

Market Quick Take - Chip stocks sold off after key earnings - 22 October 2026

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Market drivers and catalysts

- Macro: UK inflation came in hotter than forecast while a Saudi oil field was attacked
- Equities: US and European equities rallied on strong earnings, while Asian markets retreated as concerns over artificial intelligence spending resurfaced.
- Volatility: Most index gauges eased back while crude volatility pushed in the other direction
- Digital Assets: Listed crypto shares rallied through the US session while the tokens slipped back overnight
- Commodities: Brent tops USD 111 on renewed supply fears while gold struggles below USD 4,100
- Fixed Income: France's 10-year yield hits 24-year high above 5.0%
- Currencies: USD slightly weaker, USDJPY pokes near two-weeks lows overnight.

Macro

- UK annual inflation rose to 3.5% year-on-year in September 2026, the highest since October 2025 and above the 3.4% forecast, led by higher transport and motor fuel costs, with core CPI up to 2.8%.
- A deadly drone attack on Saudi Aramco's Shaybah field and Ukrainian strikes on Russian oil facilities have raised supply risks, but rising Middle East crude exports and Russia's planned diesel shipment to the US may limit further oil price gains. The US ordered some staff to leave Gulf embassies amid rising tensions, while continued attacks in the Strait of Hormuz weighed on sentiment even as oil flows there exceeded pre-war levels
- New Zealand's annual inflation slowed to 3.7% in Q3 2026 from 4.1%, just below the 3.8% forecast but still above the RBNZ's 1–3% target, with quarterly CPI easing to 0.7%.
- The average US 30-year fixed mortgage rate fell 9 bps to 7.41% in the week to October 16, 2026, its first decline in 11 weeks as Treasury yields eased. Total mortgage applications slid 5.3%, with refis down 2% and purchase applications down 7.3%.

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Macro calendar highlights (times in GMT)

- 0645 – France Oct. Confidence Surveys
- 1100 – Turkey Central Bank Rate Decision
- 1230 – US Weekly Initial Jobless Claims

- 2301 – UK Oct. GfK Consumer Confidence
- 2330 – Japan Sep. National CPI
- 0030 – Japan Oct. Flash Manufacturing and Services PMI

Earnings events

- Today: Procter & Gamble, Gilead Sciences, Union Pacific, Western Digital, Valero Energy, Blackstone, Newmont, Lockheed Martin, Spotify, Atlas Copco
- Friday: ExxonMobil, American Express, Eni S.p.A, SLB

For all macro, earnings, and dividend events check Saxo's calendar.

Equities

- USA: US equities gained on Wednesday as the S&P 500 rose 0.6% to 7,757.17, the Nasdaq 100 added 1.1% and the Dow climbed 0.7% on upbeat earnings. SpaceX jumped 7.8% after posting its first profit as a public company, while Super Micro Computer climbed 9.6% on stronger sales and margin guidance. After hours, Tesla slipped 3.3% despite beating profit estimates as reduced capital spending plans disappointed. Musk also confirmed that Tesla and SpaceX had formed independent committees to explore a potential merger, although no agreement had been reached. Meta gained 2.2% following strong results, increased AI investment plans and a proposed two-for-one stock split involving non-voting shares.
- Europe: European equities rallied on Wednesday, with the Stoxx 600 rising 0.9% to 644.49, the DAX gaining 1.3%, the CAC 40 advancing 1.1% and the FTSE 100 edging up 0.2%, as strong earnings helped offset political uncertainty in France. Randstad surged 20.2% after quarterly growth exceeded expectations, while EssilorLuxottica jumped 15.5% on strong sales, lifting luxury shares. SAP gained 3.5% amid renewed technology optimism, but Carrefour plunged 13.8% after warning that unrest in France would hurt earnings. French government bond yields reaching 5% and higher UK inflation kept fiscal and interest-rate risks in focus, even as investors welcomed encouraging corporate results.
- Asia: Asian equities reversed Wednesday's rebound during Thursday trading, with South Korea's Kospi down more than 3%, Japan's Nikkei 225 losing around 2% and Hong Kong's Hang Seng falling 2.7%, as concerns over the profitability of massive AI investments resurfaced. Technology shares led declines, with Samsung Electronics slipping more than 4%, while SK Hynix falling nearly 6% as investors questioned the sustainability of AI infrastructure spending. In Japan, SoftBank Group lost 5.6% and Tokyo Electron declined 5.9%, while rising oil prices added pressure across regional markets. South Korea's central bank kept rates unchanged at 3%, while attention now turns to further US earnings for evidence that AI investments can translate into sustainable profits.

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Volatility

VIX 16.68 | VIX FUTURES: 18.700 | TERM STRUCTURE: CONTANGO | SKEW: ELEVATED (150.36) | MARKET REGIME: LOW VOL BULL | AS OF ~06:00 CET

- Crude firmed after the Saudi attack, yet index volatility eased. VIX fell 3.64% to 16.68 and VIX9D dropped 4.79% to 15.49, while VIX1D rose 1.61% to 11.38. VVIX slipped 2.68% to 94.55 and SKEW eased 6.26% to 150.36. Cross-asset gauges split, with MOVE down 5.66% to 95.95 and OVX up 2.25%

to 53.28.

- The cash curve holds contango from VIX1D through VIX1Y at 22.03, with VIX3M at 18.72. After the roll, the front VIX future prints 18.70. SPX options imply 41.50 points, or 0.535%, for today's expiry and 59.60 points, or 0.768%, into Friday's flash PMIs.

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Digital Assets

BITCOIN ~82,806 -1.43% | ETHEREUM ~2,441 -1.21% | IBIT 47.84 +2.42% | ETHA 56.43 +2.47% | AS OF ~06:00 CET

- Listed crypto equities advanced through the US session even as the tokens eased overnight, with bitcoin retracing after peaking above 84,000. Strategy led at 7.54%, with Coinbase up 3.65%, Circle 4.47%, IREN 4.58% and Bitmine 5.00%. Miners were broadly firmer, MARA adding 4.14% and CleanSpark 3.80%.
- On the regulatory front, the OCC finalised its GENIUS Act payment-stablecoin rule on 21 October, effective 18 January 2027. Swiss regulator FINMA has approved the country's first retail spot bitcoin ETF, and BlackRock has filed for a protected-exposure IBIT product.

Commodities

- Oil: Brent trades back above USD 111 a barrel, up 2%, after a deadly drone strike on Saudi Aramco's Shaybah field which left operations unaffected, while a separate attack on King Fahd International Airport in Dammam killed one. Both incidents highlight the risk of further escalation that could disrupt supply. Prices whipsawed again on Wednesday following another unsubstantiated report of a potential Qatar-Pakistan peace proposal. Meanwhile, the EIA reported a hurricane Isaias-related weekly drop of 0.4 mb/d in US crude production. Distillate inventories recovered from a record seasonal low, while gasoline stocks fell to their lowest level since 2014. Both gasoil and ULSD (HO) remain near USD 200 a barrel, highlighting continued tightness in refined-product markets.
- Metals: Spot gold fell 1.3% to around USD 4,090 an ounce as rising energy prices added to inflation and interest-rate concerns, triggering further speculative selling. This pressure has only been partly offset by continued ETF demand, with Bloomberg data showing an 11.4-tonne increase in holdings this week to a fresh four-year high. The key question now is whether gold can find support below USD 4,100 for a third time this month, or whether we may witness a sustained break. Silver dropped 3% to USD 56.20, while copper slipped 1.5% to USD 6.48 a pound.

More in our Commodity News, Analysis & Commentary

Fixed Income

- US Treasury yields rose slightly Wednesday, but were lower again into early Thursday hours on wobbly risk sentiment, with the benchmark US 2-year treasury yield peaking at 4.83% Wednesday before closing up over two basis points and just above 4.80% and then rolling back lower to below 4.78% early Thursday. At the longer end of the yield curve, the 10-year treasury yield ended Wednesday only one basis point higher at 5.12% after a choppy session and dropped back to 5.08% early Thursday. A Treasury auction of 20-year notes drew solid demand.
- Germany-France sovereign yield spreads widened again Wednesday, with the 10-year spread ending the day at its widest daily close for the cycle since 2012, up over six basis points to over 159 basis

points. The benchmark French 10-year OAT sovereign bond yield rose eight basis points Wednesday to close at 5.013%, its first daily close above 5.0% in over 24 years.

Currencies

- The US dollar weakened slightly Wednesday and early Thursday, with EURUSD little changed but slightly higher from Wednesday's close near 1.1245 early Thursday, while the Japanese yen firmed more as USDJPY traded back near 157.75 and at times near the two-week low of 157.55 as global bond yields steadied.
- AUD traded weaker, as weak metals prices weighed, sending AUDUSD back toward 0.7015 early Thursday after a 0.7037 high and AUDJPY reversed sharply from a 111.31 high early Thursday to trade as low as 110.46 before rebounding.
- EURGBP rebounded from its 17-month low Wednesday at 0.8372 despite the ongoing negative focus on French sovereign bonds, trading near 0.8392 early Thursday.

More on currencies in our dedicated section: [Forex Trading News & Analysis](#)

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