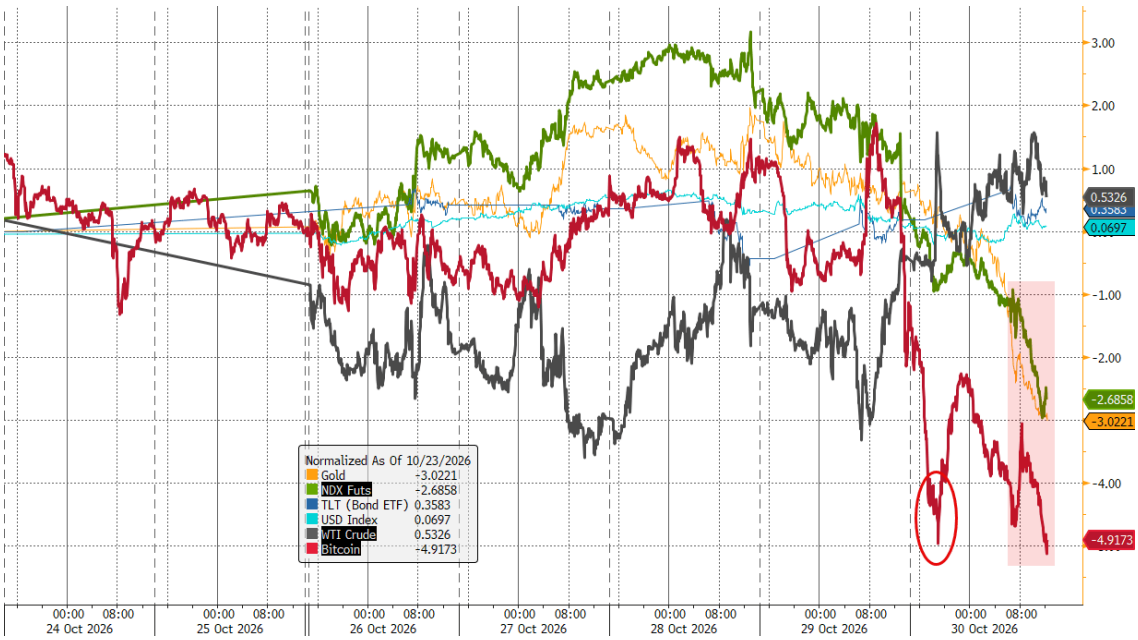
Source: www.zerohedge.com, Bloomberg

#markets

#cross-assets #weekly

The week had the smell of 'liquidation' to it...

Goldman Sachs: "Pace of innovation, applications and use cases keeps me optimistic on demand. But the cost of capital has objectively repriced, and there isn't an obvious solve."

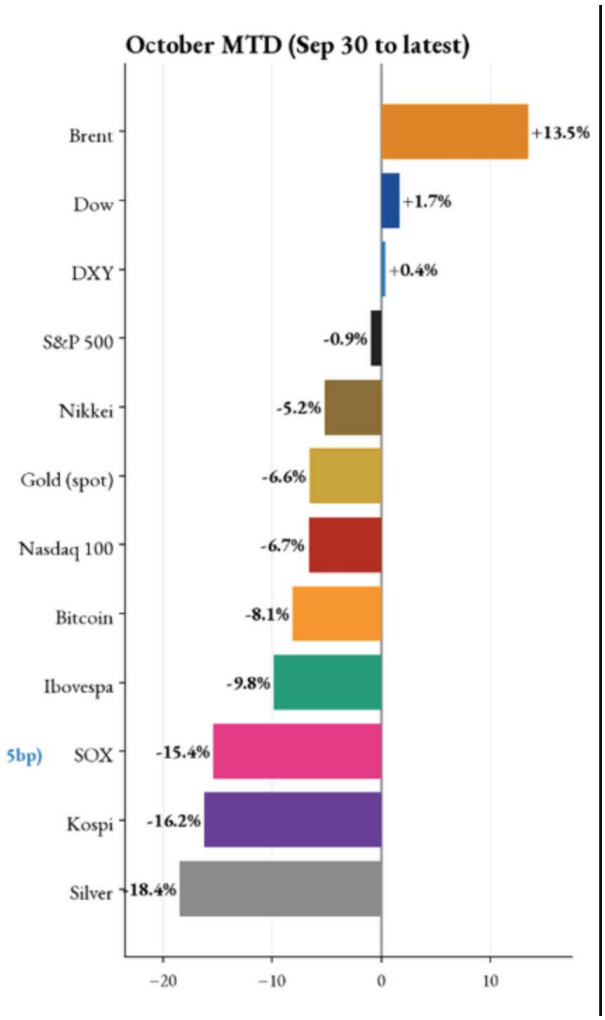


Source: www.zerohedge.com, Bloomberg

#markets

#cross-assets #october #performance

The month in a chart: oil up, yields down, the Nasdaq down and the equal-weight S&P up... For most of the year, oil, yields and AI traded as one; in October the AI funding scare broke that link, and the bond market chose growth fear over inflation fear.



Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #perf

f you only looked at the S&P through Thursday, October was a non-event: up about 0.9% and within a couple of percent of its record. Friday knocked it down bigly, with Nasdaq leading the collapse in the month (Trannies actually gained 4.5% in October)



Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #rotation

It was one of the most violent rotations in a generation.

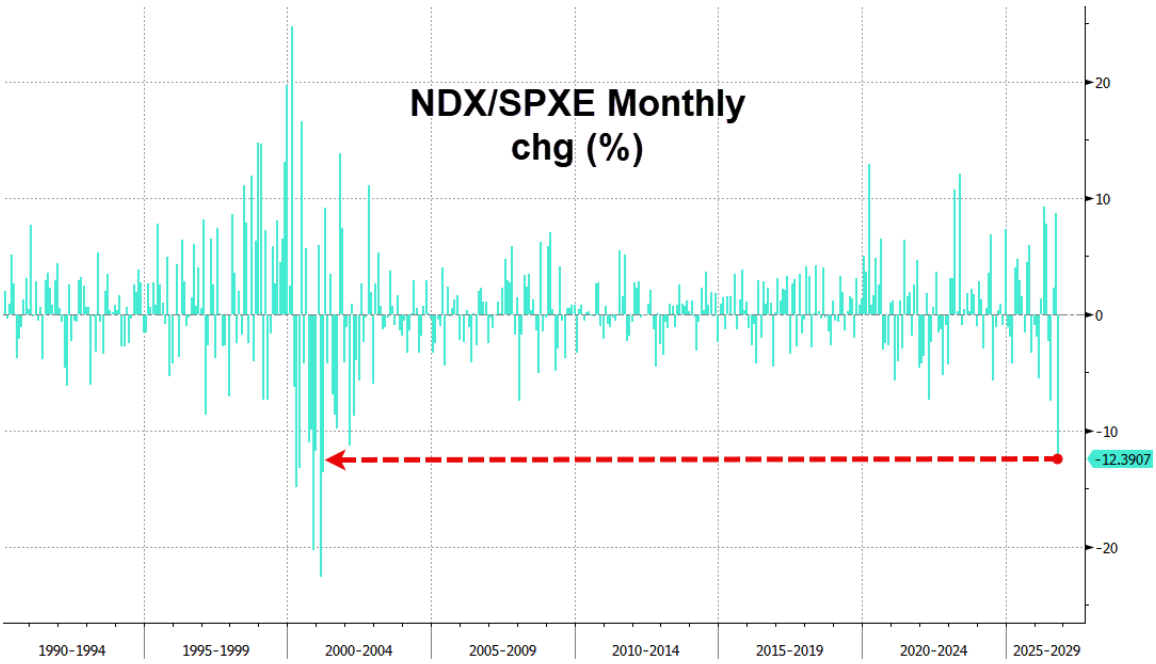


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #nasdaq/spxe

The Nasdaq 100 is down about 3.3% and on course for its biggest monthly underperformance against the equal-weight S&P (SPXE) since 2001...

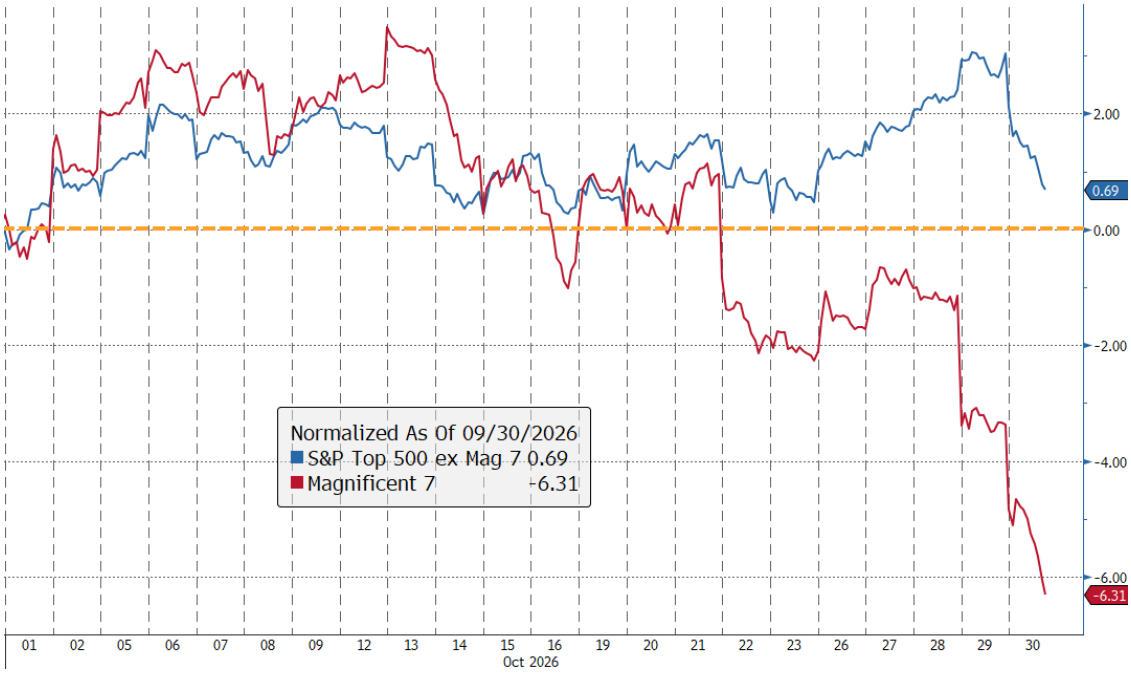


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #mag7 #ex-mag7

Mag7 stocks are down over 6% in October, the S&P Ex-AI is up 0.7% on the month...

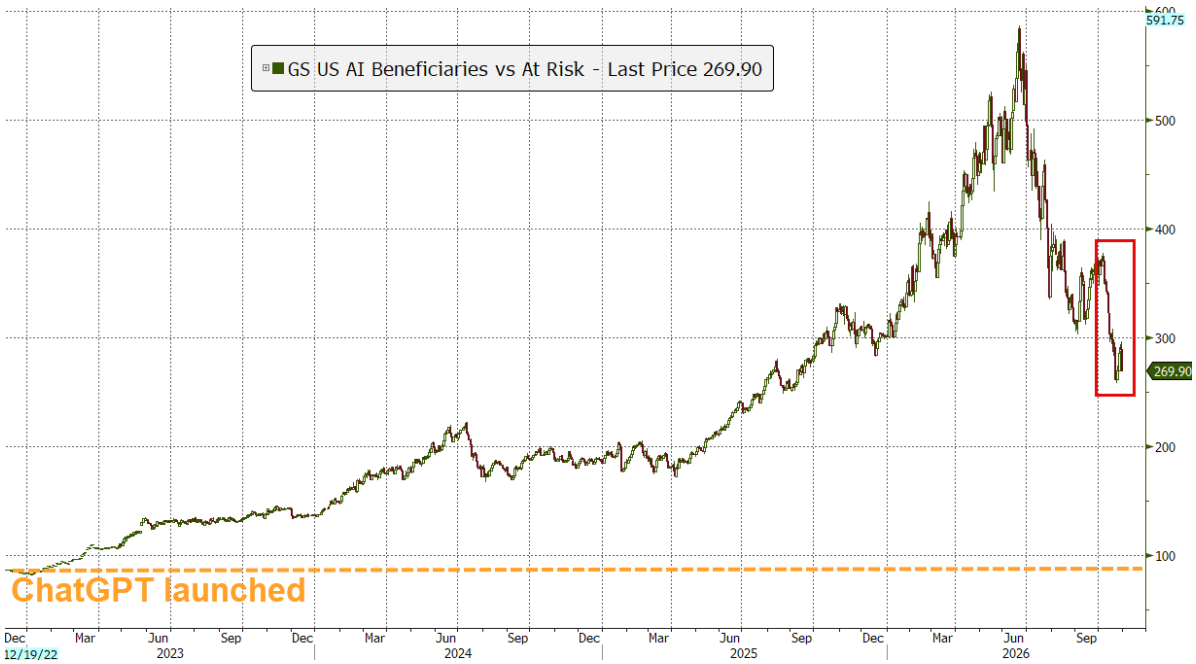


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #ai-beneficiaries

Goldman's basket of companies seen as most at risk from AI has gained over 15%, erasing more than half of the gains for the AI Beneficiaries since the launch of ChatGPT...

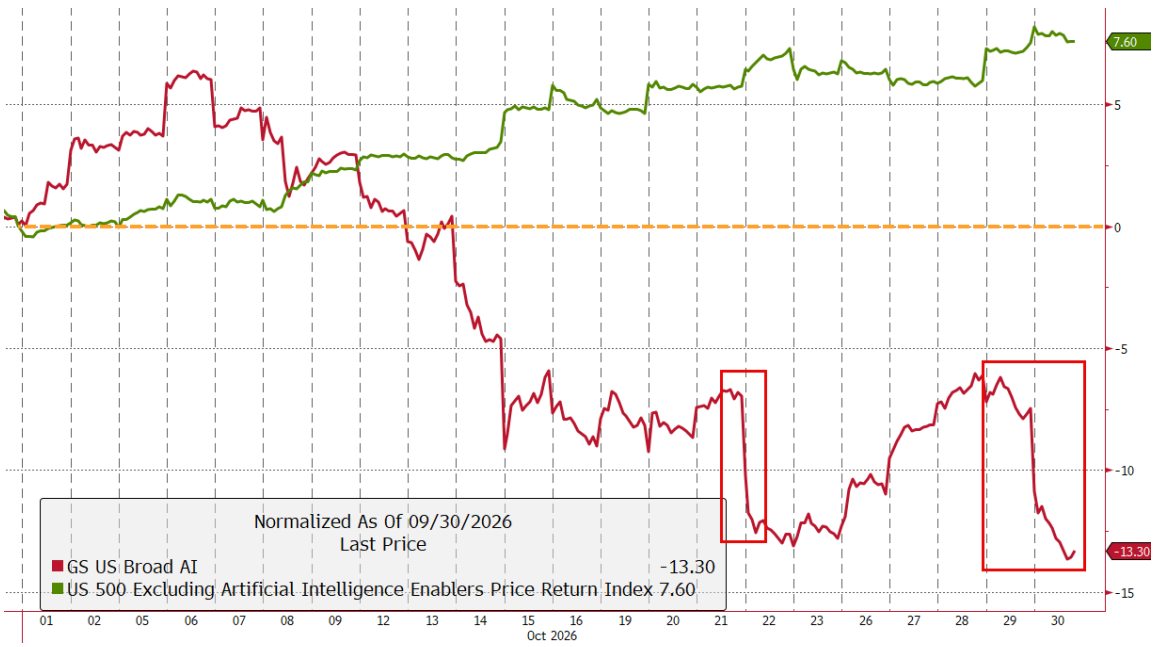


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #broad-ai-basket

The Broad AI basket fell over 13% in October - by far it's greatest drop ever - as SPX Ex-AI gained 7.5%...

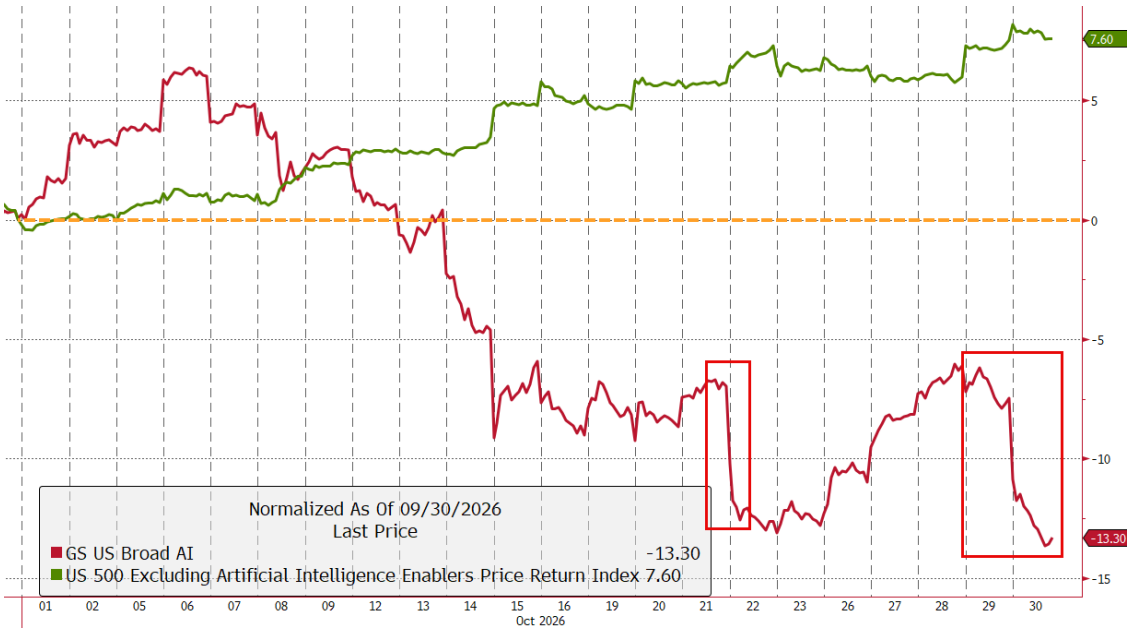


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #broad-ai-basket

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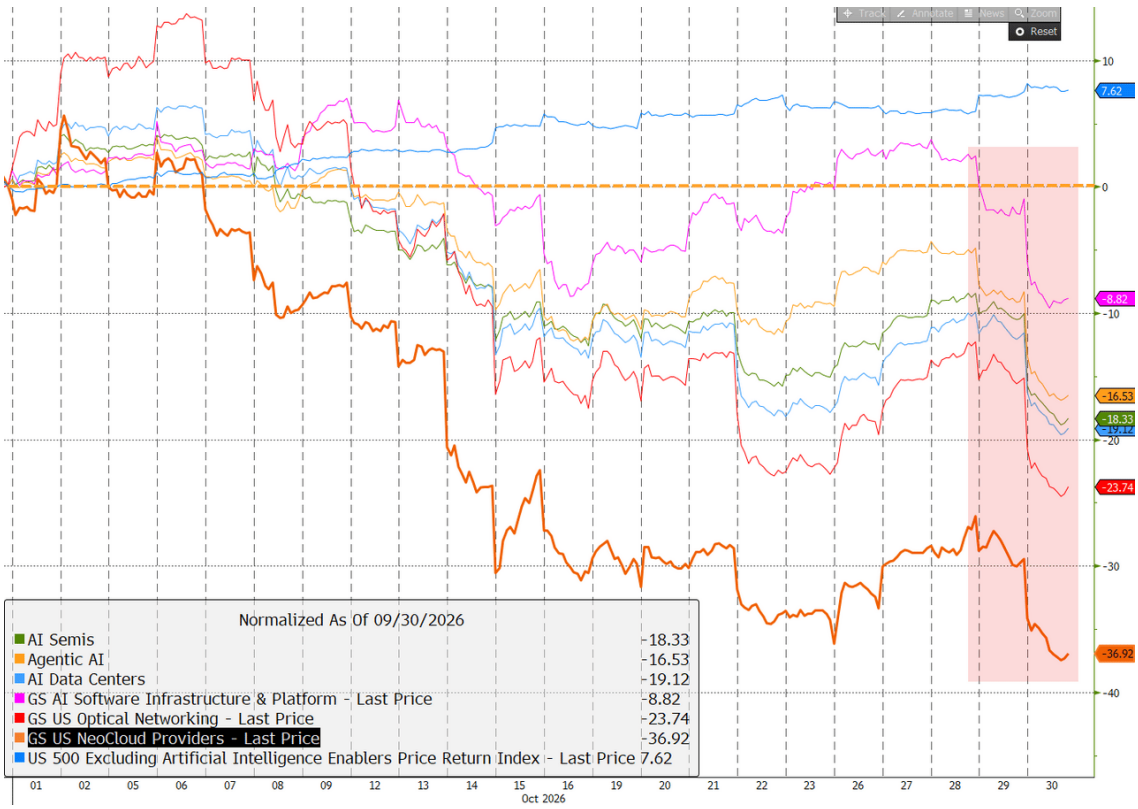


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #ai #neoclouds

NeoClouds led the way lower, down 37% on the month!!!

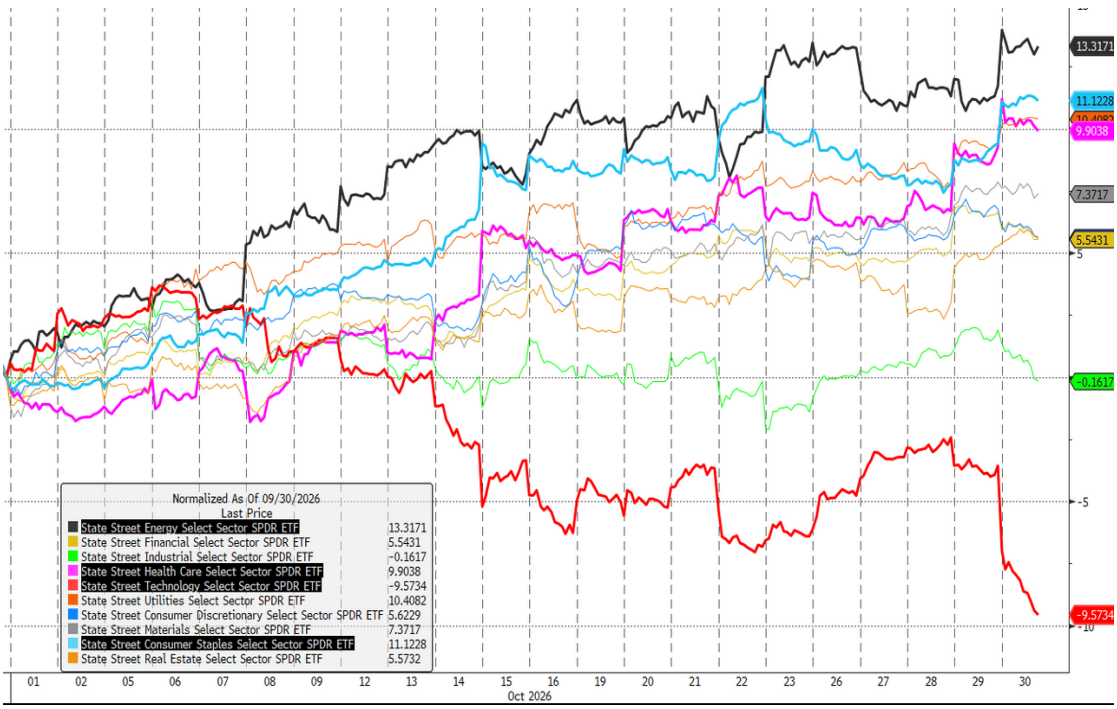


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #sectors

The S&P ex-AI basket is having its best month in nearly three years, staples were on track for their best month since October 1998 as of last week, and on Thursday healthcare, real estate, staples, utilities and financials all rose more than 1.5% while communication services fell 6.6%.

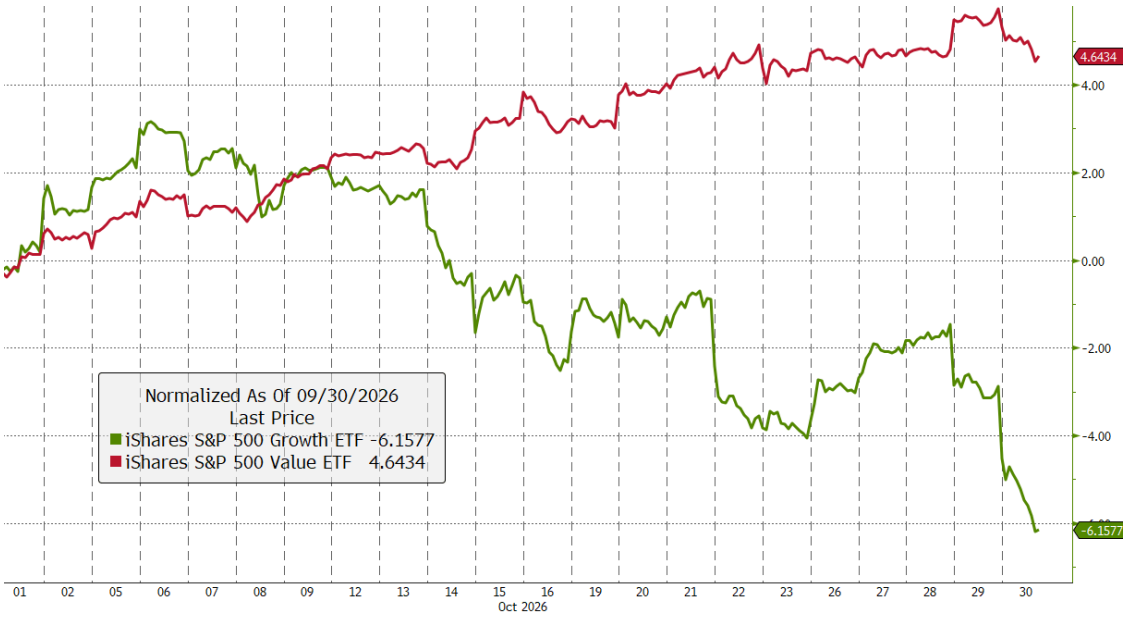


Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #indices #monthly #style

UBS traders described it as capital "rotating out of crowded AI and Growth exposure into Value, small caps, Consumer and other rate-sensitive cyclicals rather than leaving equities."



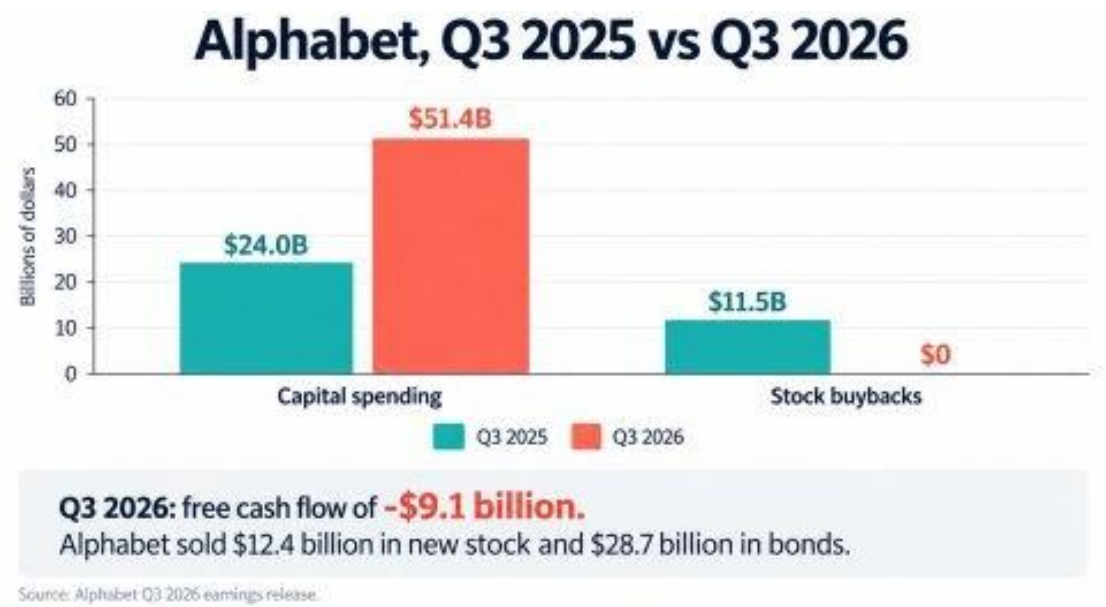
Source: www.zerohedge.com, Bloomberg

#markets

#equities #us #alphabet #ai-capex

Google's AI boom has a funding problem.

Alphabet's revenue jumped 25% to $127.6 billion. Cloud more than doubled. Yet earnings hit $2.12 a share versus roughly $3 expected. An $8.7 billion paper loss on AI investments drove more than half the earnings miss. Those same investments previously inflated profits. Cloud growth is impressive. But the cash demands are staggering—and management says spending rises again next year. My take: buybacks look increasingly distant.

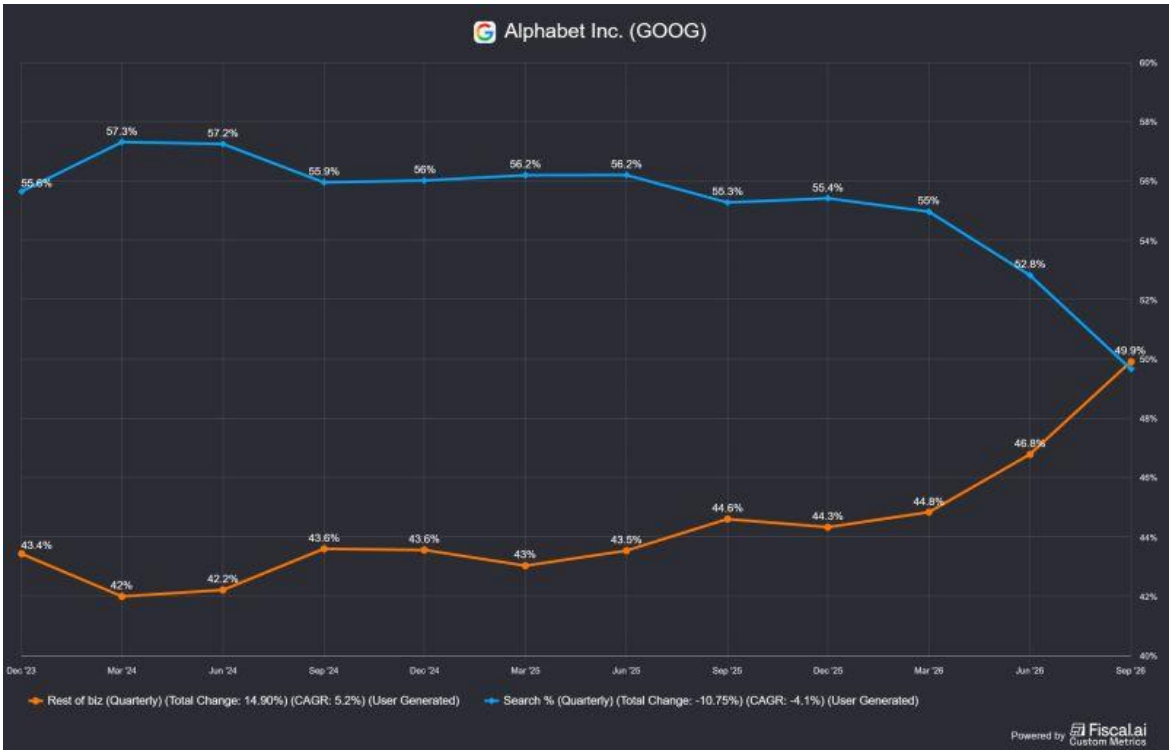


Source: Hedgie

#markets

#equities #us #alphabet #search

For the first time ever, $GOOGL Search as a % of revenue is now below 50%.



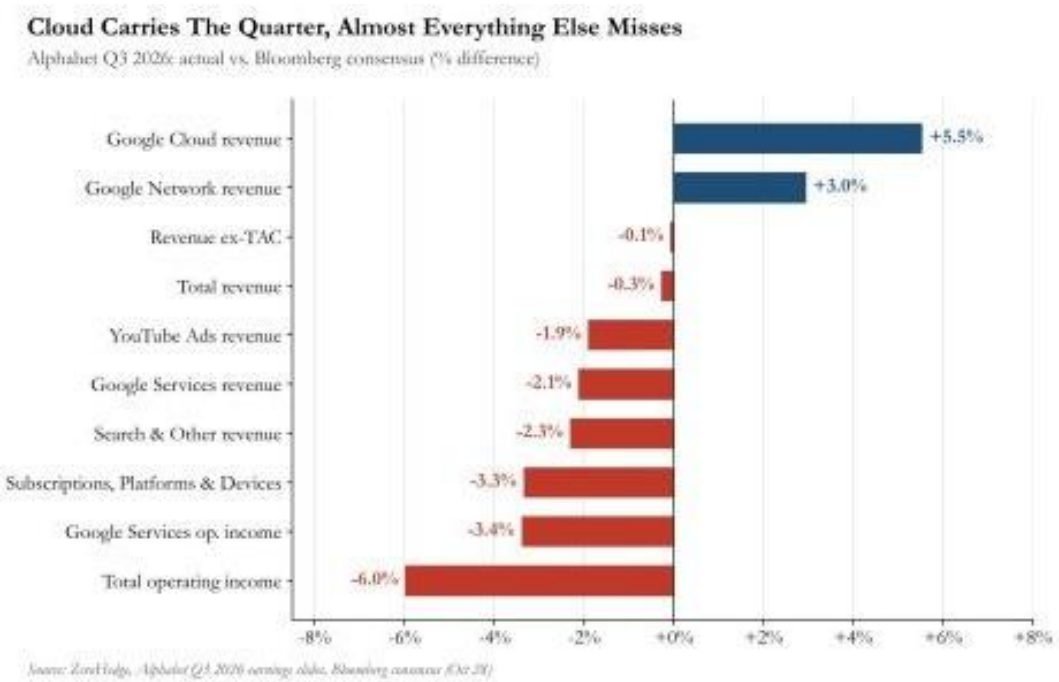
Source: Couch Investor, @Couch_Investor

#markets

#equities #us #alphabet #earnings #cloud

GOOGL in charts:

Cloud was only big beat. Cloud came at $30.7bn vs $29.1bn expected (+103% y/y), but Search, YouTube, Subs and Services all missed. Two speeds. Cloud doubled; Search grew 12% (vs ~14% buyside bogey), YouTube 9% (below 10% toleration line), and Network just 1%.



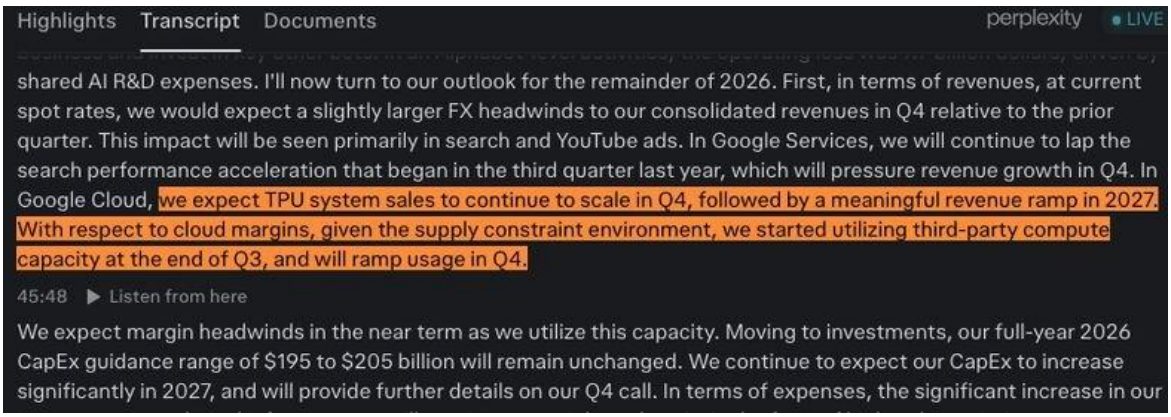
Source: Zerohedge

#markets

#equities #us #alphabet #capex #margins

$googl cfo: “Given the supply constraint environment, we started utilizing third-party compute capacity at the end of Q3, and will ramp usage in Q4.”

“Expect margin headwinds in the near term as we utilize this capacity.” Expect our CapEx to increase significantly in 2027



Source: Wall St Engine, Bloomberg

#markets

#equities #us #alphabet #valuation

Alphabet $GOOG is now trading at its lowest p/e ever...



Source: Trend Spider

#markets

#equities #us #amazon #earnings

Amazon $AMZN dumped -10% after hours yesterday on an earnings double miss, DOWN 10%

Amazon Web Services accelerated revenue growth, a day after Google and Microsoft did the same. The market-leading cloud announced plans to buy more Nvidia chips in the quarter. AWS generated $17.77 billion in third-quarter operating income, up 55%.

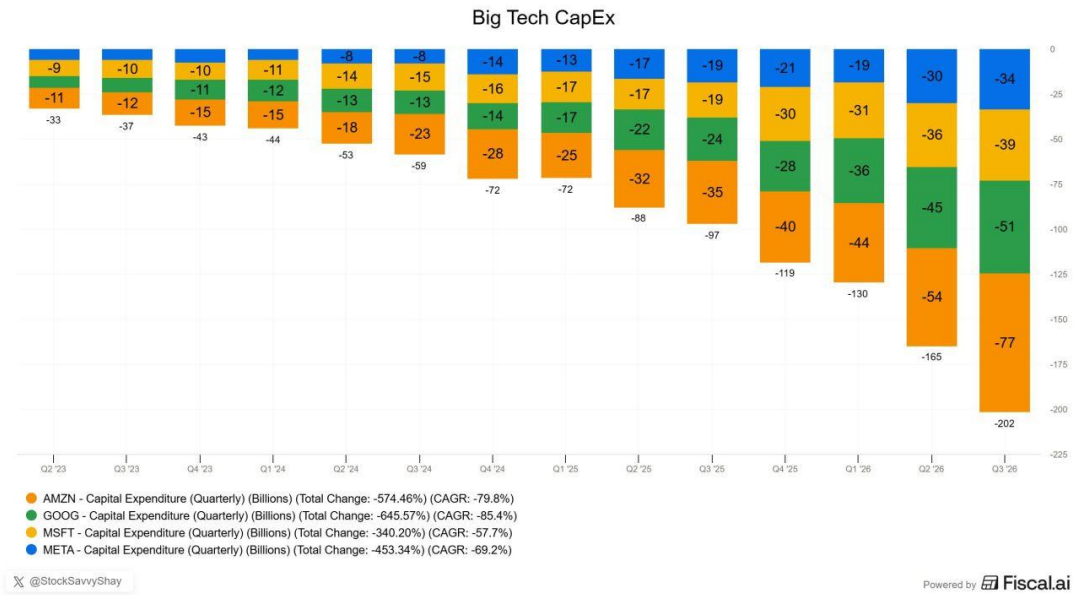


Source: Wall St Engine

#markets

#equities #us #capex #big-tech #ai

The Big 4 have now revealed their quarterly CapEx spending with a combined total surpassing $200B: $AMZN ~$77B $GOOGL ~$51B $MSFT ~$39B $META ~$34B



Source: Shay Boloor, @StockSavvyShay

#markets

#equities #us #tech #valuations

Tech is trading at same multiples as the 2022 lows except earnings are growing now instead of falling and the Fed was hiking rates by 400+ basis points.

If sentiment improves investors could benefit from both earnings growth and multiple expansion.



Source: Shay Boloor, @StockSavvyShay

#markets

#equities #us #mag7 #pension-funds

>>> The largest pension fund in the US just cut its Mag 7 exposure by 26%! Calpers, the $640B giant, is rotating out of Big Tech. California's $640bn pension giant is pivoting away from big US tech companies and boosting its exposure to private equity, underscoring concerns that the AI rally that has powered Wall Street to record peaks is running out of steam. "We have traded large exposure to seven companies for several hundred companies," Anton Orlich, Calpers' deputy chief investment officer, told the FT.



Source: FT

#markets

#equities #us #meta #jim-cramer

$META has crashed more than 17% since Jim Cramer called it a "monster long" on October 12.





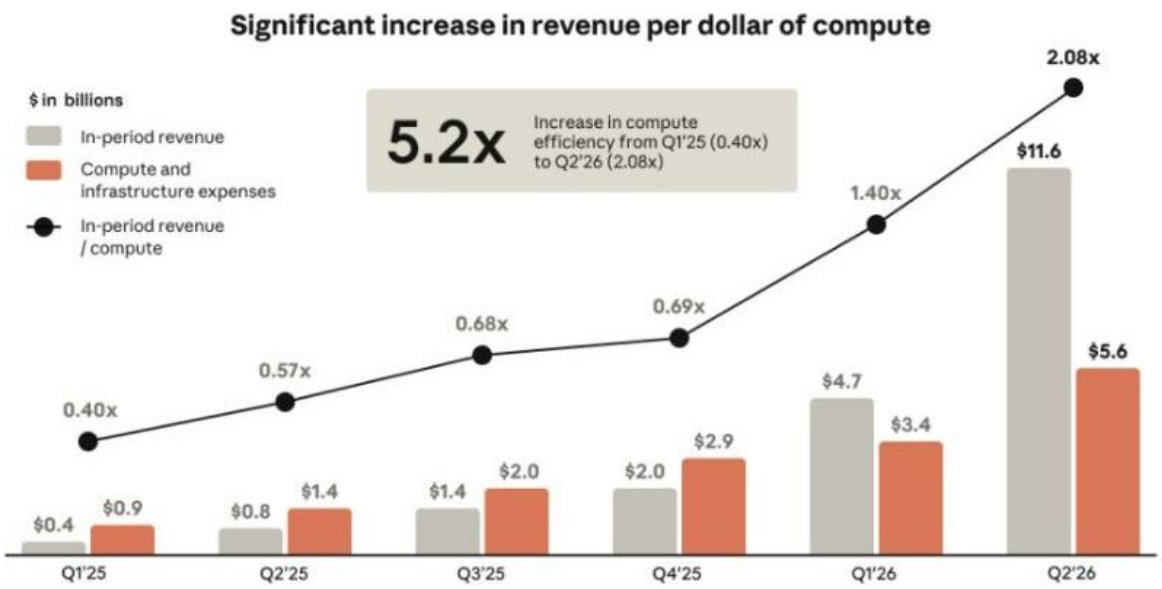
Source: Bull Theory, @BullTheoryio

#markets

#equities #us #anthropic #ai #ipo

Anthropic's numbers challenge the "AI cash furnace" narrative.

According to figures cited from its IPO filing, Anthropic now generates $2.08 in revenue for every $1 spent on compute, up from just $0.40 in Q1 2025. Revenue grew roughly 29-fold, while compute spending increased around sixfold. Products such as Claude Code are driving adoption, while more efficient models reduce the cost of each AI task.



Source: Shay Boloor, @StockSavvyShay

#markets

#equities #us #neoclouds #ai-debt

Yesterday evening, Elon Musk warned that tighter lending could trigger failures and consolidation among more than 200 “neocloud” companies. The vulnerability: heavy borrowing to finance GPUs and data centers, with revenues dependent on continued AI demand. Construction delays, weak capitalization and underused infrastructure could leave some operators unable to cover costs or repay lenders. The potential outcome: forced asset sales, bankruptcies and investor losses—even if demand for AI keeps growing.

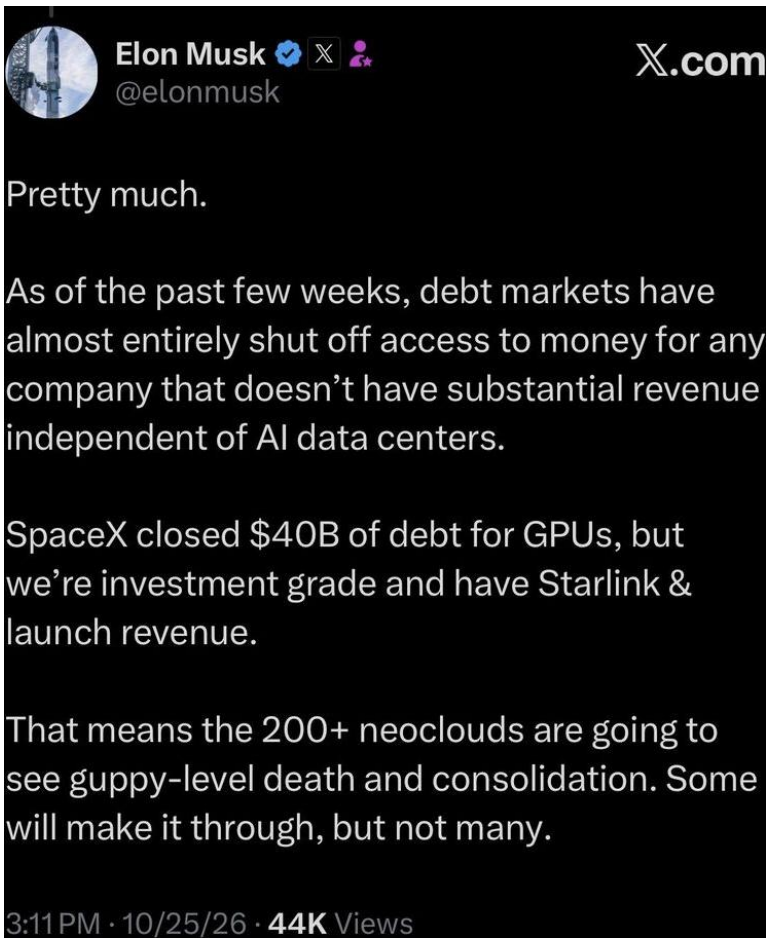


Source: The Macro Paper, Shay Boloor

#markets

#ai #us #neoclouds #credit

Elon Musk just posted this: “As of the past few weeks, debt markets have almost entirely shut off access to money for any company that doesn’t have substantial revenue independent of AI data centers.” “That means the 200+ neoclouds are going to see guppy-level death and consolidation. Some will make it through, but not many.”



Source: Evan

#markets

#equities #us #intel #earnings

Intel $intc dumped over 20% on earnings...

$intc cfo on 2027 free cash flow: “I don't think that this will be a year in which we see positive cash flow.” “Looking ahead, we see the PC slowdown continuing at least through the first half of next year, but we remain optimistic about the opportunities across our broader portfolio, and we will continue making disciplined investments in capacity and working capital to increase supply and support future growth.”



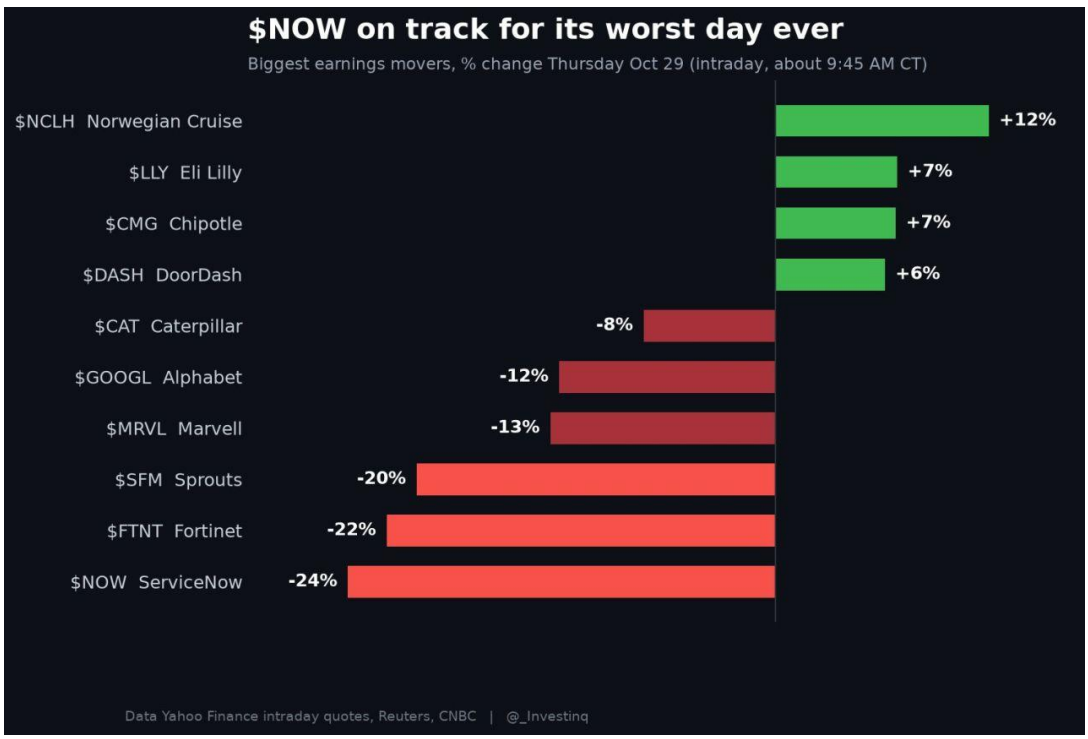
Source: Wall St Engine

#markets

#equities #us #earnings #servicenow

Earnings season just got brutal.

ServiceNow plunges 24% after a Q3 profit miss, heading for its worst day ever. The message? An earnings beat alone offers little protection. Growth expectations are high. Patience is thin. And for AI, investors increasingly want evidence that enormous spending will translate into cash. The gap between delivering results and delivering enough is getting expensive.



Source: StockMarket.News, @_Investinq

#markets

#equities #germany #autos #china

In case you missed it... In Germany, Mercedes is also being hit hard by the China shock.

It joins BMW & VW in cutting its outlook, now targeting a car margin of just 2–3%, vs up to 5% before. Shares tumble 5.4%, taking this year's loss to more than a third. Germany's Big Three are now worth just €106bn combined. Tesla alone is worth €1.4tn, more than 13 times as much. China, once their profit engine, has become a major liability.



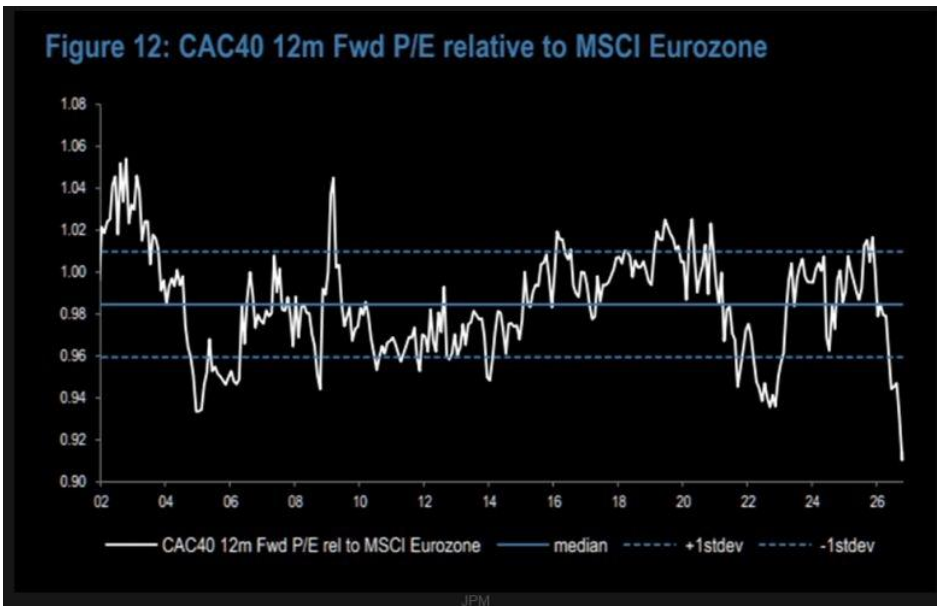
Source: Bloomberg, HolgerZ

#markets

#equities #france #cac40 #valuation

France: too cheap to ignore?

French equities are deeply out of favour—and the valuation gap has reached historic proportions. After more than three years of underperformance, the CAC 40 is trading at its lowest valuation relative to the Eurozone on record, according to JPMorgan. Investors have been retreating from French assets, leaving sentiment firmly in the doldrums. For contrarians, the appeal is clear. The harder question is whether today's discount offers a genuine opportunity—or simply reflects the risks ahead.



Source: JPM, TME

#markets

#equities #south-korea #sk-hynix #semis

SK Hynix surge +9% after Q3 revenue surpasses ₩100 Trillion for the first time in the company's history.

Revenue jumped 328% YoY to ₩104.62 Trillion ($78.8B), beating expectations of ₩98.23 Trillion ($74.0B). Operating profit surged 632% YoY to ₩83.33 Trillion ($62.8B), beating estimates, while net profit increased 216% to ₩39.78 Trillion ($30B). The company says it has sold out of DRAM and HBM chips through 2029 as it expands long-term supply deals with major customers.



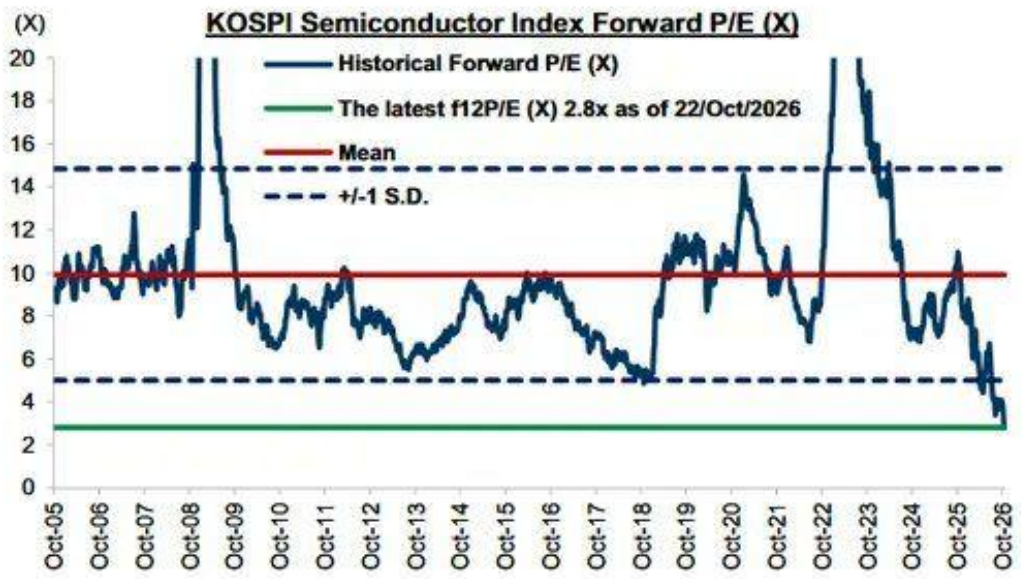
Source: Shay Boloor, @StockSavvyShay, Bull Theory

#markets

#equities #south-korea #semis #kospi

The semiconductor sector is trading at record-low forward P/E levels.

Exhibit 1: Korea's semiconductor memory sector is trading at record low forward P/E levels, indicating the market's lack of conviction in the sustainability of earnings



Source: Quantiwise, Goldman Sachs Global Investment Research

Source: ((The Daily Shot))) @SoberLook, Goldman Sachs via @WallStJesus

#markets

#equities #brazil #bovespa #brl

Brazilian markets are in free fall after President Lula's election victory.

In a single day: Brazil's stock market plunged 17.6%, triggering a circuit breaker for the first time since 2020. The real fell 11% against the dollar—its worst one-day drop since 1999. The US-listed Brazil ETF, EWZ, tumbled more than 26% intraday. The 10-year government bond yield surged from 12.9% to 16%. With interest rates already at 13.75%, the immediate challenge is clear: Can the government restore market confidence with a credible fiscal plan?

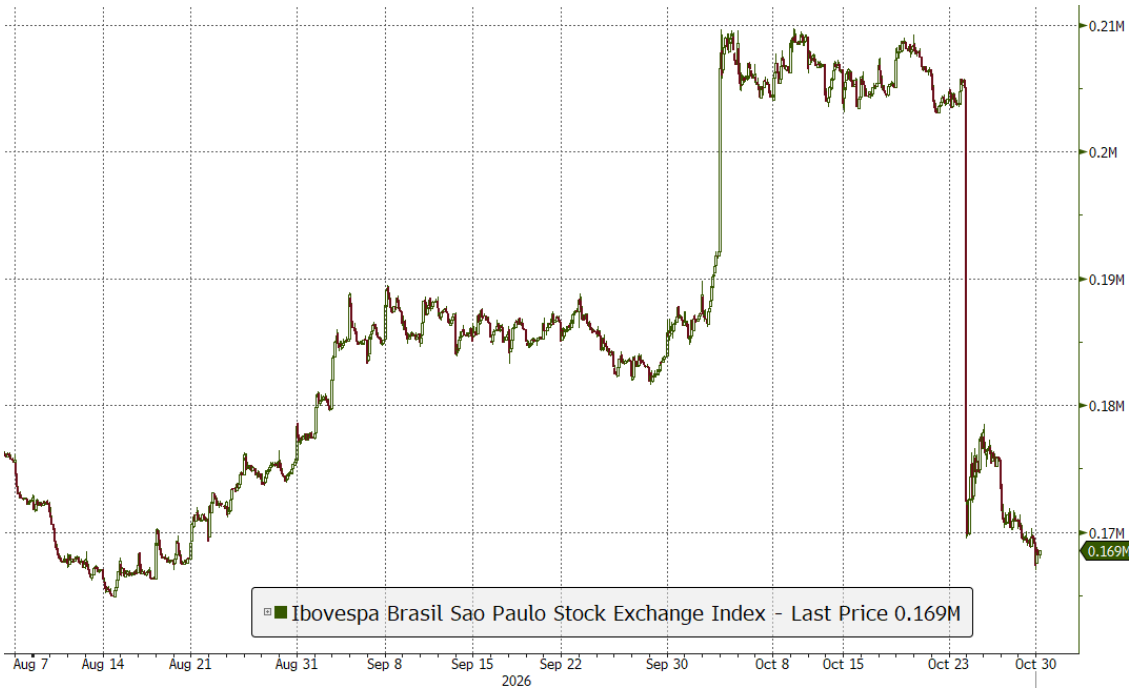


Source: Bull Theory

#markets

#equities #brazil #bovespa

The Ibovespa fell for a fourth straight day to its lowest since August, the real was the week's worst EM currency, and September's primary deficit of R$5.5 billion (against an expected R$1 billion surplus) reinforced the fiscal fears.

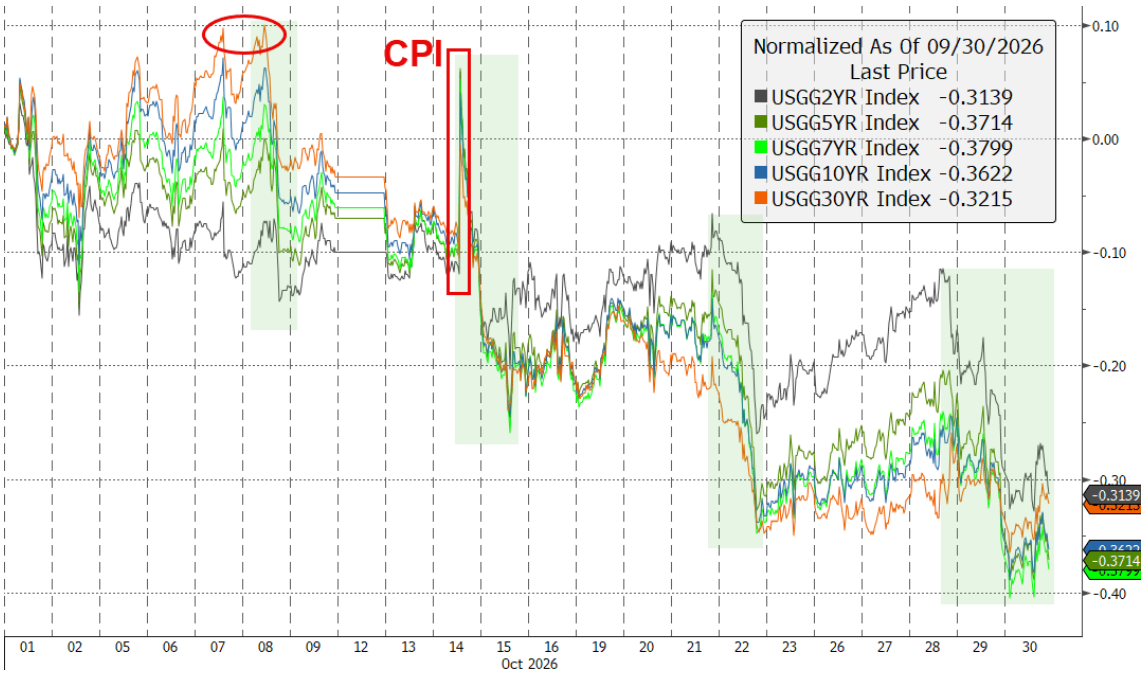


Source: www.zerohedge.com, Bloomberg

#markets

#fixed-income #us #treasuries #monthly

October opened with the bond rout at full tilt: the 10Y touched 5.36% on October 7, the highest since 2002, before a stellar auction at 5.30% pulled it back. Fed pricing whipsawed underneath: September payrolls crushed October hike odds from about 72% to 16%, the minutes showed all 19 officials backed September's hike, and then September CPI came in hot...



Source: www.zerohedge.com, Bloomberg

#markets

#fixed-income #us #treasuries #10y

The 10Y traded down to 4.88% this morning (back below the key 5.00% Maginot Line) - a six-week low - leaving it roughly 35-40bps lower on the month, with Goldman noting earlier this week that bonds were beating stocks by about 2 percentage points in October.



Source: www.zerohedge.com, Bloomberg

#markets

#fixed-income #us #treasuries #yield-curve

The yield curve ended the month unchanged after a serious rollercoaster...



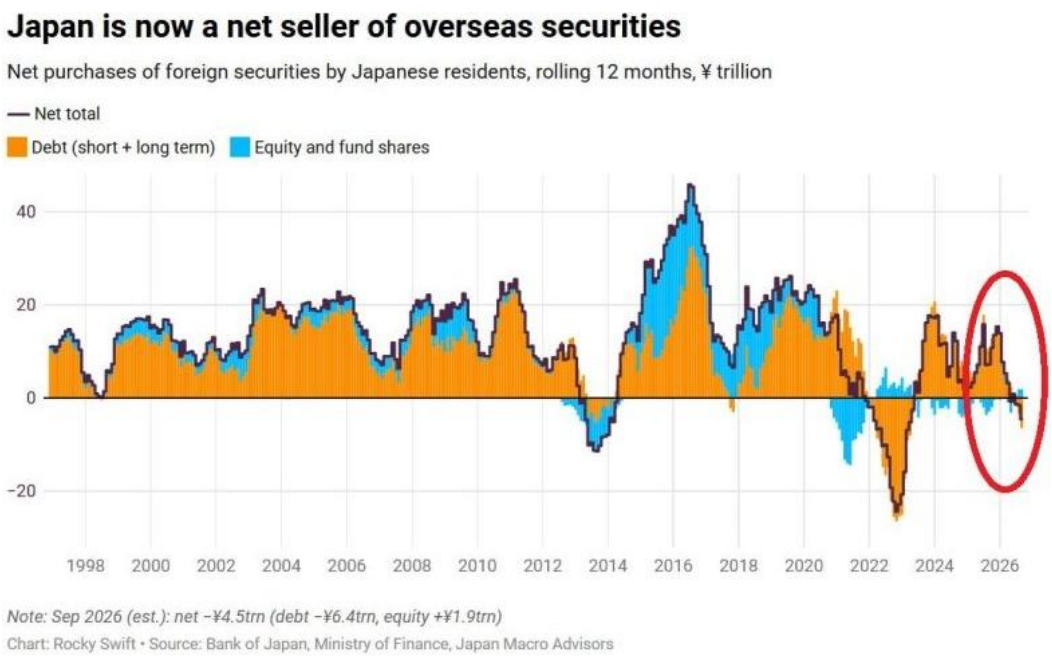
Source: www.zerohedge.com, Bloomberg

#markets

#fixed-income #japan #jgb #capital-flows

Japanese investors are DUMPING foreign bonds at the fastest pace in years:

Japanese investors sold -¥3.43 trillion, or -$21.9 billion, in foreign long-term bonds over the last 5 weeks, their longest selling streak in 4 years. This comes as Japan's 10-year government bond yield has risen by more than +80 basis points this year, making domestic bonds increasingly attractive and encouraging investors to redirect capital toward the home market.

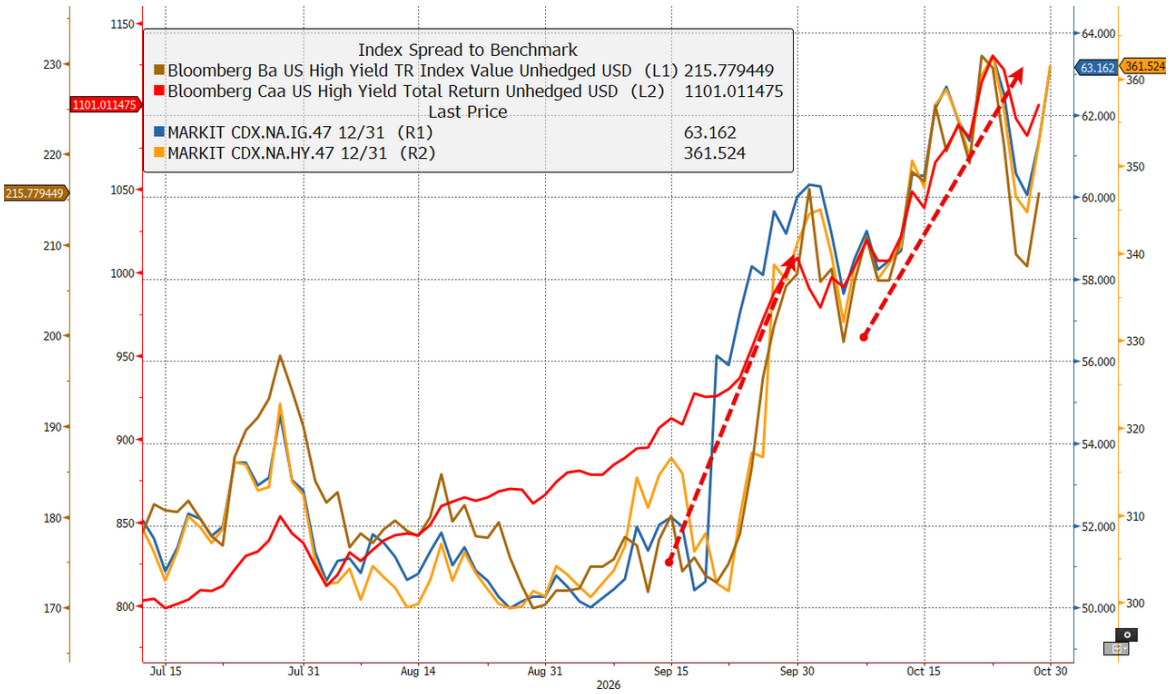


Source: Global Markets Investor, Bloomberg

#markets

#fixed-income #credit #high-yield

The whole credit market (Baa, Caa) imploded last week…



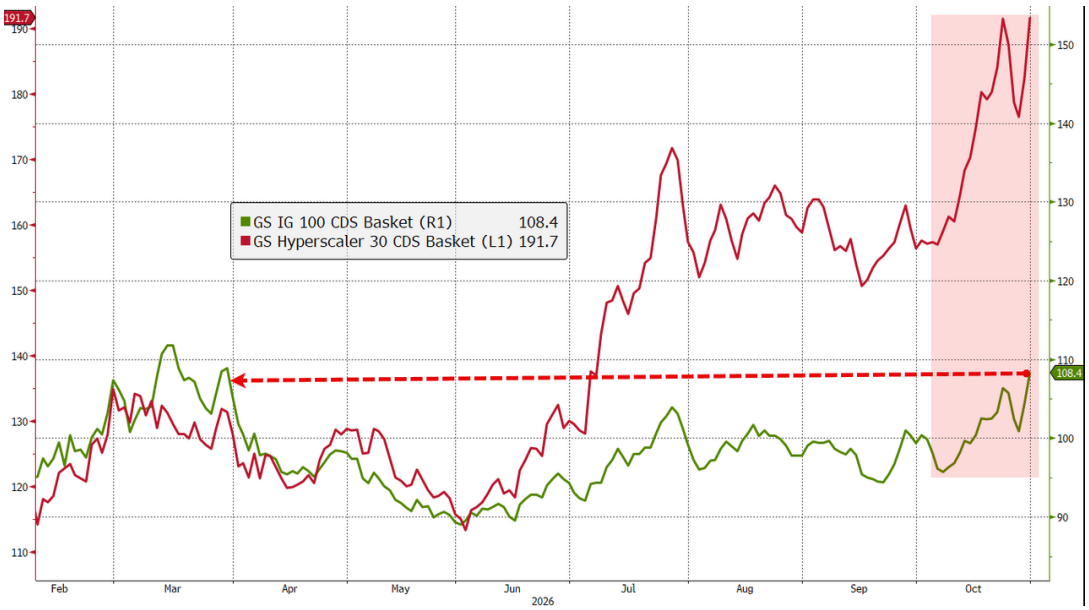
Source: www.zerohedge.com, Bloomberg

#markets

#fixed-income #credit #hyperscalers #cds

Hyperscaler CDS hit a new record wide...

As Bloomberg noted, the four biggest spenders are heading for close to $750 billion of capex this year, "and investors have stopped taking the payoff on trust." Privorotsky put the open question best on Friday: "The risk is that financing constraints eventually force capex discipline... we're just not seeing that in spending intentions yet." Goldman's credit strategists note that AI default risk has tripled since January.



Source: www.zerohedge.com, Bloomberg

#markets

#forex #dollar-index

The DXY is up just 0.5% in October, and slipped even on Friday's risk-off, after a high close of 102.59 on Oct 12 and an intraday 18-month high of 102.945 after CPI. Its October bid was a rates trade, and when the AI unwind pulled the 10Y down 36bp the support went with it; BofA's Hartnett looks for the DXY below 100.



Source: www.zerohedge.com, Bloomberg

#markets

#forex #yen-dollar

The yen hedged only in bursts: USDJPY is flat on the month after a high close of 158.61 on Oct 12, near the 159 zone where analysts see intervention risk after July's joint US-Japan operation, and a low of 156.76 on the Meta day. Tokyo never had to act. Overnight the BoJ held at 1.25% in an 8-1 vote (Takata wanted 1.5%), said underlying inflation is "generally consistent" with 2% for the first time since adopting the target in 2013, and raised its FY2027 inflation forecast to 2.6%; State Street's Masahiko Loo called it a "boring hold, hawkish direction," and the yen firmed to 157.115.



Source: www.zerohedge.com, Bloomberg

#markets

#forex #eur-usd

After an already ugly September, EURUSD fell further in October (down around 1.6% to 1.1150), with a low close of 1.1122 on Oct 27: France knocked ECB December hike odds from 90% to 69% in a day, and Lagarde's early exit adds a succession question to a central bank that may blink.



Source: www.zerohedge.com, Bloomberg

#markets

#forex #brazil #brl #lula

Brazil's currency and stocks tumbled on Monday as investors bet that Luiz Inácio Lula da Silva's comeback election victory would compound fiscal worries for Latin America's biggest economy.



Source: FT

#markets

#commodities #oil

The Iran war, now in its eighth month, produced the month's wildest swings. Washington sent a third carrier strike group on October 1 as Trump called stepping up the bombing after the midterms "possible," Bessent said Iran faced "zero oil revenue" under the US naval blockade, and on October 8 Trump said he wouldn't attack before the November vote, after which Iran expanded its mining of tankers beyond Hormuz. The Houthis then took the war to Saudi Arabia, hitting Riyadh's airport, Aramco sites and Dammam, the US ordered diplomats out of the kingdom, and reports emerged of US-Israeli plans for strikes after the midterms...



Source: www.zerohedge.com, Bloomberg

#markets

#commodities #gold

Gold is where the debasement crowd got hurt. Spot is down down over 6% (for the second month in a row) , down over 3% today alone to its lowest since October 2025 on what looks like forced liquidation - crashing back below $4,000, after a high close of $4,194 on Oct 10...



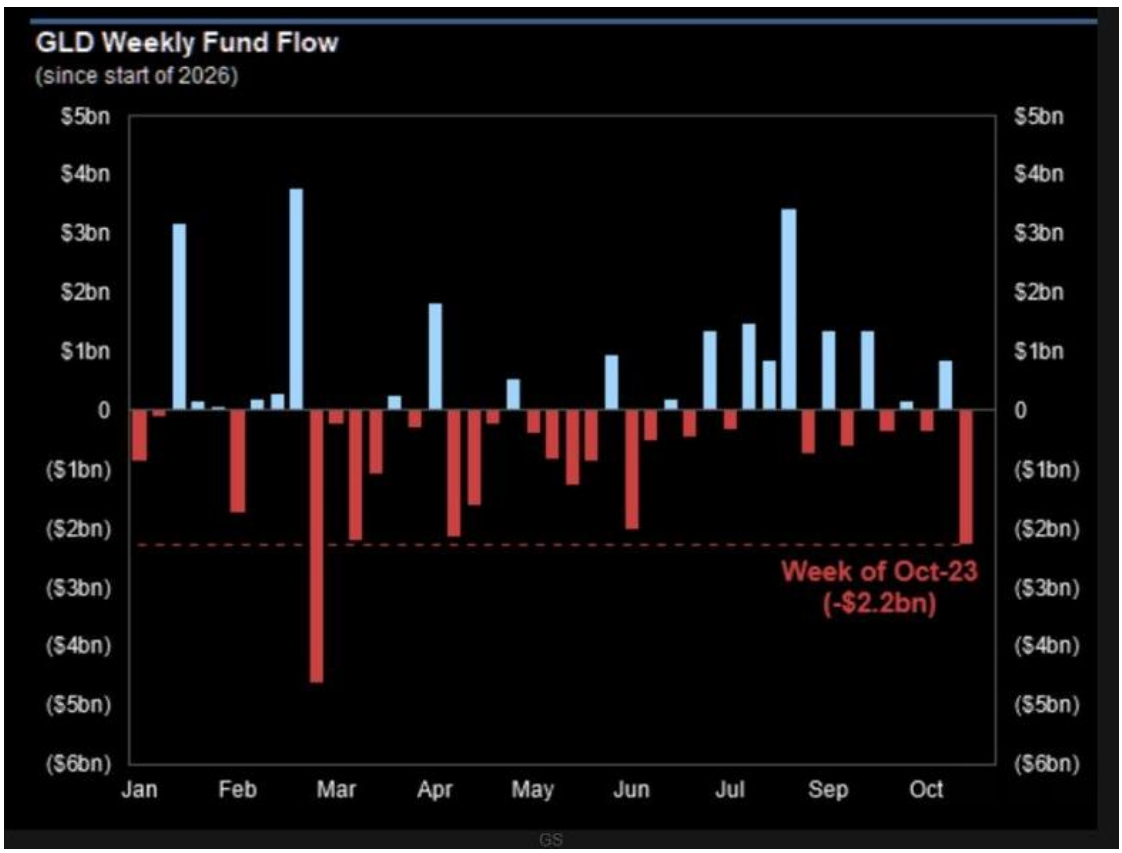
Source: www.zerohedge.com, Bloomberg

#markets

#commodities #us #gold #etf-flows

Selling the gold lows?

$GLD $ETF just recorded its biggest weekly outflow since March. Investors are heading for the exits after the recent gold washout. The question is whether they're selling into the lows.



Source: TME, GS

#markets

#commodities #siver

Central banks keep hoarding (Oct 19), but UBS calls it a "low-conviction range" in the $4,082 question (Oct 27), and Goldman shows CTAs short as everyone dumps gold (Oct 27). Silver is the month's worst major asset on our chart, down 18.5% back below $50 to its lowest since Oct 2025 from $62 highs at the start of the month, 25% below its 200-day, the deepest discount since March 2020 (Oct 27); Goldman's Robert Quinn says it is "still stuck" (Oct 21), and its industrial and AI-capex beta made it a casualty of the very trade it was meant to hedge.

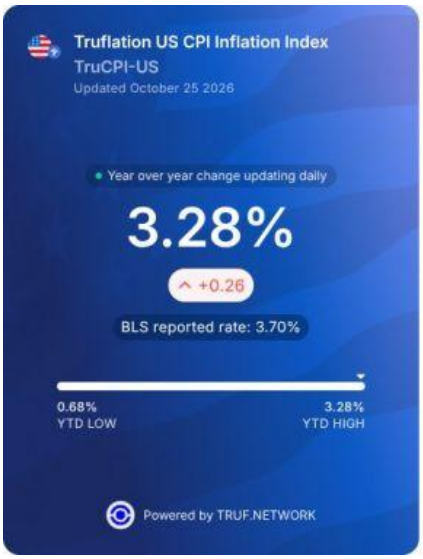


Source: www.zerohedge.com, Bloomberg

#macro

#inflation #us #truflation #cpi

Truflation's daily US CPI index is running at 3.28% YoY today, up +0.26%, its year-to-date high and a steep climb from the 0.68% low it hit early in the year. The real-time gauge still sits below the BLS reported rate of 3.70%.



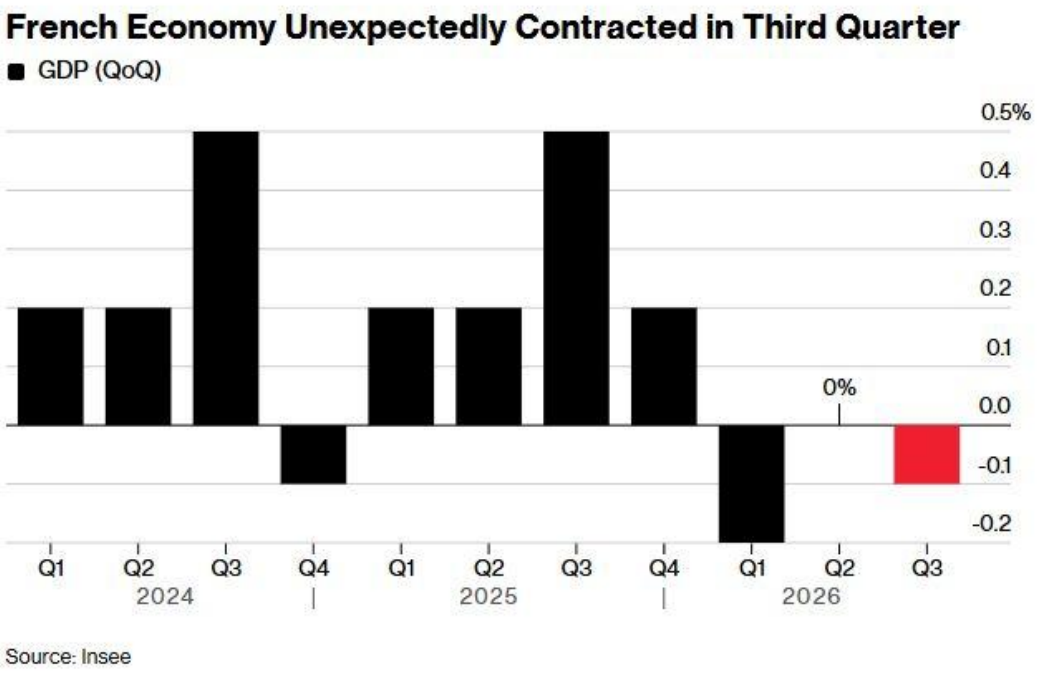


Source: Truflation @truflation

#macro

#gdp #france #eurozone #growth

In case you missed it... French Economy unexpectedly shrinks as headwinds strengthen - Bloomberg

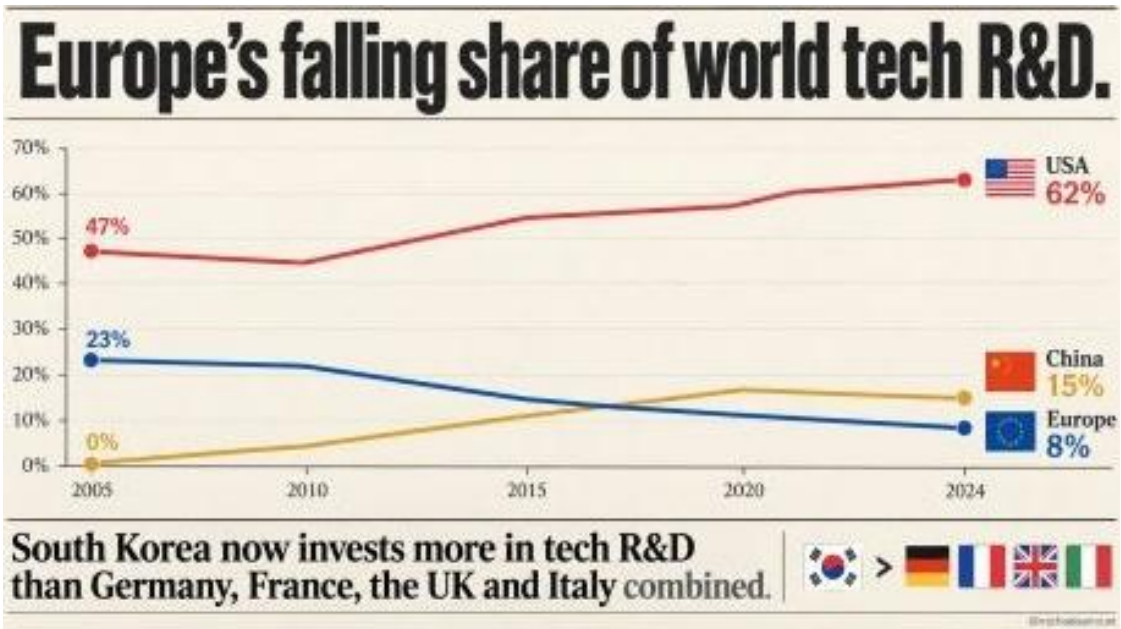


Source: Bloomberg

#macro

#innovation #europe #tech-r-and-d #regulation

Europe has talent. What it increasingly lacks is an environment that rewards turning ideas into global businesses. Every additional compliance layer consumes resources. Every reduction in the reward for risk-taking weakens the incentive to innovate. Europe needs simpler rules, stronger incentives to invest, and greater ambition to build. Because a continent cannot finance tomorrow's prosperity by regulating yesterday's success. The choice: build the next generation of global companies—or become an open-air museum for those who do.



Source: Michel A.Arouet

#centralbanks

#fed #us #warsh #ai #credit-spreads

Fed Chair Warsh on AI and interest rates: "I was skeptical that interest rates would not have an effect on AI. Rates affect almost everything."

"We're seeing interest rates have an effect on the technology complex." He also noted that credit spreads have widened.

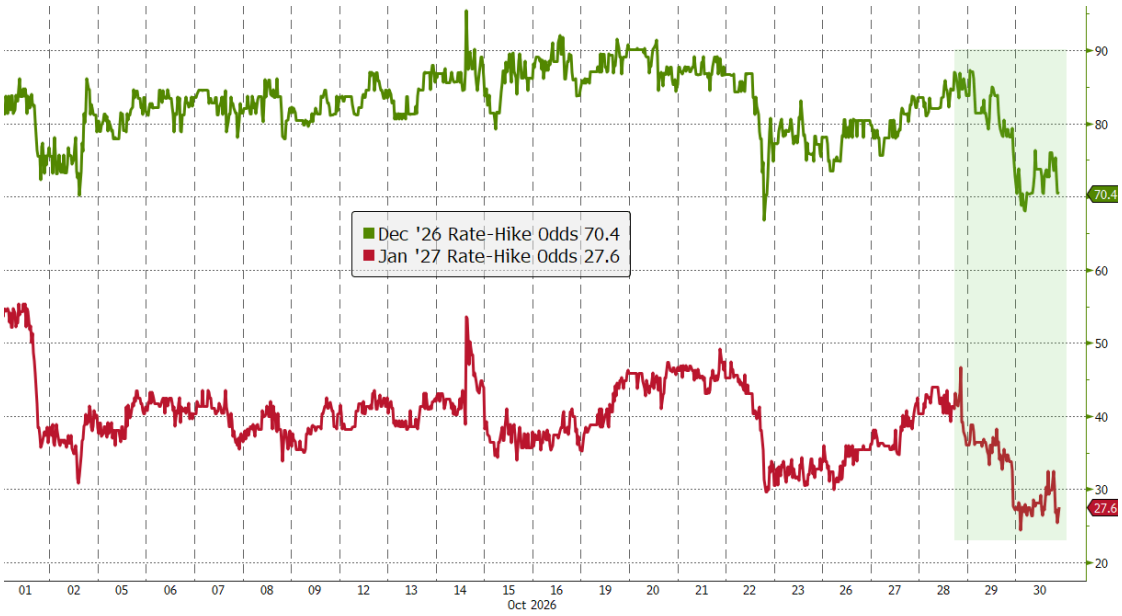


Source: Wall St Engine, @wallstengine

#centralbanks

#fed #rate-hiking #odds

December hike pricing had slipped to 70% (from 95% mid-month), with 2027 tightening pared back.



Source: www.zerohedge.com, Bloomberg

#centralbanks

#ecb #europe #lagarde #wef

ECB president Christine Lagarde reportedly told staff She plans to step down early on feb. 7.

She is stepping down more than seven years after taking office in Frankfurt. Christine Lagarde is expected to take the helm of the World Economic Forum in Davos.



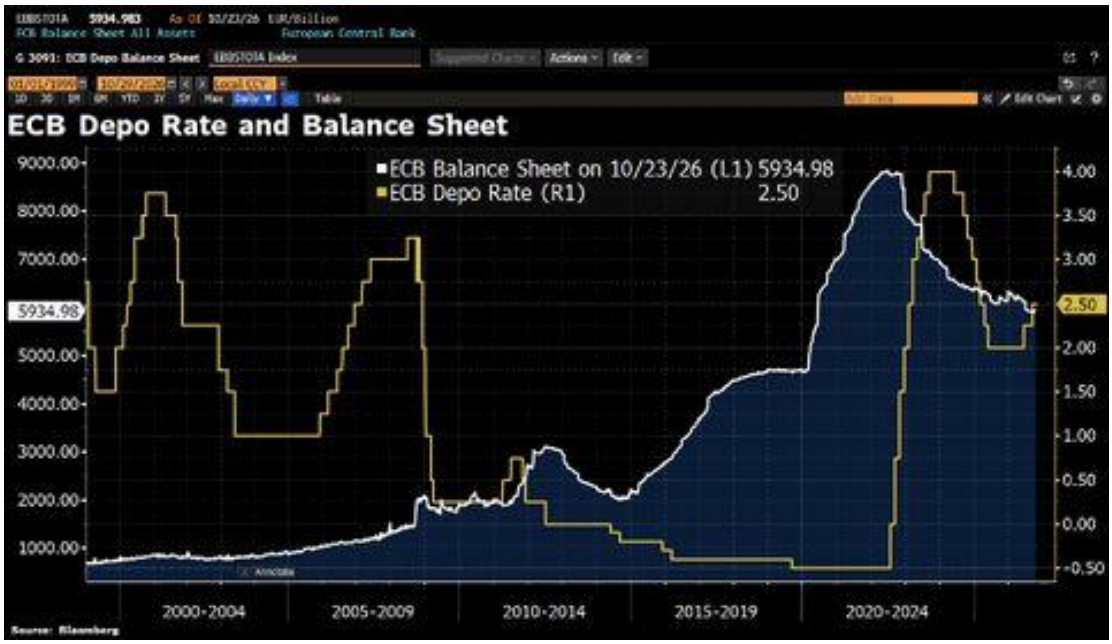
Source: Wall St Engine, BFM TV

#centralbanks

#ecb #europe #rates #balance-sheet

In case you missed it... ECB holds rates steady at 2.50%, setting the stage for a possible final hike in December.

The dovish message: little evidence that the energy shock is feeding into wages or underlying inflation, while rising bond yields are already doing some of the ECB's tightening. Bloomberg Economics expects one last hike, then a stop. Meanwhile, the balance sheet has shrunk to €5.93tn.



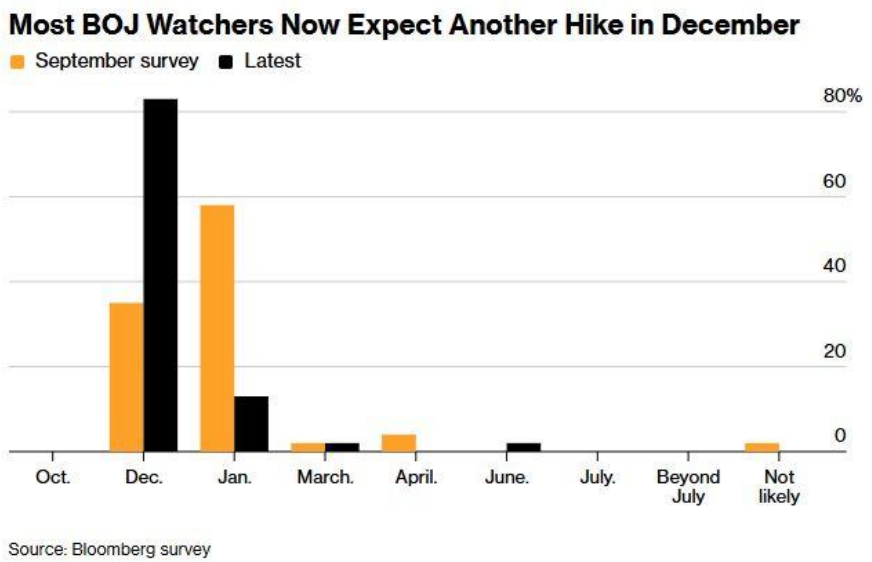
Source: HolgerZ, Bloomberg

#centralbanks

#rates #japan #boj #inflation

In case you missed it, BOJ holds rates as underlying inflation aligns with 2% target for first time since 2013.

The Bank of Japan declared that its underlying inflation target of 2% has been met, the first time it has done so since the target was set in 2013. The central bank held rates at 1.25% as expected, staying at highest level since 1995. The BOJ also upgraded its inflation forecast for its fiscal year 2027 to 2.6% from 2.4%, with the so-called "core-core" inflation forecast also raised to 2.7% from 2.6% BOJ says Japan's inflation trend hits 2% target as it holds rates – Bloomberg

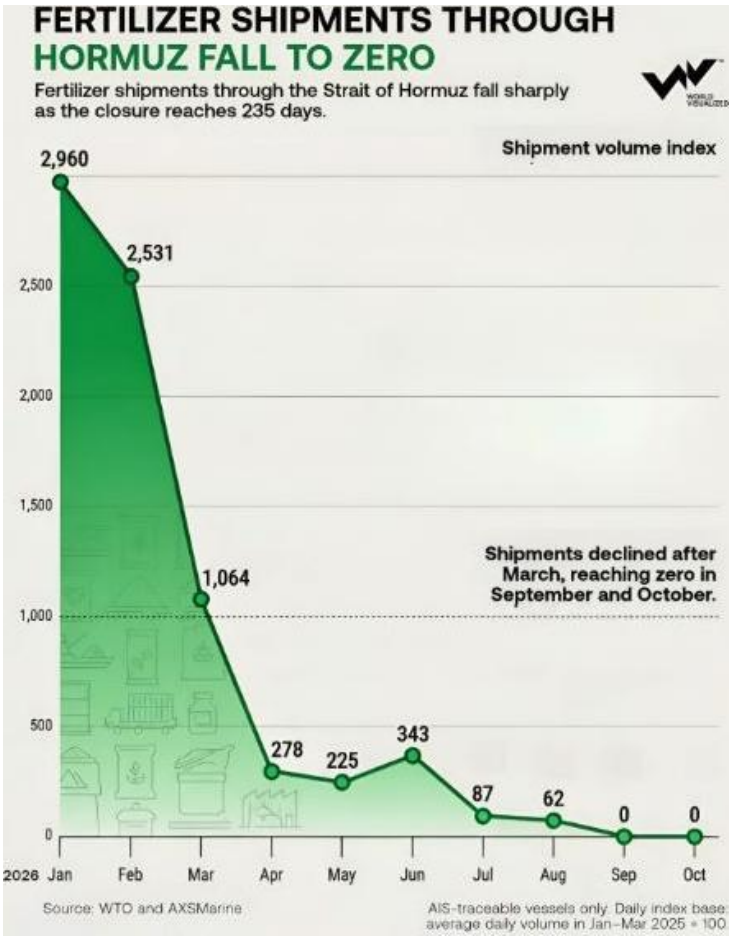


Source: Bloomberg, C.Barraud on X

#geopolitics

#fertilizer #middle-east #hormuz #sulfur

Hormuz's hidden shock: fertilizer. No fertilizer cargoes crossed the strait in September or October, according to World Visualized. The real bottleneck? Sulfur. The Gulf supplies around half of global sulfur trade. Prices have more than doubled, exceeding $1,000 per tonne. Oil found alternative routes. Sulfur hasn't. The consequences could reach food prices worldwide next.



Source: Jack Prandelli on X, World Visualized

#geopolitics

#midterms #us #democrats #prediction-markets

Democrats odds surge ahead of midterms to "sweep" the House and Senate 63% chance.



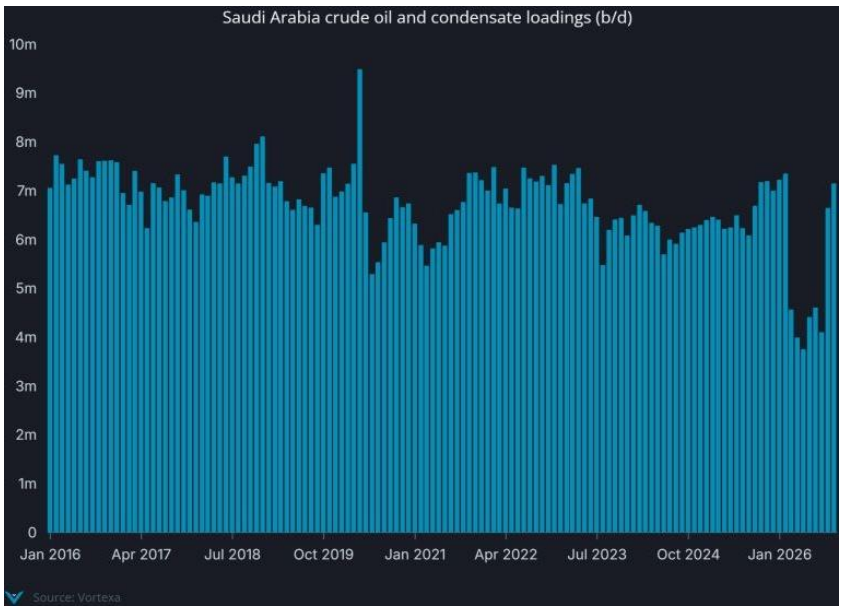
Source: Kalshi on X

#geopolitics

#oil #saudi-arabia #exports #red-sea

Saudi oil exports are back to pre-war levels.

During the first 22 days of October, Saudi Arabia exported more than 7 million barrels of crude per day, according to Vortexa data. Add refined products, and total exports reached roughly 8.5 million barrels per day—still slightly below the pre-war level of more than 9 million. The figures suggest Saudi production has climbed towards 9–10 million barrels per day, with the Red Sea route playing a crucial role. For the oil market, the message is clear: supply is recovering, but geopolitical risks remain.



Source: Javier Blas

#geopolitics

#elections #brazil #lula #bolsonaro

According to The New York Times, Brazilian electoral law experts say a two-hour voting extension ordered by Justice Cristiano Zanin could raise legal questions about the presidential election.

Electoral lawyer Priscilla Sodré Pereira described the situation as serious. Electoral law professor Fernando Neisser said annulment could be possible if the result is close and evidence establishes that extended voting disproportionately benefited areas supporting one candidate.

LIVE Updated Oct. 26, 2026, 12:38 a.m. ET

Brazil Live Updates: Lula Wins Re-Election as Bolsonaro Rejects Result

President Luiz Inácio Lula da Silva's win ended a string of conservative victories in Latin America. His opponent, Flávio Bolsonaro, called for the election to be annulled.

#cryptos

#bitcoin

Bitcoin crashed down near $76,000 this morning, after a high above $86,000 on Oct 5...



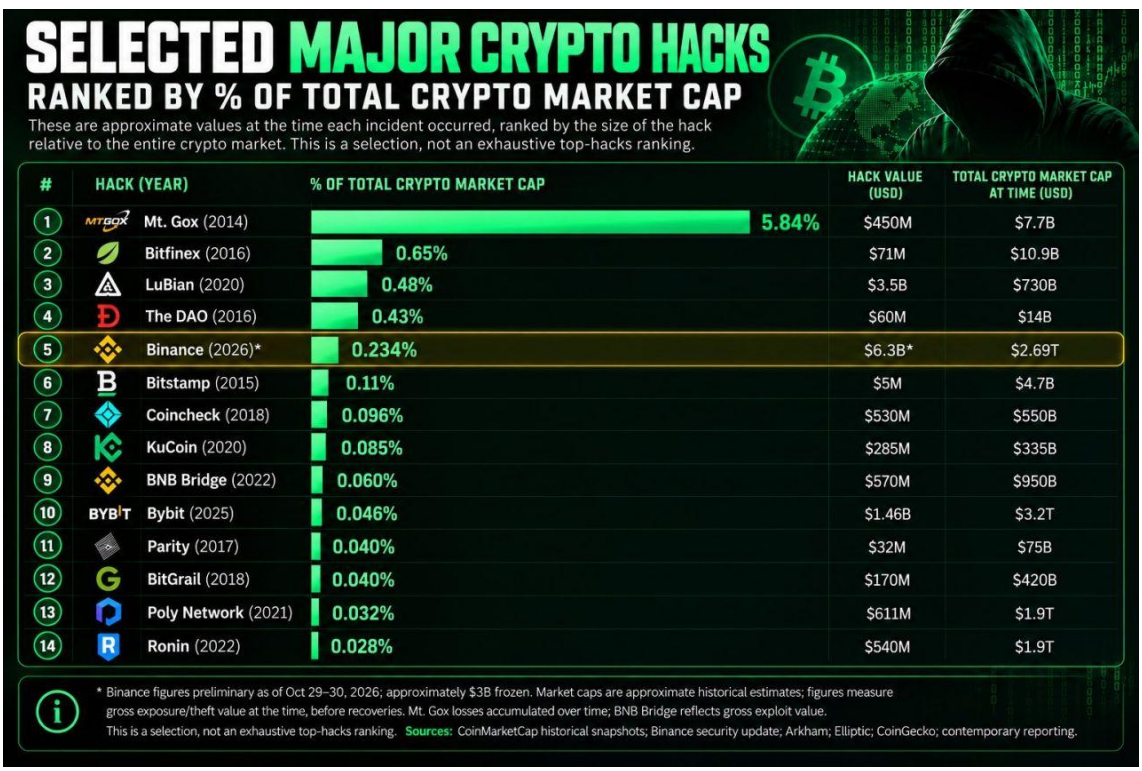
Source : www.zerohedge.com, Bloomberg

#cryptos

#crypto #global #binance #hacks

Binance has been hacked, with estimated stolen assets reaching as high as $6.3 billion, making this the largest crypto hack in history.

Binance's security breach involves an estimated $6.3 billion, with roughly $3 billion frozen so far. The exchange says it will cover all losses. Using the attached chart's estimates, the theft represents approximately 0.23% of total crypto market capitalisation. The crypto market is considerably larger today, making this incident smaller in relative terms than several earlier breaches.



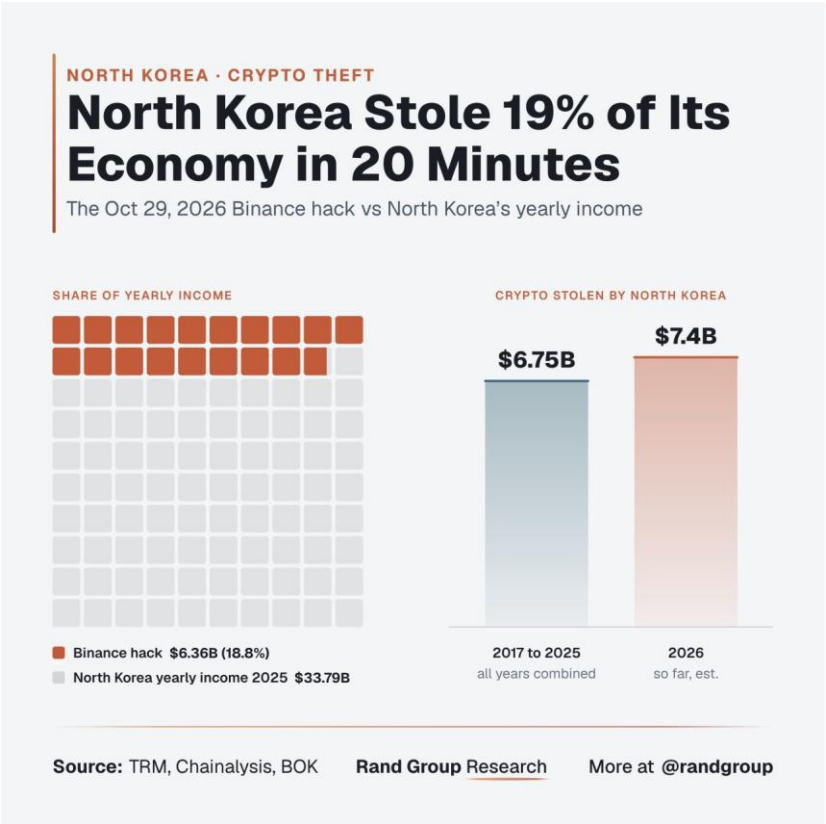
Source: bitcorn, @bitcorn_pg

#cryptos

#crypto #north-korea #binance #hack

Binance hack: Has North Korea stolen 19% of its yearly income in about 20 minutes ???

Hackers have reportedly stolen over $6 billion from Binance in a massive security breach. Around $3 billion has already been frozen. North Korean hackers are suspected to be behind the attack. Binance says it will cover all losses and user funds are safe. Over 400,000 retail get Liquidated this last night .



Source: Chain Bucks on X

#cryptos

#hyperliquid #us #perpetual-futures #nyse

The owner of the New York Stock Exchange is planning a regulated US market for 24/7 perpetual futures built on Hyperliquid.

$HYPE is up +16% in the last 5 hours as the news comes in.



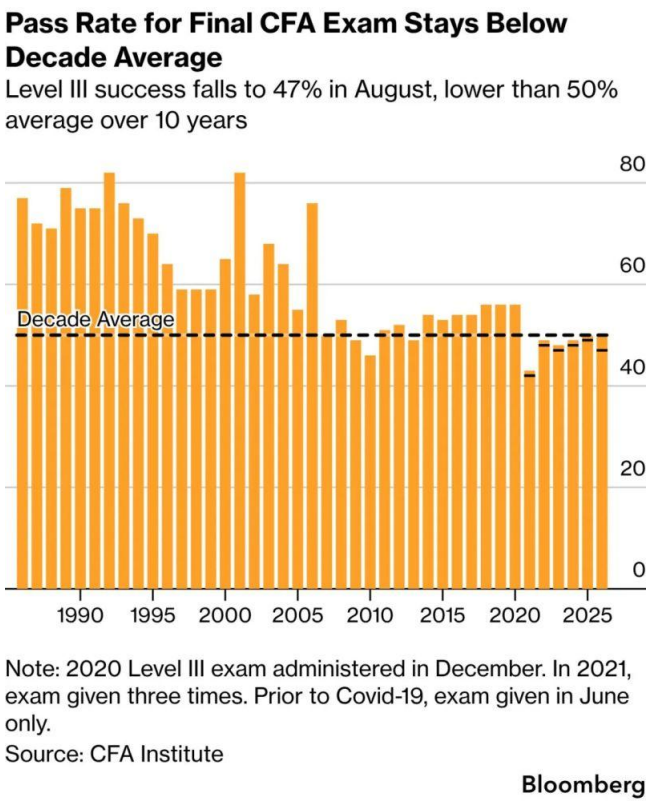
Source: Bull Theory

#food-for-thought

#careers #global #cfa #exams

Pass rate for final CFA exam stays BELOW decade average

In August, 47% of candidates passed the Level III test, down from a 50% success rate in both February and August of last year, the CFA Institute said Tuesday. That's below the 50% average pass rate over the past 10 years, which has not been exceeded since 2020".



Source: Bloomberg, Harald Berlinicke, CFA

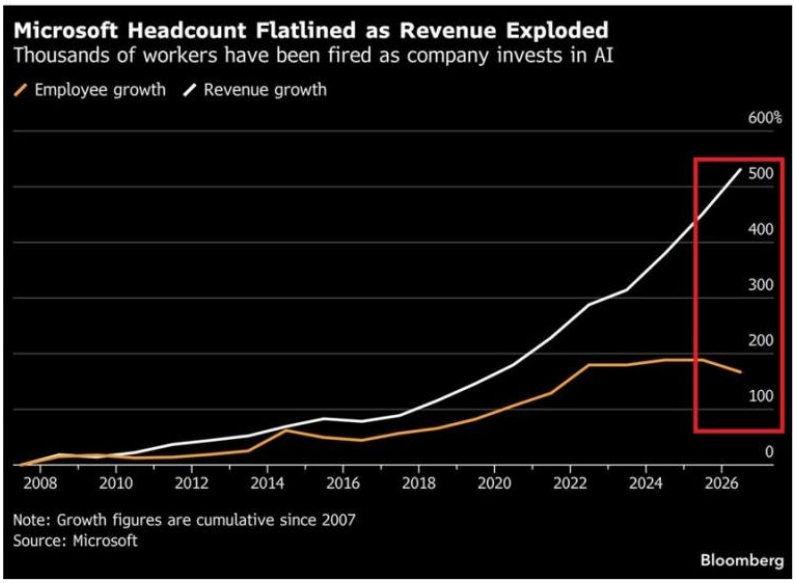
#food-for-thought

#ai #us #microsoft #workforce

Microsoft's revenue keeps growing. Its workforce barely moves. Microsoft ($MSFT) will reportedly offer voluntary buyouts to around 60,000 employees, according to Bloomberg, as it cuts costs and reorganises around AI. That is the number eligible—not the number expected to leave. Meanwhile, headcount stands at roughly 223,000, largely unchanged since 2022. Revenue has risen more than 500% since 2007. Microsoft is pouring billions into chips, data centres and AI infrastructure while keeping a tight grip on hiring elsewhere.

Microsoft offers voluntary buyouts to 60,000 employees as AI leads to efficiency push

PUBLISHED MON, OCT 26 2026•11:52 AM EDT | UPDATED 5 MIN AGO



Source: Global Markets Investor, CNBC, Bloomberg

#food-for-thought

#seasonality #us #sp500 #midterms

The Santa rally starts here?

According to Deutsche Bank, October 27 has historically marked the final seasonal low for the S&P 500, with equities typically rallying into year-end. The setup is particularly interesting in midterm years, with the S&P 500 rising over the three months following early October in 21 of the past 23 midterm years. With the midterms just one week away, election uncertainty is about to fade just as year-end seasonal tailwinds kick in. Seasonality is no guarantee, but history suggests the window for a year-end rally is opening right now.

Figure 1: Average path of the S&P 500 through a year since 1928, with midterm and non-midterm years split out



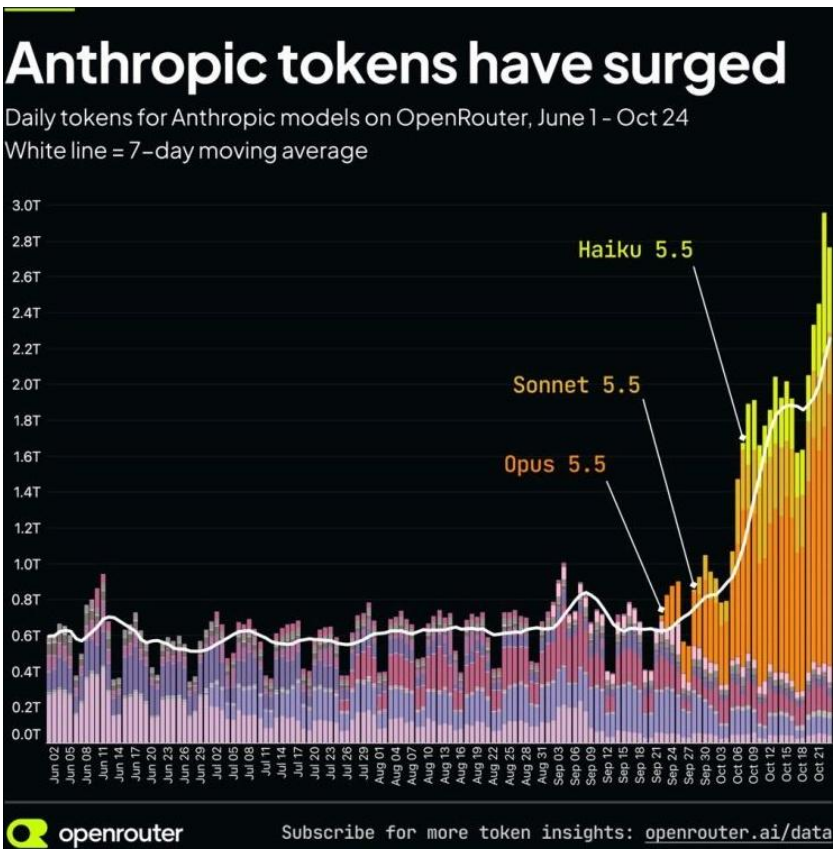
Source: DB, TME

#food-for-thought

#ai #us #anthropic #tokens

Some encouraging news for the AI super-cycle !!! Anthropic ARR has gone vertical after they cut token prices.

Lower prices > more demand > more compute > bullish AI stocks. This could be a trigger for sentiment to turn bullish again on the "AI trade!



Source: Investing visuals, @InvestingVisual

#food-for-thought

#ai #us #anthropic #net-cash

The craziest stat from the $ANT S-1 is that it will have more cash than any other tech company on earth.



Source: Michael Sikand, @michaelsikand

#food-for-thought

#ai #us #anthropic #governance

Anthropic's numbers are extraordinary. Its corporate structure is just as unusual.

But the governance story stands out too: seven founders hold 50.1% of the voting power, a trust elects most of the board, and founders have pledged to give away 80% of their stake.



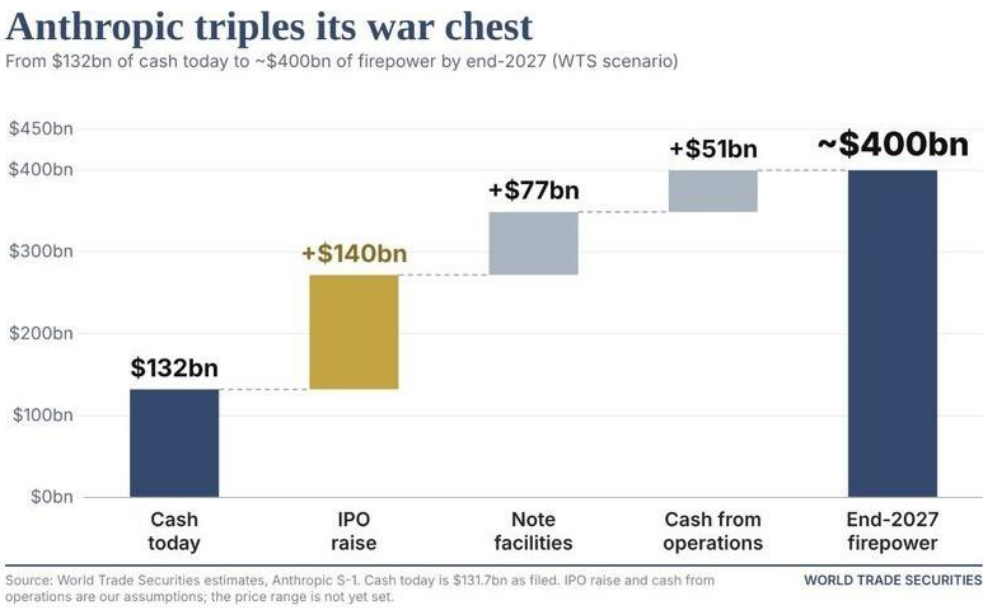
Source: The Offline Network, @OfflineOnAir

#food-for-thought

#ai #us #anthropic #ipo

$400 billion. One target: compute. Anthropic could have extraordinary financial firepower by the end of 2027.

The potential funding stack: $132bn in cash already. A possible ~$140bn IPO. $77bn in committed funding from Google, Amazon and Broadcom. Additional cash from a business reportedly growing revenue 14-fold annually. If those pieces come together, the total could approach $400bn. That would put Anthropic among the best-funded companies on the planet—and give it enormous capacity to secure chips, power and data centres.



Source: Nicholas Mugalli, @RealNickMugalli, World Trade securities

#food-for-thought

#etf #us #anthropic #private-markets

look at all the ETFs that hold Anthropic (largely via SPV or swaps).

As a group they are seeing increased inflows. It's all very deja vu with SpaceX except there's now more products with exposure. Privates in ETFs is becoming more and more normalized every month..

ETFs Holding Anthropic Exposure

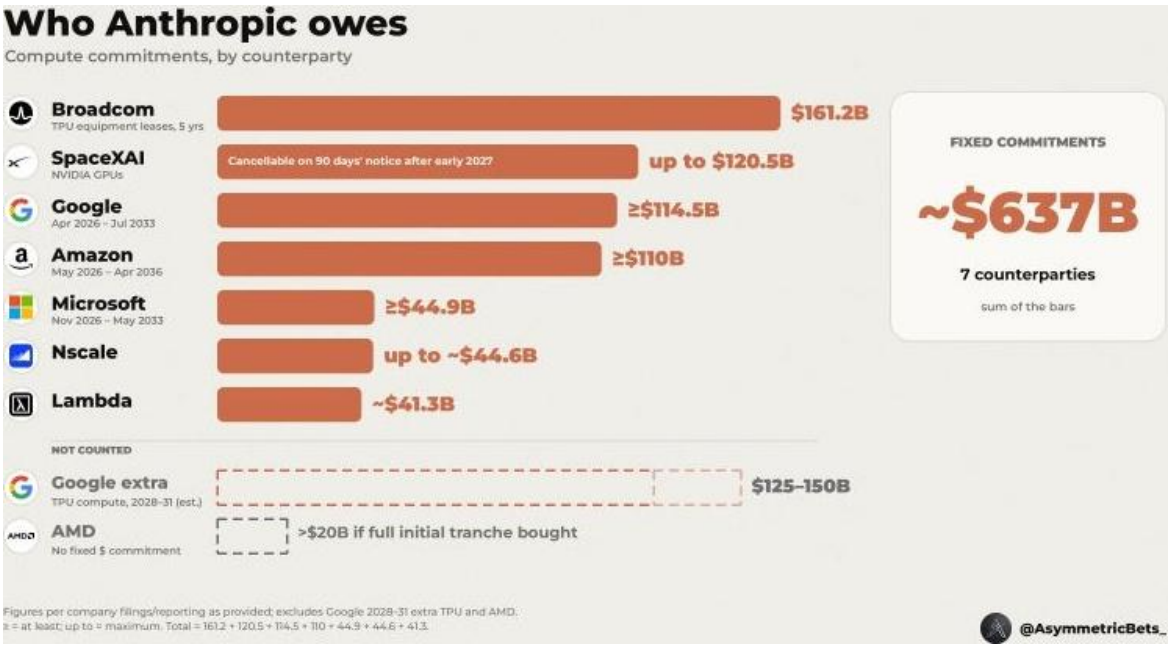
Ticker	Name	Shares
BAI	ISHRS AI IN AND TECH ACT ETF	185.076K
TCAF	T ROWE PRC CAP APPRECIATION	91.757K
CNEQ	ALGER CONCENTRATED EQTY ETF	65.623K
AGIX	KRANESHARES PUB-PR AI TEC	17.829K
VOLT	TEMA ELECTRIFICATION	18.165K
LAZR	TEMA PHOTONICS & OPTICAL ETF	14.746K
TTEQ	T ROWE PRICE TECHNOLOGY ETF	5,379
MN	CORGI MANGOS ETF	2,338
ATFV	ALGER 35 ETF	7,251

Source: Eric Balchunas via @psarofagis

#food-for-thought

#ai #us #anthropic #compute

Anthropic's fixed compute commitments sum to about $637B across seven counterparties. Broadcom leads with $161.2B of TPU equipment leases, ahead of SpaceXAI at up to $120.5B, Google at $114.5B or more and Amazon at $110B or more. An estimated $125-150B of further Google TPU compute for 2028-31 is not counted.



Source: Asymmetrical Bets, @AsymmetricBets_

#food-for-thought

#ai #us #anthropic #productivity

Anthropic is generating an extraordinary $6.6 million in revenue per employee. One striking caveat: revenue per employee tells us how much revenue a company generates relative to its headcount, but it says little about profitability or the cost of its infrastructure. Still, the number highlights just how quickly Anthropic has scaled. Is this a glimpse of what AI-native companies can achieve with smaller teams?

REVENUE PER EMPLOYEE

Company	Latest Annual Revenue	# of Employees	Revenue per Employee
OnlyFans*	$1,550,000,000	47	$32,978,723
Anthropic**	**~$35,000,000,000**	**5,300**	**>$6,600,000**
AppLovin	$5,480,717,000	898	$6,103,248
Nvidia*	$215,938,000,000	42,000	$5,141,381
Netflix	$45,183,036,000	16,000	$2,823,940
Grindr	$439,898,000	165	$2,666,048
Meta	$200,966,000,000	78,865	$2,548,228
Apple*	$416,161,000,000	166,000	$2,506,994
Google	$402,836,000,000	190,820	$2,111,079
Broadcom*	$63,887,000,000	33,000	$1,935,970
Microsoft*	$331,839,000,000	223,000	$1,488,067
Palantir	$4,475,446,000	4,429	$1,010,487

*Fiscal years end: Nvidia Jan 2026; Microsoft Jun 2026; Apple Sep 2025; OnlyFans, Broadcom Nov 2025
**Anthropic: TTM to Sep 30, 2026, calc from S-1 (>$6.6M per employee, 5,300 staff)

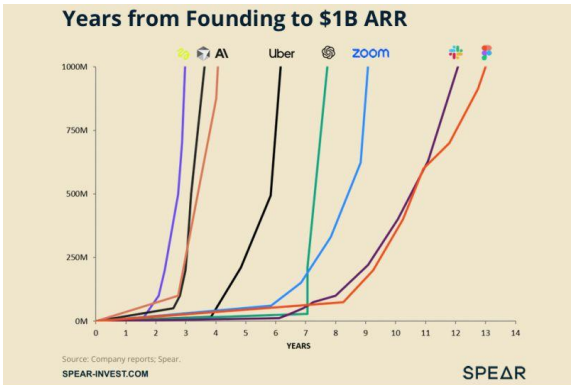
Source: Trung Phan, @TrungTPhan

#food-for-thought

#ai #us #arr #venture-capital

As very nicely highlighted by Ivana Delevska, founder of Spear, Investors keep asking when AI will generate real returns.

Consider Anthropic. Its newly released S-1 contains plenty of data points. But one stands out: The company is already profitable. And it is showing substantial operating leverage on its compute spending. That matters. Revenue growth shows demand.



Is AI Generating Returns?

Company	Capital Raised	Latest Value	Value Created	Years Since Founding	Annualized Return*
Higgsfield	$0.5B	$5.4B	$4.9B	3	121%
Cursor	$3.4B	$60.0B	$56.6B	4	105%
Anthropic	$141B	$965B	$824B	5	47%
OpenAI	$183B	$852B	$669B	10	~36%
Zoom	$0.7B	$28.6B	$27.9B	15	28%
Slack	$2.3B	$27.7B	$25.4B	12	23%
Figma	$0.7B	$12.5B	$11.8B	14	23%

Source: Ivana Delevska, Spear

#food-for-thought

#asset-allocation #global #outlook #consensus

Interesting visual by ProAllocate on Q4 2026 consensus view

Well done Stephen White, CAIA and team



Source: ProAllocate

#food-for-thought

#ai #us #amazon #aws #capex

AMAZON $AMZN ceo andy jassy said: "we have even more conviction than we already had that the investment we're making in aws will yield a much larger revenue and free cash flow generating business than we would've imagined a few years ago... we are in a 10 TO 20 year cycle"



Source: Trend Spider

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