

Week in review: strong earnings failed to rescue AI stocks, and oil hit \$116

Hello,

The past week was dominated by third-quarter earnings. SpaceX reported 161% revenue growth and its first profit as a public company, while Meta and Super Micro confirmed that demand for computing power remains strong. On Wednesday this brought back some of the appetite for tech stocks, but on Thursday the direction reversed: Meta fell about 7% despite better-than-expected results, because investors focused on capital expenditure and negative free cash flow. On the other side is oil: Brent ended the week at \$116.72 a barrel, its highest close since the end of April, after new Houthi attacks in Saudi Arabia. The 10-year US Treasury yield slipped below 5%, as some investors sought safety in bonds.

United States

Index	Close	Day	Week
S&P 500 (Oct 23)	7,623.68	-0.5%	-0.5%
Nasdaq Composite (Oct 23)	25,955.34	-0.2%	-0.7%
Dow Jones (Oct 23)	52,215.16	-1.2%	+0.4%

Data: Yahoo Finance; the date next to each index is the latest close, and the weekly change is versus Friday, Oct 16, 2026.

On Wednesday the S&P 500 posted its third straight gain and came within less than 1% of its record from the start of the month, while the Nasdaq added 1.05%. SpaceX (+7.8%) and Super Micro (+9.6%) led the way, the latter after a revenue and profit margin outlook above expectations. The chipmakers index rose 2%.

On Thursday the Nasdaq lost 2.6%, its worst session since June, and the S&P 500 fell 1.2%, its worst day since July. AMD dropped more than 8%, Micron 6% and Nvidia 4%. Companies tied to power for data centers were also under pressure: GE Vernova and Bloom Energy lost more than 11%. The Dow Jones

was almost flat (+0.02%), because most stocks outside the tech sector rose. On Friday tech stocks stabilized, but selling broadened and the Dow Jones lost 1.25% and the S&P 500 0.5%. The S&P 500 and the Nasdaq end a second straight losing week, while the Dow Jones is up for the week.

Netflix fell 5.3% after a weaker-than-expected fourth-quarter outlook and lower expectations for advertising revenue. Telecoms (AT&T -6.5%, T-Mobile -2.5%, Verizon -2.2%) were under pressure on Wednesday on fears that SpaceX could become a serious competitor, and on Friday they fell again after Bloomberg reported that SpaceX is in talks with telecom infrastructure companies about its own mobile carrier in the US.

Europe

Index	Close	Day	Week
DAX (Oct 23)	25,181.65	-0.7%	-1.7%
CAC 40 (Oct 23)	7,782.82	-0.4%	-2.2%
Euro Stoxx 50 (Oct 23)	6,068.22	-0.3%	-2.2%

Data: Yahoo Finance; the date next to each index is the latest close, and the weekly change is versus Friday, Oct 16, 2026.

European stocks posted their biggest weekly drop since early September, with the STOXX 600 down about 1.4%. Energy companies benefit from oil, but tension in France and more expensive oil weighed more. French bonds again led the selloff in Europe, and the 10-year French yield rose about 0.17 pp for the week. On Friday Kering fell 16.6% after a drop in Gucci sales, and Safran lost 10% after its results. In the UK, inflation reached an 11-month high, strengthening expectations of a rate hike by the Bank of England.

Asia

Index	Close	Day	Week
Nikkei 225 (Oct 23)	62,693.16	-0.3%	-4.0%
Kospi (Oct 23)	5,550.30	+0.3%	-2.1%

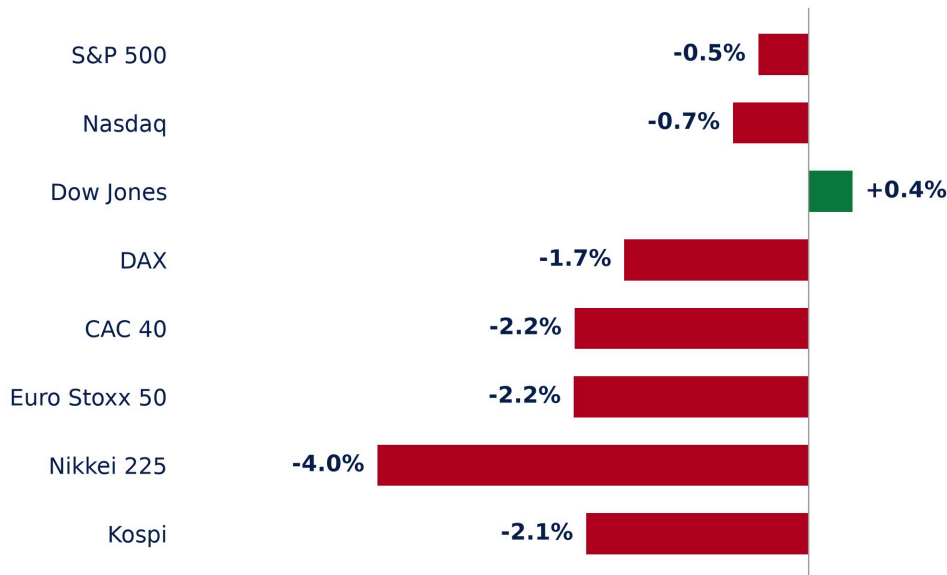
Data: Yahoo Finance; the date next to each index is the latest close, and the weekly change is versus Friday, Oct 16, 2026.

The Nikkei 225 is the weakest of the indices in this review at -4.0% versus last Friday, and on Friday it closed at its lowest level since July 30. The Kospi is

-2.1% for the week, although on Friday it returned to positive territory (+0.3%) after a drop of more than 3% on Thursday, supported by gains in SK hynix. Markets with a heavy weight of chip and memory makers react most strongly to the question of who will fund the next round of AI capital spending.

Weekly index moves

Change vs Oct 16, 2026; latest close: US Oct 23, Europe Oct 23, Asia Oct 23



Source: Yahoo Finance.

Stocks

Meta reported revenue of \$64.6 billion (+26% year over year) and earnings per share of \$3.83 against expectations of \$3.57. Capital expenditure for the quarter, however, was \$34.9 billion and free cash flow was negative (-\$2.1 billion). The company narrowed its 2026 capex guidance to \$135-145 billion and announced a new class of non-voting shares (Class C), to be distributed as a dividend from Jan 19, 2027. The market, however, focused on spending, and on Thursday the stock fell about 7%.

Tesla reported revenue of \$28.05 billion, almost unchanged from a year earlier, and net income of \$787 million versus \$1.37 billion a year earlier. Deliveries were 486,532 (-2%). Elon Musk said SpaceX and Tesla have set up special committees to discuss a merger. My analysis of the Tesla and Meta reports is in the Oct 23 article, and of the SpaceX report in the Oct 22 article below.

What these reports have in common is that AI revenue is growing, but costs are growing faster, and Thursday's reaction showed that the market is now looking precisely at costs. For an investor with a horizon of months, the key

question is not whether demand is real, but when capital expenditure will start turning into free cash flow.

Bonds and commodities

Indicator	Close	Day	Week
10-year yield (US, Oct 23)	4.99%	+0.03 pp	-0.11 pp
Brent crude, USD per barrel (Oct 23)	116.72	+3.1%	+6.2%
Gold, USD per ounce (Oct 23)	4,010.40	-1.2%	-4.1%

Data: Yahoo Finance; the date next to each index is the latest close, and the weekly change is versus Friday, Oct 16, 2026. Brent: December ICE futures (settlement price per Reuters/Dow Jones). Gold: COMEX futures.

The 10-year yield is 4.99% (-0.11 pp for the week). On Thursday it fell more than 0.17 pp to its lowest level in almost a month, as investors sought safety in US Treasuries, and on Friday it stayed below 5%. US mortgage rates fell for the first time in more than two years, to 7.41%, but mortgage applications declined for a seventh straight week (-5.3%). Housing remains the weak spot in the economy.

Brent ended the week at \$116.72 a barrel (+6.2% for the week), its highest close since April 29, after the Houthi attacks in Saudi Arabia and reports of possible new US strikes on Iran. Gold is around \$4,010 an ounce (-4.1%), its biggest weekly drop since early June. Instead of acting as a safe haven, it reacted to the higher rate expectations that rising oil prices reinforce.

Key levels

Latest close (Oct 23) and change vs Oct 16, 2026

10-year yield (US)	4.99%	-0.11 pp
Brent crude	\$116.72	+6.2%
Gold	\$4,010	-4.1%

Source: Yahoo Finance, Reuters (Brent). Brent: December ICE futures; gold: COMEX futures.

Currencies and crypto

EUR/USD is around 1.123 (+0.2% for the week), with no clear direction.

Cryptocurrency	Price, USD	Day	Week
Bitcoin (Oct 22)	81,312	-3.2%	-0.2%
Ethereum (Oct 22)	2,386	-3.4%	-1.4%
Solana (Oct 22)	103.54	-3.0%	-0.7%

Data: Yahoo Finance (BTC-USD, ETH-USD, SOL-USD), daily close in UTC; the weekly change is versus Oct 16, 2026.

Cryptocurrencies followed tech stocks. On Wednesday, after the SpaceX and Super Micro reports, bitcoin reached about \$84,700 intraday, while Ethereum and Solana gained 3.7% and more than 4.6%. On Thursday the selloff in AI stocks sent bitcoin back to about \$81,000, where it had started the week. US spot bitcoin ETFs drew more than \$1 billion in net inflows between Oct 19 and 21, but on Thursday they recorded outflows of about \$636 million. Ethereum funds posted a fifth straight day of withdrawals on Wednesday. On Oct 21 Solana activated the Alpenglows upgrade, which aims to confirm transactions in about 150 milliseconds.

Geopolitics

After the deadly attack on an Aramco oil field, the US State Department ordered the departure of some embassy staff in Saudi Arabia. On Friday there were new Houthi attacks in Saudi Arabia, and according to The New York Times, the US and Israel are planning new strikes on Iran after the US midterm elections. Supply risk is the main channel through which the Middle East affects markets: through oil to inflation expectations, and from there to central bank decisions.

What to watch next week

Fed (Oct 27-28): the decision is on Wednesday, Oct 28, at 2:00 pm ET (8:00 pm Sofia time; Europe moves to winter time on Oct 25, the US on Nov 1). The federal funds target range is 3.75-4.00%, and the market is mostly betting on no change. The question is whether the Fed will say it still sees the energy shock as temporary.

ECB (Oct 29): the deposit rate is 2.50% after the September hike. In a Reuters poll, 70 of 73 economists expect no change now, and 64 of 73 see another hike in December.

US data: on Oct 29 at 8:30 am ET (2:30 pm Sofia time) come the first estimate of third-quarter GDP and the September PCE data.

Earnings: Microsoft and Alphabet on Wednesday, Oct 28, after the close, Amazon on Thursday, Oct 29. Apple reports on Monday, Nov 2. After Meta, the focus will be on capital expenditure and free cash flow.

Articles

The Two Gladiators

Tesla and Meta Q3 2026 earnings: margins, free cash flow, capex, a DCF valuation with sensitivity, scenarios and analyst consensus.

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The Ronin Among the Samurai

SpaceX Q3 2026: AI revenue overtook Starlink, but capex, customer concentration and falling ARPU shorten the cash runway. Red flags and opportunities.

[Read the article](#)

Chris Camillo and Social Arbitrage

Social arbitrage explained through Chris Camillo: how everyday signals and TikTok beat analysts, his E.L.F. and Amazon trades, and the risks of options.

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Apocalypse Now: Colonel Kurtz, Oil Above \$110, and the Threshold the Federal Reserve Has Not Yet Declared Before the October 28 Meeting

Oil above \$110 and CPI at 3.7%: what the Fed must decide on October 28 and why the threshold may be crossed before we realize it.

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