

Market Recap at 4 PM ET

The **S&P 500** and the **Nasdaq** ended lower, with tech heavyweights facing heat ahead of big bank earnings and inflation data due later in the week. **Gold** prices were pressured lower by a stronger **dollar**. **Oil** rose as attacks on Saudi Arabia overshadowed the prospect of increased supplies.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	51,850.31	195.36	0.38	54,744.33	45,057.28
Nasdaq	27,245.90	-120.27	-0.44	27,722.75	20,690.25
S&P 500	7,807.19	-4.35	-0.06	7,844.52	6,316.91
FTSE	10,656.28	104.23	0.99	10,989.45	9,670.46
Eurofirst	2,538.74	15.68	0.62	2,652.27	2,231.14
Hang Seng	24,271.20	59.85	0.25	28,056.10	22,518.00

S&P 500	Price	$ Chng	% Chng
GAINERS			
Fair Isaac Corporation	738.36	70.78	10.60
Medtronic PLC	91.67	3.19	3.61
Insulet Corporation	139.94	4.66	3.44
LOSERS			
Ciena Corporation	401.52	-48.25	-10.73
Lumentum Holdings Inc.	988.00	-115.36	-10.45
Coherent Corp.	288.34	-24.28	-7.77

FOREX	Last	% Chng
Euro/Dollar	1.1153	-0.43
Dollar/Yen	158.65	0.21
Sterling/Dollar	1.3203	-0.21
Dollar/CAD	1.4284	0.21

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /bbl	93.43	1.58	1.72
Spot gold (NY/oz)	4168.44	-25.39	-0.61
Copper US (front month/lb)	6.70	0.0560	0.84
CRB Index Total Return	538.37	3.24	0.61

COMING UP

Wall Street's earnings season gathers pace, with major banks leading a slate of third-quarter results from corporate America. **JPMorgan** is expected to report third-quarter results, with analysts forecasting higher profit. Investors are likely to focus on the outlook for dealmaking and trading, as well as executives' views on the health of the economy. At the same time, **Goldman Sachs** is expected to report a higher third-quarter profit, benefiting from a rebound in mergers and acquisitions that is set to boost investment banking fees and a rise in equities revenue driven by market volatility amid the US-Iran war. Investors will also be watching for any comments on the bank's CEO succession plans. Similarly, **Citigroup** is expected to report strong third-quarter profit, helped by growth in investment banking and trading income. Meanwhile, **Wells Fargo** is expected to report a rise in third-quarter profit and revenue, supported by strong net interest income. Investors will look for commentary on consumer spending and the impact of interest rate hikes.

In healthcare, **UnitedHealth Group** is expected to report its third-quarter results. Investor focus will be on its medical cost management and the performance of its health insurance and Optum health services units. Additionally, **Johnson & Johnson** is set to report its third quarter results before markets open, the focus will be on changes in the company's annual outlook and comments around demand for key drugs and momentum in its medical devices business.

Federal Reserve Board Governor **Christopher Waller** is scheduled to participate in an AI discussion at the Bloomberg New Economy Forum 2026 in New Delhi. Later in the day, Richmond Fed President **Thomas Barkin** is set to take part in a discussion at the Howard University School of Business in Washington, while Boston Fed President **Susan Collins** is expected to speak on "Perspectives on the Economy and Financial Landscape" at the 25th Annual Regional and Community Bankers Conference in Boston.

The National Association of Realtors is scheduled to release **existing home sales data** for September, with sales expected to slip to 3.95 million units from 3.98 million in August.

Apple is expected to unveil a suite of new smart home products that use its newly AI-infused Siri virtual assistant at an event in New York, including a new iPad-like device intended to hang on walls or sit on tabletops.

In **Argentina**, national statistics agency INDEC is due to release **inflation** data. Monthly inflation is expected to have accelerated to 1.9% in September from 1.7% in August, driven by seasonal factors that boosted food prices. On an **annual basis**, inflation is forecast to ease slightly to 33.3% in September from 33.5% the previous month.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
NFIB Business Optimism Index for Sept	0600	--	98.7
ADP weekly NER pulse	0815	--	23,750
Existing home sales for Sept	1000	3.95 mln	3.98 mln
Existing home sales percentage change for Sept	1000	--	-2.0%

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates*	Year Ago	Rev Estimates (mln)
Domino's Pizza	Q3	06:05	$4.36	$4.37	$4.08	$1,176.44
Wells Fargo & Company	Q3	07:00	$1.85	$1.85	$1.66	$22,300.02
The Goldman Sachs Group	Q3	07:30	$12.80	$13.02	$12.25	$16,705.00
UnitedHealth Group	Q3	BMO	$4.17	$4.14	$2.92	$111,403.25
Johnson & Johnson	Q3	BMO	$2.56	$2.53	$2.80	$25,251.44
Citigroup	Q3	BMO	$2.66	$2.66	$2.24	$23,719.16
JPMorgan Chase & Co	Q3	BMO	$5.96	$5.90	$5.07	$51,217.12

**Includes companies on S&P 500 index. **Estimates may be updated or revised; release times based on company guidance or past practice.*

All analysts' estimates are according to LSEG IBES data.

LSEG DATA & ANALYTICS

Market Monitor



Traders work on the floor at the New York Stock Exchange in New York City, September 29. REUTERS/Jeenah Moon

The **S&P 500** and the **Nasdaq** ended lower as oil prices jumped after attacks on a Saudi airport, and investors waited for banks to kick off the third-quarter earnings season and for economic data this week. Technology was the biggest decliner, down 0.90% to end at 7,314.54 with weakness most pronounced among chip stocks. The Philadelphia semiconductor index lost 2.67% to end at 12,236.79. In coming days, investors will focus on corporate earnings, with major US banks including Goldman Sachs, Citigroup and JPMorgan Chase reporting early on Tuesday. "Looking out further in the week, we have some big economic reports," said Tim Ghriskey, senior portfolio strategist at Ingalls & Snyder in New York. He said investors were cautious due to a lack of direction from bonds. "We're also waiting on earnings and that's significant. The four large banks reporting on Tuesday can have a big impact," he said. Also due this week are September readings for US consumer and producer inflation data as well as retail sales data. The **Dow Jones Industrial Average** rose 0.38% to 51,850.31, while the **S&P 500** was down 0.06% at 7,807.20 and the **Nasdaq Composite** lost 0.44% to 27,245.90.

The **dollar** rose to an 18-month high, supported by safe-haven demand as an escalating Middle East conflict kept investors cautious ahead of key US inflation data later this week. Weekly data from the US markets regulator shows investors have been adding to their bullish positions on the dollar, which rose to around $36 billion in the week to October 7 from $8.4 billion three weeks ago, largely at the expense of the euro. "Markets got off to a relatively encouraging start to the week, but sentiment has since deteriorated as renewed geopolitical uncertainty and rising oil prices weigh on risk appetite, prompting a fresh round of US dollar demand," said Joel Kruger, a market strategist at LMAX Group in London. The **dollar index** rose 0.36% to 102.58, its highest since April 2025. The **euro** was down 0.44% at $1.1152. Against the **Japanese yen**, the dollar gained 0.21% to 158.65 yen.

Oil prices gained as attacks on Saudi Arabia overshadowed the prospect of increased supplies after US President Donald Trump hailed fresh Russian diesel exports and a Russia-Ukraine ceasefire on energy targets. The Iran-aligned Houthis claimed responsibility for a Saturday strike on Riyadh's international airport that killed 13 people and wounded more than 300. Further attacks happened on Sunday. In addition, more attacks on tankers sailing through the Strait of Hormuz have been reported this month, threatening to dampen a recovery in Middle East crude exports seen in September. "The sense of some kind of normality of exports from the Strait of Hormuz was shattered last week. Fresh attacks by the Houthis on Saudi Arabia added to this and helped to lift prices," said SEB commodities analyst Bjarne Schieldrop. **Brent crude futures** were up 1.51% at $106.30 a barrel. **US West Texas Intermediate futures** rose 1.73% to $93.44 per barrel.

Gold prices eased, pressured by a firmer dollar and higher oil prices, while investors awaited US inflation data for clues on the Federal Reserve's interest-rate trajectory. "We're seeing some selling pressure in gold because the dollar is near a one-and-a-half-year high," said Jim Wyckoff, a market analyst at American Gold Exchange. An escalating Middle East conflict kept investors wary. "I don't think (the reports) are going to show any signs of easing in inflation, and they would probably lean bearish for the metals market," Wyckoff added. Investors would look out for remarks from Fed Chair Kevin Warsh, along with key inflation data, later this week to gauge future monetary policy. **Spot gold** fell 0.60% to $4,168.51 per ounce. **US gold futures** lost 0.57% to $4,192.40 per ounce.

TOP NEWS

Microsoft plans huge deployment of its own AI chips, with an eye on saving costs

Microsoft announced the next generation of its custom AI chip and said it plans to deploy potentially more than a million of them next year to back its internal AI services. The Maia 300, as the chip is called, is the third generation of the company's custom chips designed to handle AI data crunching such as coding and carrying out complex business tasks on a user's behalf. Microsoft said the Maia 300 chips will get about 40% more useful computing done per megawatt than "leading GPU-based systems," though it did not name the systems it used for a comparison. "It's basically delivering more intelligence for every watt, every dollar, and every byte of memory by optimizing across the entire system," Rani Borkar, president of Azure hardware systems and infrastructure at Microsoft, told Reuters in an interview.



The logo of Microsoft at the 10th edition of the VivaTech technology startups and innovation fair in Paris, France, June 18. REUTERS/Gonzalo Fuentes

Starbucks says not buying Chipotle, ends takeover speculation

Starbucks is not buying Chipotle Mexican Grill, the coffee chain said, quashing talk of a deal that could have been the largest-ever involving restaurants but was doubted by both investors and analysts. "As a matter of policy, we don't comment on rumors and speculation, but we want to be clear we are not buying Chipotle," a Starbucks spokesperson said. Chipotle declined to comment. The statement follows a report by the Financial Times on October 8 that Starbucks had worked with advisers in recent months on a potential proposal to acquire Chipotle, citing people familiar with the matter. Starbucks also reiterated that its management was "laser focused" on "Back to Starbucks" strategy and had "strong momentum and confidence" in its long-term growth prospects. The company aims to share its fourth-quarter results and fiscal 2027 outlook later this month.

Steris doubles down on healthcare consumables with $2.1 billion Xodus buy

Medical equipment maker Steris will buy privately held Xodus Medical for $2.1 billion, adding surgical products designed to improve safety for patients and operating-room staff to its healthcare consumables business. The acquisition strengthens Steris' push into hospitals and laboratories, where its sterilization and consumables business is already seeing sustained demand. "Net-net, this is a logical tuck-in that adds additional operating-room supplies to Steris' healthcare business," said Stephens analyst Steven Etoch. He also said Steris may be able to lift Xodus sales by using its larger sales network and established relationships with hospital operating rooms. Xodus makes surgical-safety devices for hospitals worldwide and is best known for its Pink Pad system, which secures and stabilizes patients on the operating table to reduce the risk of slipping or pressure-related injury during surgery.

Bristol Myers radiopharma cancer drug slows rare tumor progression in study

Bristol Myers Squibb said its experimental radiopharmaceutical cancer therapy significantly delayed disease progression in patients with rare, advanced gastrointestinal and pancreatic tumors that had progressed after earlier treatment. The therapy, RYZ101, which Bristol Myers added through its $4.1 billion takeover of RayzeBio, belongs to a closely watched class of cancer therapies that act like a 'cannonball' to kill cancer cells by delivering radioactive particles to tumorous tissue or tumor-associated cells. RBC Capital Markets analysts said the results validate Bristol Myers' radiopharmaceutical platform and may boost confidence in rival programs across the sector. Separately, the company said a lower dose of its experimental drug slowed the progression of a serious lung-scarring disease, putting it on track to be a first-of-its-kind treatment if approved. To read more, **click here**

Delta pushes back Atlanta-Riyadh service after Riyadh airport attacks

Delta Air Lines said it would delay the launch of its planned nonstop Atlanta-Riyadh service until March 2027, amid ongoing geopolitical tensions. "We remain in close contact with relevant government and aviation partners, including Saudia and Riyadh Air, as we monitor the situation," the carrier said. The decision follows a series of flight cancellations by several airlines serving Saudi Arabia and neighboring countries after deadly weekend attacks on Riyadh airport by Yemen's Iran-aligned Houthis. Delta had announced the Atlanta-Riyadh service last year, months after US President Donald Trump's visit to Saudi Arabia. The service would have been Delta's first direct passenger route to Saudi Arabia and would have made it the only US carrier offering nonstop flights to the kingdom.

Amazon in talks to buy AI startup Decart for around $7 billion, WSJ reports

Amazon is in talks to acquire AI startup Decart in a deal valued at around $7 billion, the Wall Street Journal reported, citing people familiar with the matter. Decart's Lucy model, backed by Nvidia, can edit live video in real time, according to the company's website. It has also developed Oasis, a model that generates simulated environments to train and test robotics and autonomous-driving systems. The Journal reported that Decart was valued at nearly $4 billion in May, citing PitchBook data. A deal could happen soon if talks do not fall apart or another suitor emerges, the report said. Separately, the Massachusetts Institute of Technology has sued Amazon in Boston federal court, alleging Amazon Web Services' data security technology infringes two of its patents. To read more, **click here**

Meta releases Muse Wonder AI models to challenge Anthropic and OpenAI

Meta launched Muse Wonder and Muse Wonder Full, calling them its most capable AI models yet, as the social media firm looks to compete more forcefully with OpenAI and Anthropic. The launch comes after CEO Mark Zuckerberg pledged billions of dollars and aggressively poached researchers over the past year to catch up in Silicon Valley's intensifying AI race. Meta said Muse Wonder would soon power its Muse personal AI agent, initially for subscribers, while the more powerful Muse Wonder Full model is available to subscribers of its AI coding tool Muse Code. "Fourteen months ago, we began an overhaul of our AI efforts, and in that time we've gone from rebuilding our foundations to pushing the frontier," Meta said in a blog post.

IonQ to buy cybersecurity firm Elisity in up to $1.3 billion deal

Quantum computing company IonQ said it would buy cybersecurity firm Elisity in an all-stock deal valued at up to $1.3 billion, as it looks to expand its quantum security business. IonQ said the acquisition would provide it with expanded channels to bring its quantum offerings to both enterprise and government customers, helping them deal with current threats and prepare for attacks from future quantum computers. The deal value includes up to $150 million in earn-outs tied to Elisity's performance, it added. The number of IonQ shares to be issued will be calculated at a price between $33.07 and $49.61 per share. "Q-Day is coming much faster than predicted," IonQ CEO Niccolo de Masi said, referring to the point when quantum computers could break widely used encryption.

Anduril unveils interceptor missile family Steelfin to counter varied threats

Defense tech firm Anduril unveiled its Steelfin family of configurable and scalable surface-to-air interceptor missiles designed to tackle diverse aerial threats, as the US looks to beef up military stockpiles amid the Middle East conflict. Steelfin's two-stage architecture features a first-stage booster for range, performance, and launch configurations and a second-stage terminal interceptor with airframe, avionics, and flight controls common across variants, Anduril said. The defense contractor said it plans to produce on the order of several thousand Steelfin variants a year in the short term. Anduril will begin flight testing Steelfin variants next year. It has already completed ballistic testing with representative air vehicles.

Norway fines Microsoft's Xandr $9.6 million over Grindr data sharing

Norway's data protection authority has fined Microsoft's adtech unit Xandr 92 million crowns ($9.61 million) for unlawfully relaying Grindr users' sensitive data to thousands of advertisers, it said. Xandr relayed data revealing the sexual orientation of users of Grindr, a dating app for LGBTQIA+ people, to companies in automated ad auctions from July 2018 to April 2020. It is the biggest fine the Norwegian authority has issued, and targets the advertising middlemen rather than the app itself. The regulator said companies that traded in people's data could not pass the blame to others. The fine was based on Xandr's revenue, not Microsoft's, which did not own the unit at the time. Xandr has three weeks to appeal.



A person performs during the IMF/World Bank 2026 Annual Meetings at the Queen Sirikit National Convention Center (QSNCC) in Bangkok, Thailand, October 12. REUTERS/Patipat Janthong

Insight and Analysis

REUTERS OPEN INTEREST-Wall Street's AI bet is now too big to hit: McGeever

The hurdle for continued AI-driven equity gains is strikingly high. And with cracks starting to appear in the seemingly impenetrable tech edifice, there are mounting signs AI risk is now far more than just a case of "bad vibes." While the S&P 500 and Nasdaq climbed to fresh highs last week, a string of negative headlines related to AI – from a shelved initial public offering in Australia to reports that ChatGPT maker OpenAI's revenue is falling short of earlier estimates – suggests markets could soon run into some serious obstacles. Earnings releases and forecasts from the big AI players in the coming weeks may ease those concerns. But the bar is high – very high.

GRAPHIC-Wall Street's big but narrow rally: 4 in 10 S&P stocks are down this year

The rally that has driven the S&P 500 up 14% this year to record highs is masking the fact that more than 4 in 10 stocks in the index are lower in 2026, as the gains are concentrated in a few chipmakers and other AI-related heavyweights. The gap between the benchmark and its average member highlights how much of Wall Street's rally rests on a handful of companies as the US bull market nears a four-year anniversary.

FOCUS-Citi seeks rapid resolution of its US regulatory burdens

Citigroup is seeking to rapidly resolve its efforts to address regulatory demands that have long dogged the third-largest US bank, in order to fully re-focus on growth, according to two people familiar with the matter. The demands have lingered since 2020, leading to costly fines and distractions for Citi. Investors and analysts are laser focused on when Citi might shake off its regulatory burden, which could free up resources, boost the stock and become a key achievement for Chief Executive Jane Fraser.

Wealth News

ANALYSIS

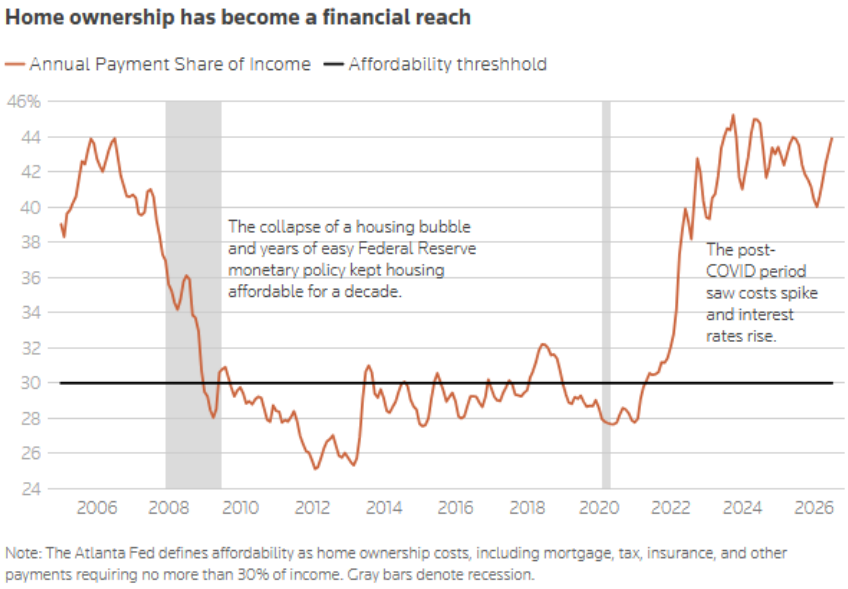
US yield surge triggers mortgage hedging, adds to bond market pressure

The sharp rise in long-term US Treasury yields has spurred mortgage-related hedging that adds selling pressure to an already strained bond market, though the impact is likely smaller than in past selloffs.

PROSPERITY GAP

In the US, a wealth boom and a price shock collide

The US is in the middle of a historic and costly technological revolution, with the artificial intelligence buildout driving a level of investment set to eclipse the previous telecommunications boom, as well as national projects like the construction of rail and highway networks. The transformation has spurred immense stock market gains that have boosted household wealth across the economy. But with investment gains concentrated among the already rich, some Americans are benefiting more than others. On housing in particular, the pandemic shock has had a long tail, and so far things have not gotten better under Trump. In fact, with bond yields rising, home mortgage rates have jumped more than a full percentage point in the past year, intensifying what was already an unaffordable situation.



Note: The Atlanta Fed defines affordability as home ownership costs, including mortgage, tax, insurance, and other payments requiring no more than 30% of income. Gray bars denote recession.

Source: Atlanta Federal Reserve | Howard Schneider

Click on the chart for a detailed and interactive graphic

FED COMMENTARY

Fed's Hammack backs restrictive policy, says better if it comes 'relatively quickly'

Cleveland Fed President Beth Hammack said the US central bank should move "relatively quickly" to a restrictive monetary policy stance in order to control inflation she feels has become more broad-based and is starting to influence firms' price-setting plans.

REUTERS OPEN INTEREST

Why surging yields aren't spooking corporate borrowers: Marty Fridson

Something is strange about recent bond-market action: Rising borrowing costs aren't putting upward pressure on average default risk. What explains that?

AI DISRUPTION

IMF says AI investment keeps global growth around 3% but brings massive disruption

Strong investment in AI infrastructure is keeping global growth at around 3% with major benefits for Asia, but also foreshadows a "slow-moving tsunami" that could massively disrupt labor markets, taxation and education, International Monetary Fund Managing Director Kristalina Georgieva said.

GOING PRIVATE

Dating app Bumble in advanced talks to go private at $1 billion valuation, source says

Bumble is in advanced talks to be taken private by Ithaca Holdings in a deal that values the dating app operator at roughly $1 billion, a source familiar with the matter told Reuters. Shares of the company surged 52.56% to end at $3.88.

SUPPLY DEAL

EnergyX signs binding $2 billion lithium supply deal with Trafigura

Lithium startup EnergyX said it has signed a $2 billion binding offtake to supply commodities trader Trafigura with the battery metal from Chile and the US, one of the largest deals ever tied to direct lithium extraction technology.

ON THE RADAR

Wed: Core CPI MM SA for Sept	0830	0.2%	0.3%
Core CPI YY NSA for Sept	0830	2.5%	2.4%
CPI Index NSA for Sept	0830	336.654	334.980
Core CPI Index SA for Sept	0830	--	337.765
CPI MM SA for Sept	0830	0.6%	0.4%
CPI YY NSA for Sept	0830	3.6%	3.4%
Real weekly earnings MM for Sept	0830	--	0.2%
CPI MM NSA for Sept	0830	--	0.320%
CPI Index SA for Sept	0830	--	334.13
CPI Wage Earner for Sept	0830	--	328.481
Cleveland Fed CPI for Sept	1100	--	0.2%
LSEG Ipsos PCSI for Oct	1100	--	50.45
Thu: NY Fed Manufacturing for Oct	0830	10.25	7.60
Initial jobless claims	0830	200,000	197,000
Jobless claims 4-week average	0830	--	198,000
Continued jobless claims	0830	1.710 mln	1.716 mln
Philly Fed Business Index for Oct	0830	28.4	37.8
Philly Fed 6M Index for Oct	0830	--	52.90
Philly Fed Capex Index for Oct	0830	--	37.10
Philly Fed Employment for Oct	0830	--	11.80
Philly Fed Prices Paid for Oct	0830	--	48.60
Philly Fed New Orders for Oct	0830	--	29.20
PPI Machine Manufacturing for Sept	0830	--	199.5
PPI final demand YY for Sept	0830	5.3%	5.4%
PPI final demand MM for Sept	0830	0.5%	0.4%
PPI ex food/energy YY for Sept	0830	4.4%	4.6%
PPI ex food/energy MM for Sept	0830	0.3%	0.2%
PPI ex food/energy/transport YY for Sept	0830	--	4.7%
PPI ex food/energy/transport MM for Sept	0830	--	0.3%
Retail sales MM for Sept	0830	0.3%	1.2%
Retail sales ex autos MM for Sept	0830	0.5%	1.4%
Retail ex gas/autos for Sept	0830	--	1.2%
Retail control for Sept	0830	0.3%	1.4%
Retail sales YY for Sept	0830	--	6.01%
Business inventories MM for Aug	1000	0.4%	0.8%
Retail inventories ex auto rev for Aug	1000	--	0.1%
Fri: Import prices MM for Sept	0830	0.8%	0.7%
Export prices MM for Sept	0830	1.0%	0.6%
Import prices YY for Sept	0830	--	7.0%
Industrial production MM for Sept	0915	0.4%	0.0%
Capacity utilization SA for Sept	0915	76.5%	76.3%
Manufacturing output MM for Sept	0915	0.3%	-0.3%
Industrial production YY for Sept	0915	--	1.42%

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PICTURE OF THE DAY



A kid runs aways from the splash of a wave generated by Post-Tropical Cyclone Rachel along the coastline in Long Beach, California, October 11. REUTERS/Daniel Cole

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For questions or comments about this report, email us at: ***TheDay.Ahead@thomsonreuters.com.***

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