The Degenerates Journal

MORNING EDITION · BASIC

Friday, October 30, 2026

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Labor-cost day, Nasdaq futures down 2%

Nasdaq futures are down 2.07% and S&P futures down 0.88%, while Dow futures are up 0.17% (4:49 AM ET). The employment cost index lands at 8:30 AM ET, the morning after growth beat forecasts and inflation landed right on them. Most of the covered companies that reported last night beat estimates, and the VIX is up 7.44%.

S&P FUTURES 4:49 AM ET	NASDAQ FUTURES 4:49 AM ET	DOW FUTURES 4:49 AM ET	VIX 4:48 AM ET
-0.88%	-2.07%	+0.17%	+7.44%

When The employment cost index at 8:30 AM ET, the Chicago PMI at 9:45 AM ET, and a Fed speaker at 12:30 PM ET. DEGEN RISK 77/100 · Transition

Decision Standout **GOOGL** (Thursday's biggest decliner in coverage)

Today's Engine List: **APH**, **ENB**, **MSFT**, **ADP**, **AVGO**, **PANW**, **ADBE** and **CRM**.

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The trend is your friend except at the end where it bends.

Ed Seykota

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01 In 30 Seconds

- **What happened: The S&P 500 fell 0.30% Thursday and the Nasdaq-100 1.38%, after GDP beat forecasts and PCE inflation matched them.**
- **What matters today:** The employment cost index at 8:30 AM ET, expected +0.8% for the third quarter, with **Nasdaq** futures down 2.07% (4:49 AM ET).
- **The theme we're watching:** Theme 2 of 3, whether the biggest AI spenders can justify their spending plans: Thursday's biggest decliner in our coverage is one of them.

02 While You Slept

- **Nasdaq** futures are down 2.07% and S&P futures down 0.88%, while **Dow** futures are up 0.17% (4:49 AM ET).
- Oil is up 1.54% and the 10-year yield is down 1.2 bp (4:49 AM ET); gold is down 0.68% and the dollar is down 0.15%.
- The **VIX** is up 7.44% from Thursday's close (4:48 AM ET), and Bitcoin is down 0.16% since midnight ET (4:59 AM ET).

03 Yesterday's Tape

INDEX	THURSDAY'S CHANGE
S&P 500	-0.30%
Nasdaq-100	-1.38%
Dow	-0.25%

The **S&P 500** closed above its 50-day average, as it did on Wednesday.

04 The Brief

WHAT Nasdaq futures are down 2.07% and S&P futures down 0.88% (4:49 AM ET), while Dow futures are up 0.17%; oil is up 1.54%.

WHY Thursday's data ran warm on growth and in line on inflation: GDP grew 3.4% annualized against 3.2% expected, and PCE inflation matched forecasts at 3.6% on the year.

WHEN The employment cost index at 8:30 AM ET, the Chicago PMI at 9:45 AM ET, and a Fed speaker at 12:30 PM ET.

05 Macro

GAUGE	MOVE	AS OF (ET)
S&P futures	-0.88%	4:49 AM ET
Nasdaq futures	-2.07%	4:49 AM ET
Dow futures	+0.17%	4:49 AM ET
VIX	+7.44%	4:48 AM ET
Oil	+1.54%	4:49 AM ET
10-year yield	-1.2 bp	4:48 AM ET
Dollar	-0.15%	4:43 AM ET
Gold	-0.68%	4:49 AM ET
Bitcoin	-0.16%	4:59 AM ET

06 The Market Story in Plain Words

- **Thursday was a data day with a tech slide: The S&P 500 fell 0.30% and the Nasdaq-100 1.38%, while the Dow slipped 0.25%.**
- **Growth beat, inflation matched:** GDP grew 3.4% annualized against 3.2% expected, and core PCE inflation held at 3.1% on the year.
- **Spending stalled:** Inflation-adjusted consumer spending was flat in September, and income rose 0.2% against 0.3% expected.
- **What matters today:** The employment cost index is the next wage-inflation check, against an expected +0.8%.

07 Market Health

GAUGE	READING	NOTE
Regime	Transition	A conditions gauge, not a crash call
VIX overnight	+7.44%	4:48 AM ET, vs Thursday's close
Today's #1 catalyst	8:30 AM ET	Employment cost index, third quarter

• One side: the S&P 500 closed above its 50-day average again Thursday, and Dow futures are higher.

- Other side: the **Nasdaq-100** fell 1.38% Thursday, and **Nasdaq** futures are down 2.07% this morning.
- Translation: the overnight jump in the **VIX** is what moved conditions up; this morning's labor-cost data is the next test.

08 Breadth in Our Universe

40% of the largest tech and energy companies in our universe closed Thursday above their 50-day average, and 60% closed below it. That is a tilt toward weakness, down from 54% on Wednesday.

09 Last Night's Earnings

MEASURE	LAST NIGHT	NOTE
Covered names reporting since Thursday's close	7%	All after the close; most beat estimates
Share of covered names reporting today	0%	None before the open or after the close

10 Earnings Today

WHEN	REPORTS
Before the open	No covered names; two oil majors plus drug, consumer and defense companies
After the close	No covered names; no large-cap report is confirmed

Today is a light day for our coverage, so the labor-cost data and last night's reports set the tone.

11 Econ Calendar

TIME (ET)	RELEASE
8:30 AM	Employment cost index, third quarter
9:45 AM	Chicago PMI, October
12:30 PM	Fed speaker

12 Yesterday's Standout

Alphabet (GOOGL): down 12.64% the day after its report. **The Google parent fell 12.64% Thursday, the session after its quarterly report, as the Nasdaq-100 lost 1.38%.**

The business. Sales grew 22.2% over the last four quarters, and the company keeps 33.3 cents of operating profit on every dollar of sales. Capital spending took about 89 cents of every dollar of operating cash flow, which leaves free cash flow at 4.2% of sales. Cash and short-term investments cover its debt about twice over.

THURSDAY	WEEK	SALES GROWTH	GROSS MARGIN	FREE CASH FLOW	OPERATING MARGIN
-12.64%	-11.36%	+22.2%	60.9%	4.2%	33.3%

GOOGL · Alphabet

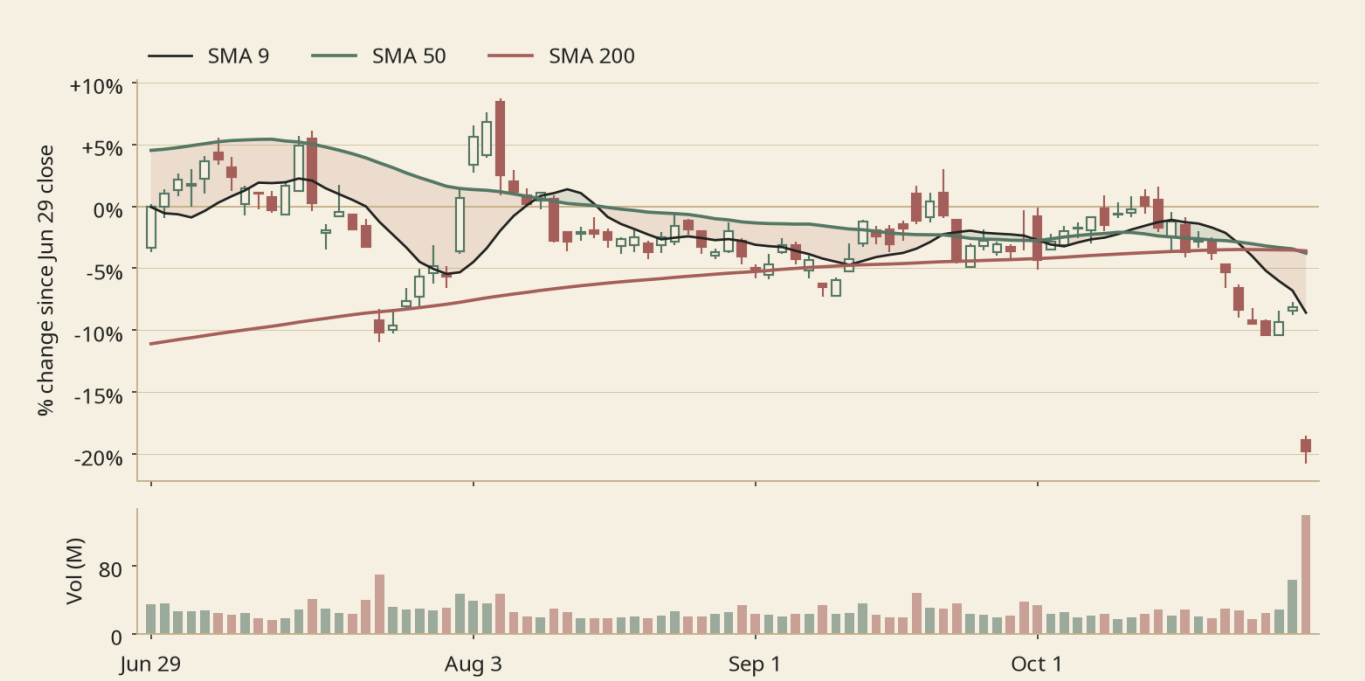


FIG. 1 — GOOGL · % change since Jun 29 close, SMA 9/50/200, volume (M) · Jun 29 - Oct 29, 2026 · Data through Thu Oct 29 close.

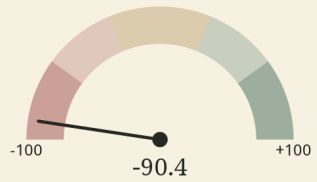
THU CHANGE -12.64%

Degen Lens Alpha

Swing		41
LEAPS		32
Position		54

Average 42.3.

Degen Meter



SCORE -90.4 of ±100

LABEL Strong Bearish

REGIME Close below its 200-day average

FLAG Washed Out

DMA Bull/Bear Meter v1, daily bars through the Thu Oct 29 close. A trend gauge.

13 News That May Affect the Market

- **Growth beat and inflation matched: Third-quarter GDP grew 3.4% annualized against 3.2% expected; September PCE inflation was +3.6% on the year, as forecast, and core +3.1%.**
- **Layoffs stay low:** Weekly jobless claims came in at 194,000 against 199,000 expected.
- **Tech reports weigh on futures:** Most of the covered companies that reported after Thursday's close beat estimates, yet **Nasdaq** futures are down 2.07% (4:49 AM ET).
- **Labor costs at 8:30 AM ET:** The employment cost index is expected at +0.8% for the third quarter, after +0.9% in the second.
- **Oil firms:** Oil is up 1.54% this morning (4:49 AM ET), ahead of two oil majors' reports before the bell.

14 The Engine List

Today's Engine List: **APH**, **ENB**, **MSFT**, **ADP**, **AVGO**, **PANW**, **ADBE** and **CRM**.

SYMBOL	COMPANY	CHANGE
APH	Amphenol	+1.38%
ENB	Enbridge	+1.48%
MSFT	Microsoft	-0.16%
ADP	Automatic Data Processing	+0.25%
AVGO	Broadcom	-1.94%
PANW	Palo Alto Networks	-3.53%
ADBE	Adobe	-0.66%
CRM	Salesforce	-4.63%

No Engine List name reports today.

The names we keep an eye on stay off this page today.

15 What Pro Members See

- **A full page for every Engine List name, with charts, levels and setups.**
- How Thursday's session graded against what we were watching.
- What changes our view after this morning's labor-cost data.

16 The Question into the Close

QUESTION INTO THE CLOSE **Does the S&P 500 close higher today than it did on Thursday?**

YES IF The **S&P 500**'s official 4:00 PM ET close is above Thursday's close, by any amount.

NO IF The **S&P 500** closes flat or lower than Thursday; futures are down 0.88% (4:49 AM ET), so the day starts on the back foot.

EITHER WAY A yes says investors looked past last night's tech reports; a no says the tech slide carried into the last session of the week.

17 LEAPS

PRO-DEGENERATE ONLY

§ Membership

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