THE DEGENERATES JOURNAL

MORNING EDITION · BASIC
Monday, October 19, 2026 · South Florida

MONDAY MORNING

Futures Bounce After Friday's Chip-Led Drop

A breather, not a repair yet: the S&P 500 needs roughly a 0.6% day just to get back to its 50-day line.

FRIDAY'S CLOSE

S&P 500	NASDAQ COMPOSITE	DOW
7,659.44	26,140.03	52,002.41
−1.09% Fri	−2.15% Fri	−0.34% Fri

FUTURES · AS OF 4:06 AM ET

S&P FUTURES	NASDAQ FUTURES	DOW FUTURES
7,749.50	29,734.00	52,307.00
▲ +0.59%	▲ +1.17%	▲ +0.18%

SCREENERS PICK

No Engine List name meets the star bar today.

Stars print only when a name clears every part of the star rule; none did this morning, so no name is starred.

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01 · THE BRIEF

What · why · when

What: Whether Friday's chip-led break gets repaired or just rented. The S&P 500 closed Friday at 7,659.44, 0.61% under its 50-day average of 7,706.42, and the Nasdaq Composite dropped 2.15%. Futures are trying: S&P futures are up 0.59% and Nasdaq futures up 1.17% as of 4:06 AM ET, crude oil (December contract) is down 2.19% overnight and the VIX is back at 18.57 as of 4:01 AM ET.

Why: Friday stacked three worries at once: a chip selloff, oil near the year's highs and hot import-price data. A bounce on lighter oil is real relief, but it doesn't erase Friday's inflation prints, and the Fed is in its quiet period ahead of the Oct 27–28 meeting. Sunday's Basic mapped the week; this is the Monday update.

When: 10:00 AM ET today: home builder sentiment (expected 32, prior 32), the only scheduled U.S. release. Tuesday: housing starts and permits at 8:30 AM ET and Netflix after the close. Wednesday after the close: IBM, Lam Research, Tesla and Texas Instruments. Tonight's Final Hour answers this morning's question.

Friday's close

MARKET	FRIDAY'S CLOSE	FRI
S&P 500	7,659.44	−1.09%
Nasdaq Composite	26,140.03	−2.15%
Dow	52,002.41	−0.34%
10-year (2:59 PM ET)	5.098%	+0.9 bp

Market health

Degen Risk: 88 — Transition (orange). A conditions gauge, not a crash predictor. Built on Friday's closes plus this morning's VIX (18.57, 4:01 AM ET).

Stress: the VIX closed Friday at 19.99 and sits at 18.57 as of 4:01 AM ET, just under the three-month VIX at 20.50 (Fri close), so the curve is close to flat. Rates: the 10-year, at 5.098% as of 2:59 PM ET Friday, is 10.0 bp above its level 20 sessions earlier. Credit: the high-yield bond fund closed Friday 5.5% under its 52-week high. The S&P 500 closed Friday 0.61% under its 50-day average.

Translation: Friday's jump in volatility and the break under the 50-day put the market on watch, and the overnight cooling in the VIX and higher futures haven't fixed the credit side yet.

02 · SESSION READ

From Friday's Close to This Morning

Friday's close

Friday was the week's gut punch. The S&P 500 fell 1.09% to 7,659.44 and closed 0.61% under its 50-day average, the Nasdaq Composite lost 2.15% to 26,140.03, and the Dow held up best at −0.34% to 52,002.41. Chips did the damage: SanDisk fell 6.85%, Micron 5.63% and Broadcom 4.52%, while Apple was one of the few tracked names in the green at +0.43%. The VIX closed at 19.99.

Overnight and premarket

MARKET	LAST	AS OF	CHANGE
S&P futures	7,749.50	4:06 AM ET	+0.59%
Nasdaq futures	29,734.00	4:06 AM ET	+1.17%
Dow futures	52,307.00	4:06 AM ET	+0.18%
VIX	18.57	4:01 AM ET	−7.10% vs Fri close
WTI crude, Dec contract ($/bbl)	96.85	3:02 AM ET	−2.19% vs Fri settle
Gold ($/oz)	4,206.10	3:02 AM ET	+0.60% vs Fri settle
Nikkei 225	64,916.70	Mon close	−0.62%
10-year Treasury yield	5.098%	2:59 PM ET Fri	+0.9 bp vs Thu close
Bitcoin	82,778.57	3:12 AM ET	+0.93% vs Sun close

Read: Lighter oil and a calmer VIX are doing the lifting, with Nasdaq futures leading. Tokyo didn't join in. The 10-year shown is Friday's 2:59 PM ET print, the latest on file at press time.

What to watch today

TIME (ET)	RELEASE	PERIOD	EXPECTED	PRIOR
10:00 AM	Home builder sentiment index	Oct	32	32

The only scheduled U.S. release today. A low-30s reading means most builders still call conditions poor; Tuesday brings housing starts and permits at 8:30 AM ET.

REPORTING TODAY	NAMES
Before the open	Cleveland-Cliffs, Dynex Capital
After the close	BOK Financial, Crown Holdings, F.N.B., RLI, ServisFirst Bancshares, Steel Dynamics, Western Alliance, W. R. Berkley, Wintrust Financial, Zions

No name on our lists reports today: a regional-bank and steel evening. Netflix on Tuesday is the first.

03 · SCREENERS

The Engine List

No Engine List name meets the star bar today. Stars print only when a name clears every part of the star rule; none did this morning, so no name is starred.

SYMBOL	FRIDAY'S CLOSE	FRI	VS 50-DAY LINE
IBM	$232.14	−0.85%	+0.1%
NFLX	$70.53	−2.86%	−6.1%
MSFT	$529.05	−1.93%	+4.7%
AMZN	$250.00	−1.87%	−2.8%
APH	$79.35	−2.63%	−3.5%
AAPL	$343.46	+0.43%	+5.5%
FTNT	$169.13	−7.03%	−0.2%
PLTR	$186.03	−7.22%	+1.9%

8 names, 0 stars. Close and change are Friday 10-16; the last column is how far Friday's close sat above or below the 50-day average.

03 · SCREENERS · POSITION & SWING

The names we keep an eye on

Six names we keep an eye on, the chip and big-tech names that took Friday's hit. Close and change are Friday's.

SYMBOL	FRIDAY'S CLOSE	FRI	VS 50-DAY LINE
QCOM	$172.11	−3.53%	−1.6%
AVGO	$328.75	−4.52%	−10.1%
TSLA	$354.72	−2.13%	−1.3%
GOOGL	$340.59	−2.47%	−1.2%
SNDK	$1,299.30	−6.85%	−18.4%
MU	$878.84	−5.63%	−10.6%

- Tesla reports Wednesday after the close; Alphabet reports Oct 28.
- SanDisk sits furthest under its 50-day of any name here.

04 · THE CLOSE

THE QUESTION INTO THE CLOSE

Does the S&P 500 close today above 7,706.42, Friday's 50-day average?

Yes if the S&P 500's official close today is above 7,706.42; no otherwise. Tonight's Final Hour prints the answer.

PRINT QUOTE OF THE DAY

“There is nothing new in Wall Street. There can't be because speculation is as old as the hills. Whatever happens in the stock market today has happened before and will happen again.”

— Edwin Lefèvre, Reminiscences of a Stock Operator (1923)

Why it fits today: Friday's selloff and this morning's bounce are an old pattern; the 50-day line decides which one sticks.

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