

MORNING DECK

Tuesday, October 27, 2026 · 20 views · FOMC eve, two inflations

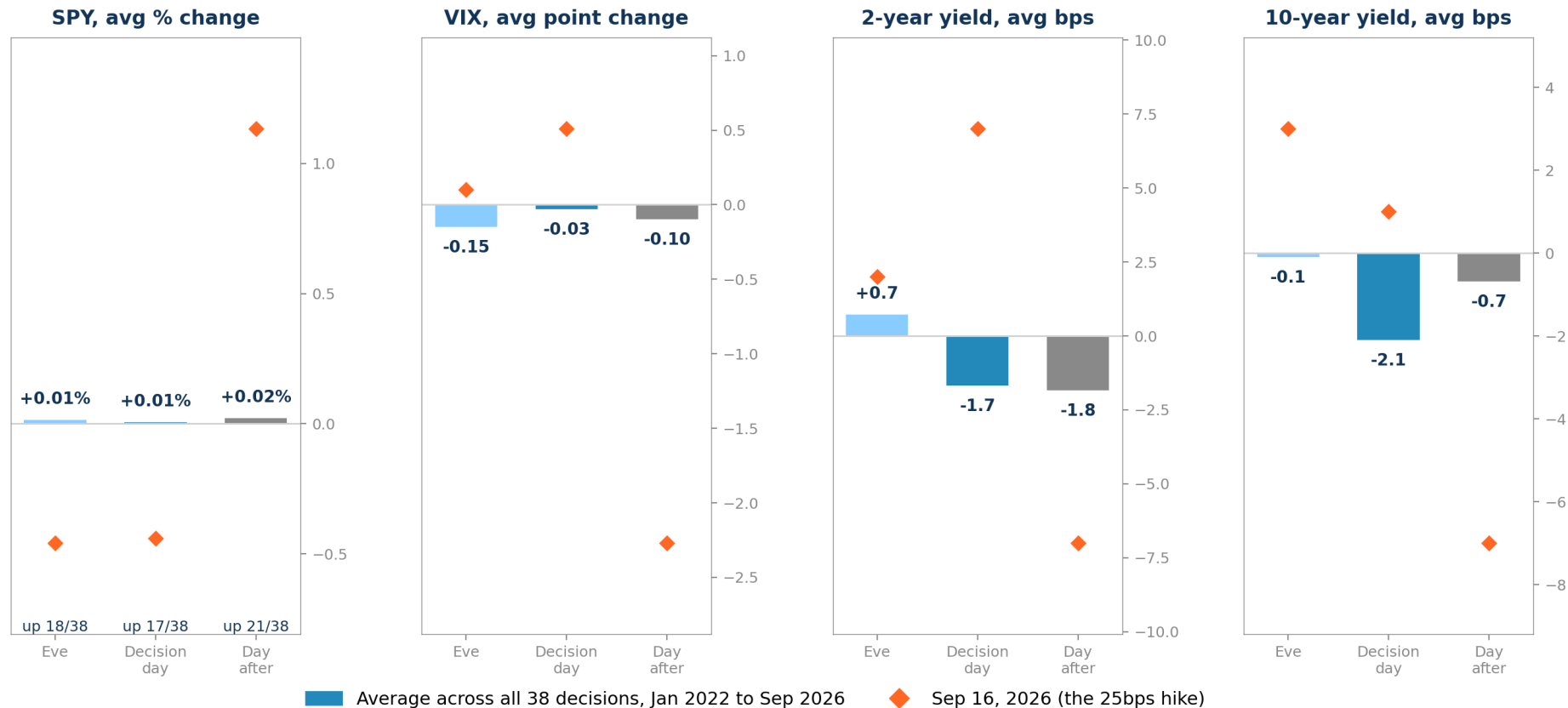
Lighthouse Macro · 20 views · MACRO, ILLUMINATED.

 Lighthouse Macro

October 27, 2026

Since 2022 the 2-Year Has Fallen 3.5bps on Average Over FOMC Day and the Next; Stocks Were a Coin Flip

Average one-session change around 38 FOMC decisions, Jan 2022-Sep 2026 (close to close; yields in bps); diamonds = Sep 16 hike; up = sessions SPY rose



Lighthouse Macro | Federal Reserve (FOMC calendar), NYSE (SPY), Cboe (VIX), US Treasury via FRED | Data through October 2026

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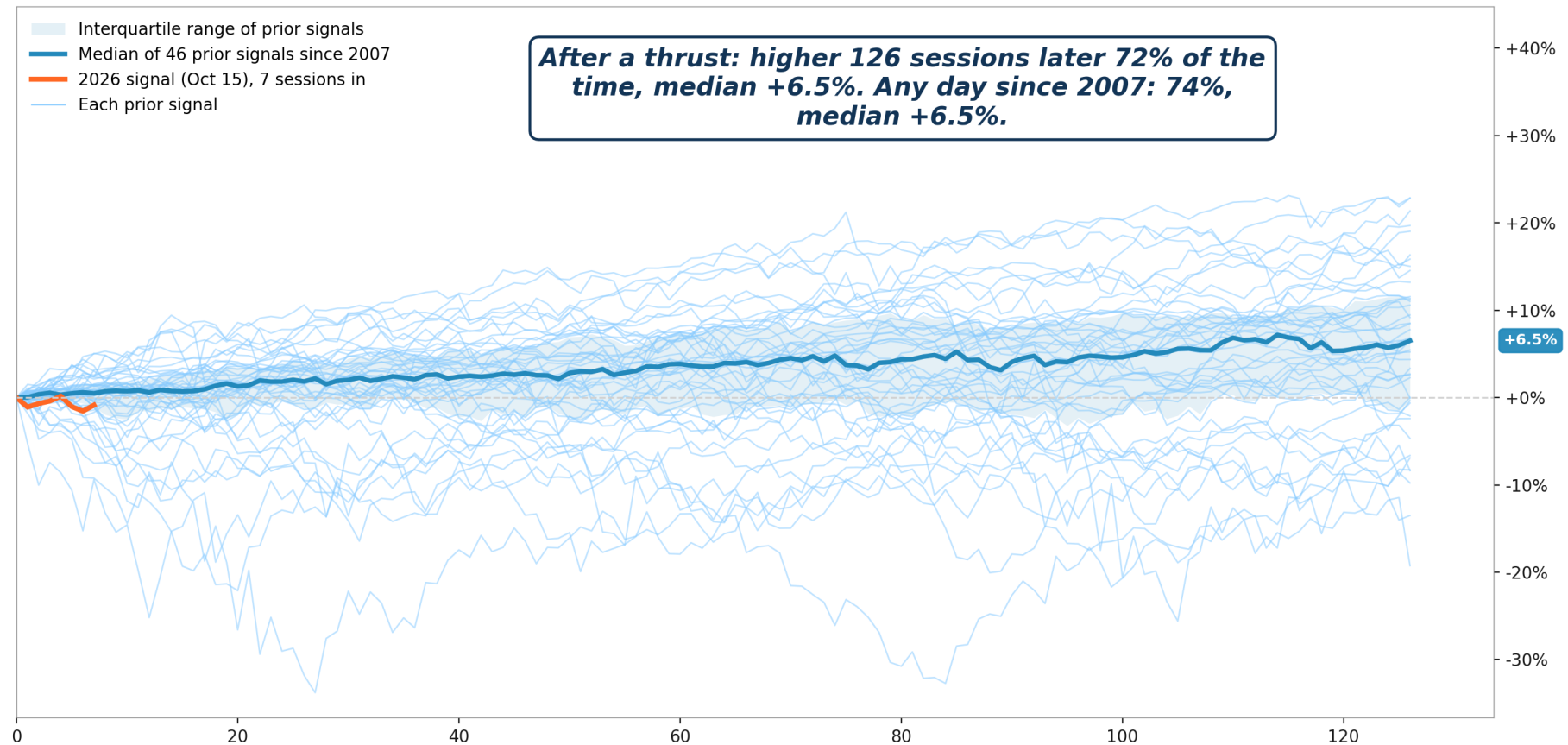
Across 38 FOMC decisions since 2022, SPY averaged +0.01% on decision day, up 17 of 38 times. The 2y fell an average 1.7bps on the day and 1.8bps the next. On the Sep 16 hike the 2y rose 7bps, then gave back 7bps. Wednesday is decision 39.

 Lighthouse Macro

October 27, 2026

A Breadth Thrust Fired Oct 15: Six Months Later the S&P 500 Was Up 33 of 46 Times, Near Its Usual Odds

S&P 500 price path after % of members above their 20-day average rose from 30 or less to 70+ within 10 sessions (63-session cooldown), 2007-Oct 2026



Lighthouse Macro | S&P Dow Jones Indices, LHM breadth calc (46 signals since 2007) | Data through October 2026

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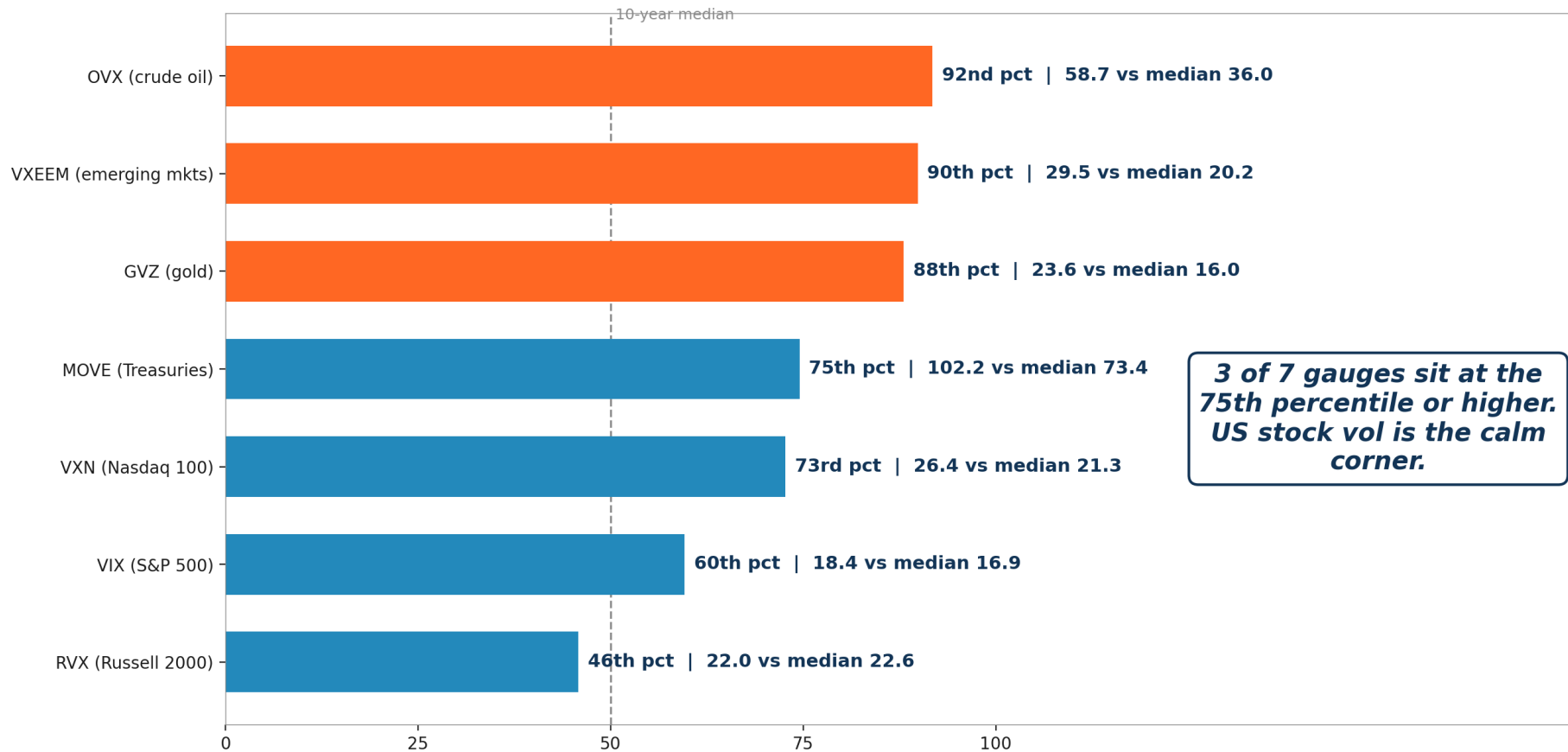
S&P 500 members above their 20-day average went from 26% to 70% inside 10 sessions by Oct 15, a breadth thrust. After 46 prior signals since 2007 it was higher 6 months on 33 times (median +6.5%), about the odds of any day (74%, +6.5%). Read it as a mild tailwind.



October 27, 2026

Into the Fed, Crude, EM Equity and Gold Vol Sit at the 88th+ Percentile; S&P 500 Vol at the 60th

Implied volatility indices, latest close (through Oct 26) as a percentile of daily closes since Oct 2016; bar color: 75th+ Dusk, 40th-75th Ocean, under 40th Sky



3 of 7 gauges sit at the 75th percentile or higher. US stock vol is the calm corner.

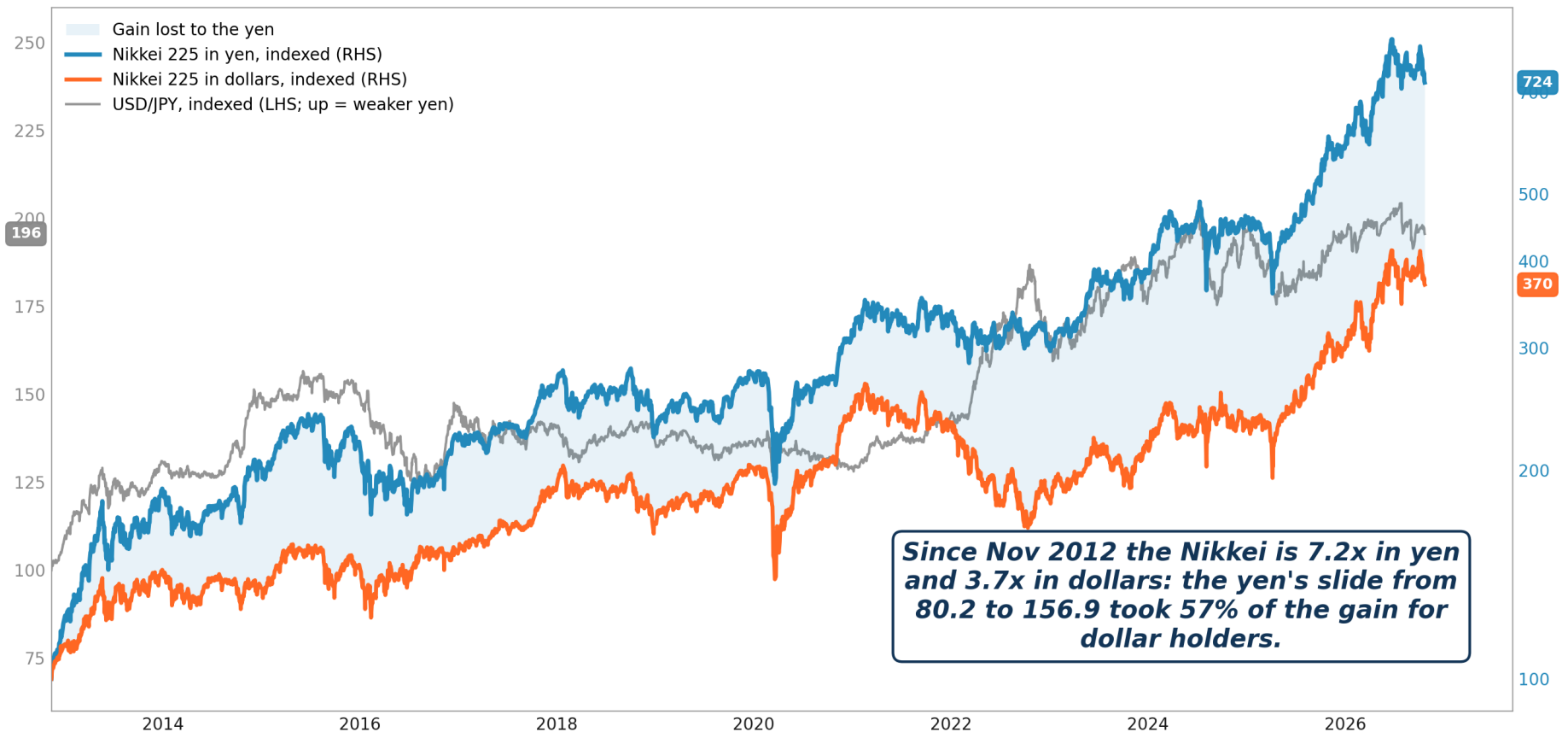
Lighthouse Macro | Cboe via FRED (VIX, VXN, RVX, VXEEM, GVZ, OVX), ICE BofA MOVE via Yahoo Finance | Data through October 2026

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Implied vol into Wednesday's Fed, 10-year percentiles: OVX 58.7 (92nd), MOVE 102 (75th), VIX 18.4 (60th), RVX 22.0 (46th). Oil, gold and EM carry the fear; US stock vol sits near its decade median.

The Nikkei Is 7.2x Since Abenomics in Yen, 3.7x in Dollars: The Yen Took 57% of the Gain

Nikkei 225 in yen and converted to dollars, and USD/JPY, all indexed to 100 on Nov 14, 2012 (log scale RHS), daily through Oct 23, 2026



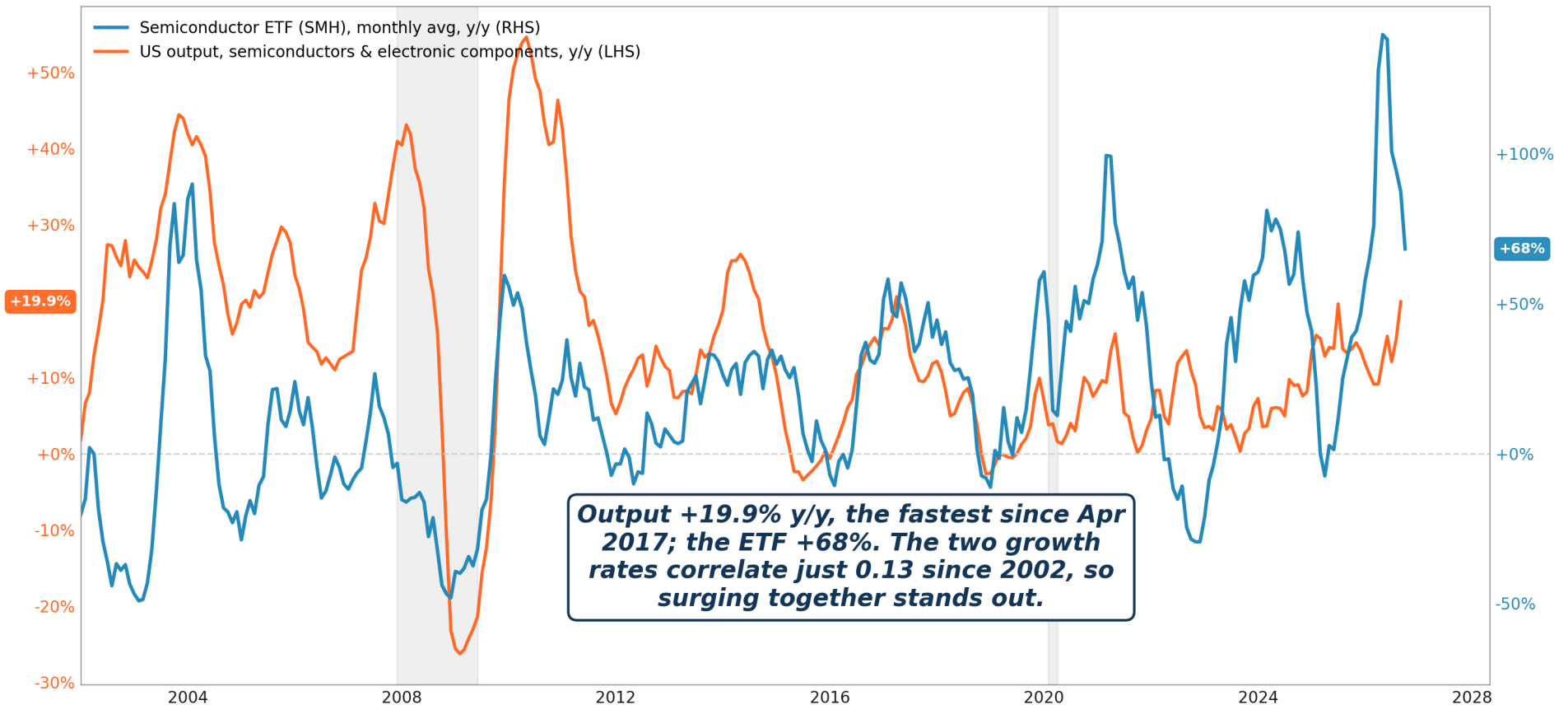
Lighthouse Macro | Nikkei Inc. via Yahoo Finance, Federal Reserve H.10 (DEXJPUS) | Data through October 2026

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From Nov 2012 to Oct 23 the Nikkei 225 is 7.2x in yen but 3.7x in dollars, with USD/JPY 80.2 to 156.9. In 2026: +24.5% local, +24.1% in dollars. The BoJ meets Friday; a firmer yen would hand dollar holders some of that back.

US Chip Output Grew 19.9% Y/Y in September, the Fastest Since 2017, as Chip Stocks Ran +68%

Industrial production, semiconductor & other electronic components (NAICS 3344), y/y, through Sep 2026, vs VanEck semiconductor ETF monthly average, y/y, through Oct 2026



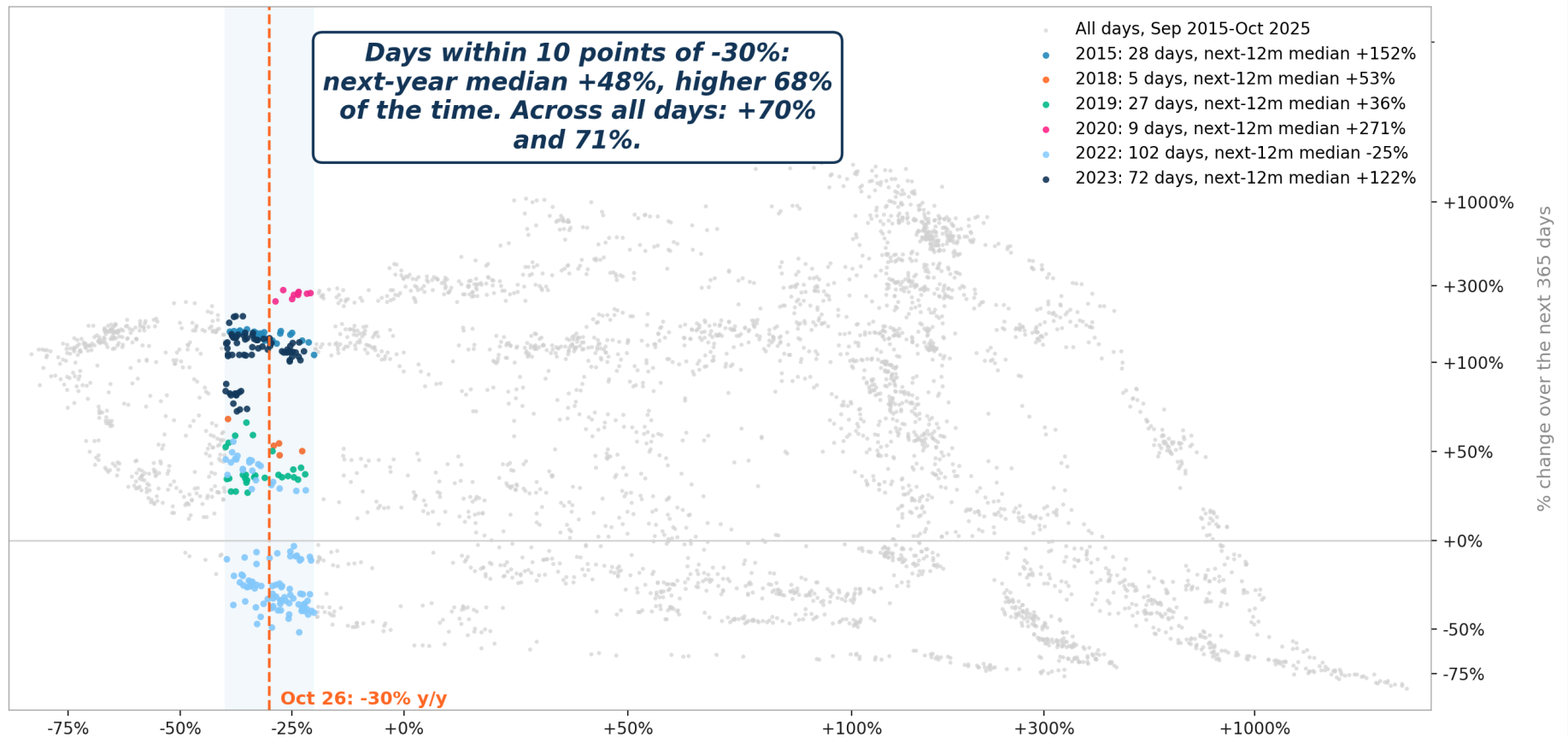
Lighthouse Macro | Federal Reserve G.17 (IPG3344S), VanEck/NYSE (SMH) | Data through October 2026

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Fed industrial production: US output of semiconductors and electronic components rose 19.9% y/y in September, the fastest since Apr 2017. The chip ETF is +68% y/y. The two rarely move together (correlation 0.13 since 2002); this time the factory data back the tape.

Bitcoin Is Down 30% on the Year; Past Days Like This Led to Anything From -51% to +283% a Year Later

Bitcoin daily: prior 365-day change (x) vs next 365-day change (y), Sep 2015-Oct 2025; colored: prior change -40% to -20%, by year (symlog axes)



Lighthouse Macro | Bitcoin spot (LHM DB, daily incl. weekends); overlapping windows, few independent episodes | Data through October 2026

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Bitcoin closed Oct 26 30% below its level a year earlier, 36% under the Oct 2025 high. Past days within 10 points of that saw a median +48% over the next year, higher 68% of the time, near the odds of any day. 2022 is the warning: -25%.

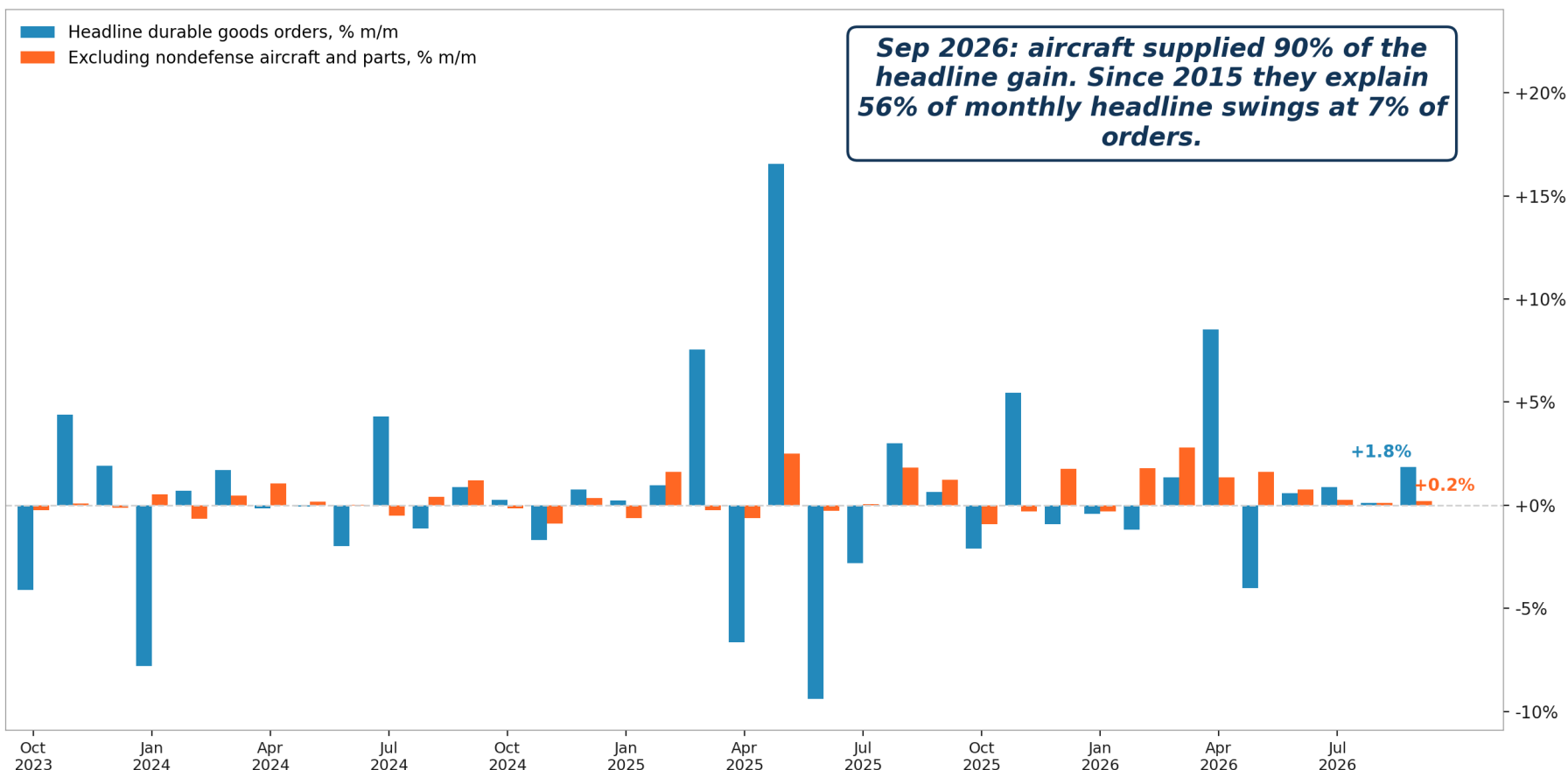


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October 27, 2026

Durable Goods Rose 1.8% in September; Without Civilian Aircraft, +0.2%

US durable goods new orders, % m/m, SA: headline vs excluding nondefense aircraft and parts, Oct 2023-Sep 2026; aircraft orders at the 95th pctile since 1992



Lighthouse Macro | Census Bureau M3 (Advance Durable Goods), via FRED | Data through September 2026

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September durable goods orders rose 1.8%, but civilian aircraft orders jumped 28.4% and supplied 90% of the gain; everything else rose 0.2%. Since 2015 aircraft explain 56% of monthly headline swings at 7% of orders.

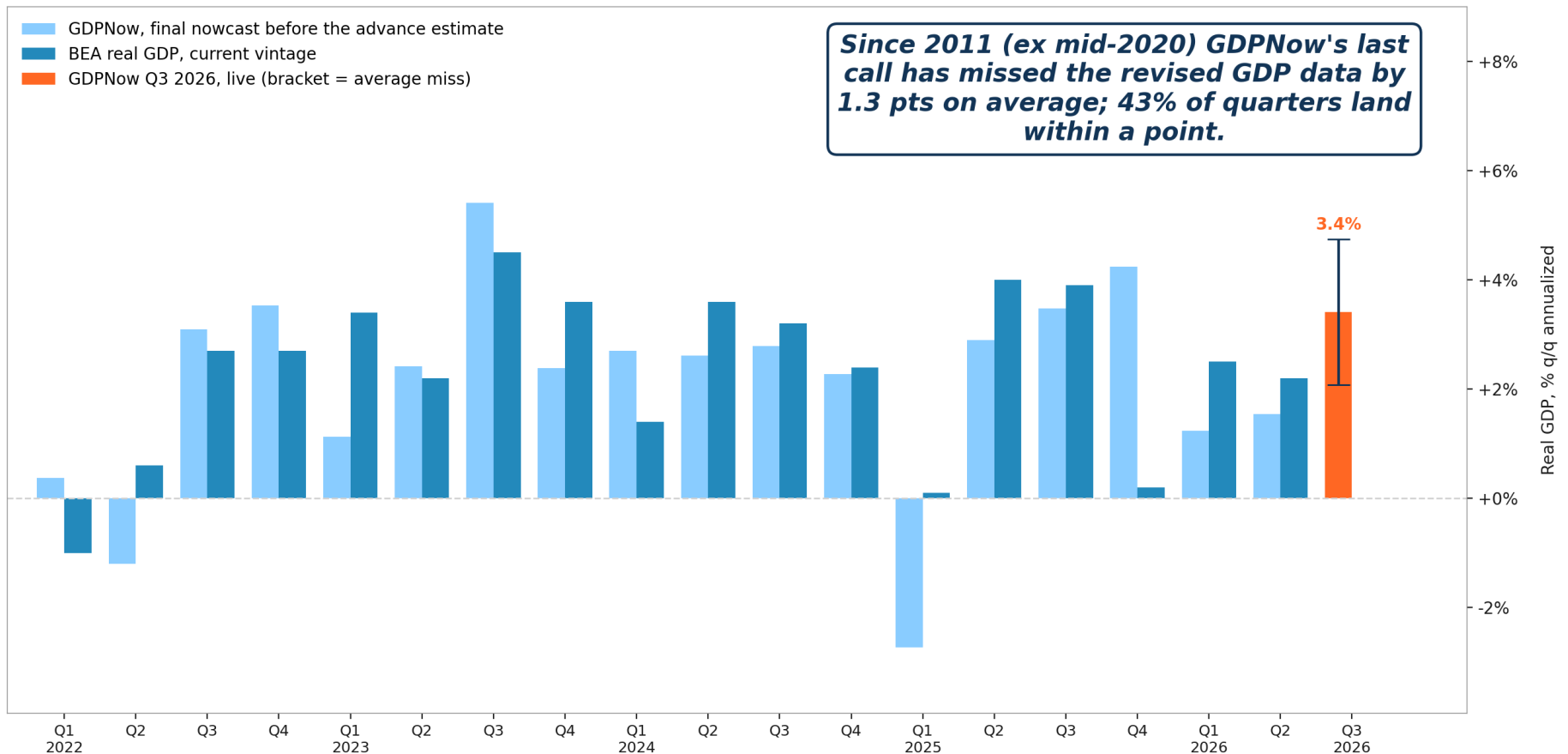
Read the headline through the hangar.



October 27, 2026

GDPNow Has Q3 at 3.4% Into Thursday; Its Final Calls Miss by 1.3 Points on Average

Real GDP growth, % q/q SAAR: Atlanta Fed GDPNow final nowcast vs BEA estimate (current vintage), Q1 2022-Q3 2026; Q3 2026 = Oct 27 update



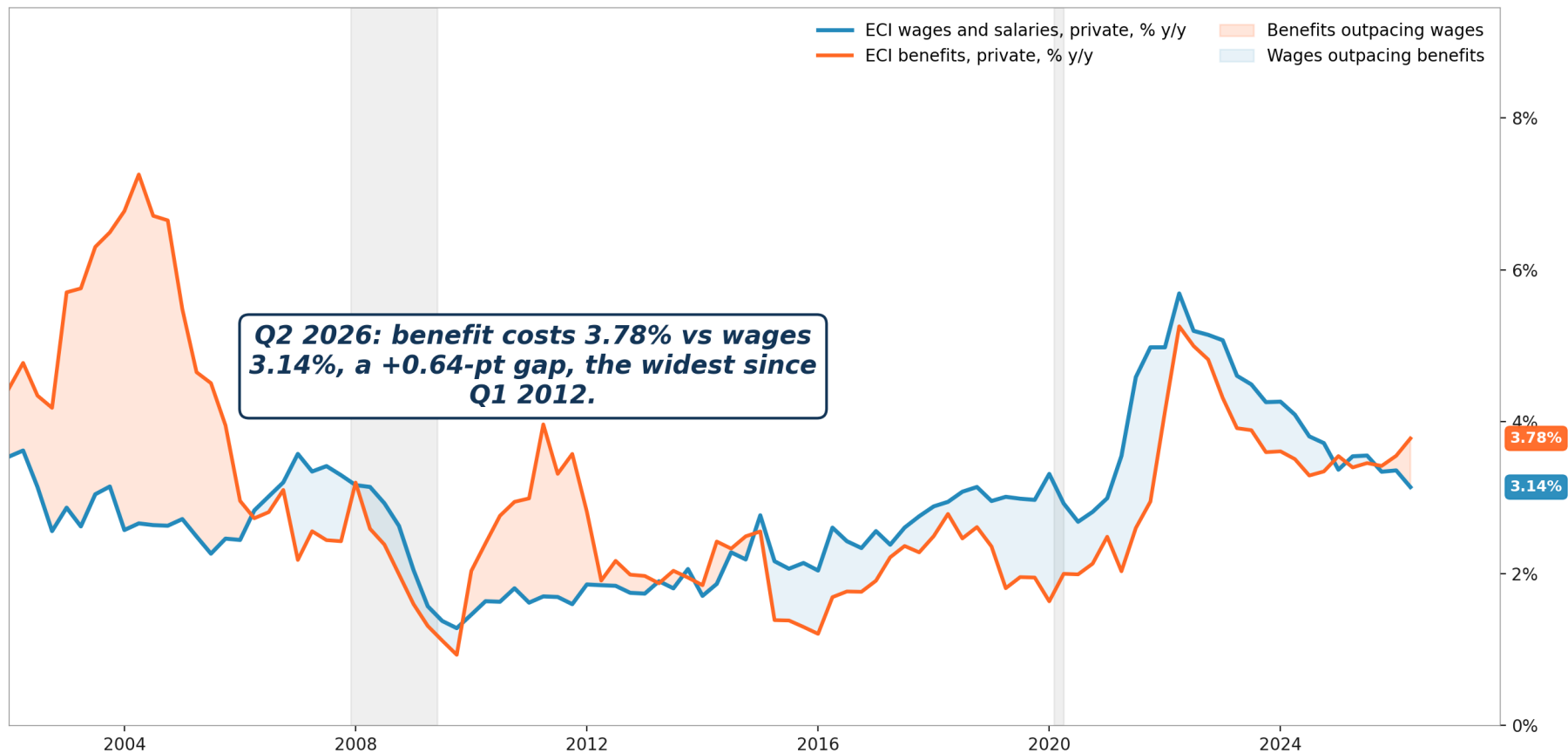
Lighthouse Macro | Federal Reserve Bank of Atlanta GDPNow, BEA, via FRED; miss excludes Q2-Q3 2020 | Data through October 2026

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GDPNow has Q3 GDP at 3.4% after Tuesday's durable goods, into Thursday's advance print. Since 2011 its final call has missed the GDP data as revised by 1.3 pts on average (Q2: 1.5% nowcast, 2.2% now). A typical-size miss still leaves 2.1%.

Employers' Benefit Costs Are Rising Faster Than Pay: 3.8% vs 3.1%, the Widest Gap Since 2012

Employment Cost Index, private industry workers, % y/y, quarterly, 2002-Q2 2026: benefits vs wages and salaries; Q3 prints Friday Oct 30



Lighthouse Macro | BLS Employment Cost Index (NSA indexes, y/y), via FRED | Data through June 2026

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Into Friday's Q3 ECI: private benefit costs rose 3.78% y/y in Q2 2026 against 3.14% for wages, the slowest since Q1 2021. A +0.64-pt gap, widest since Q1 2012. Pay is cooling; what a worker costs is not cooling as fast.

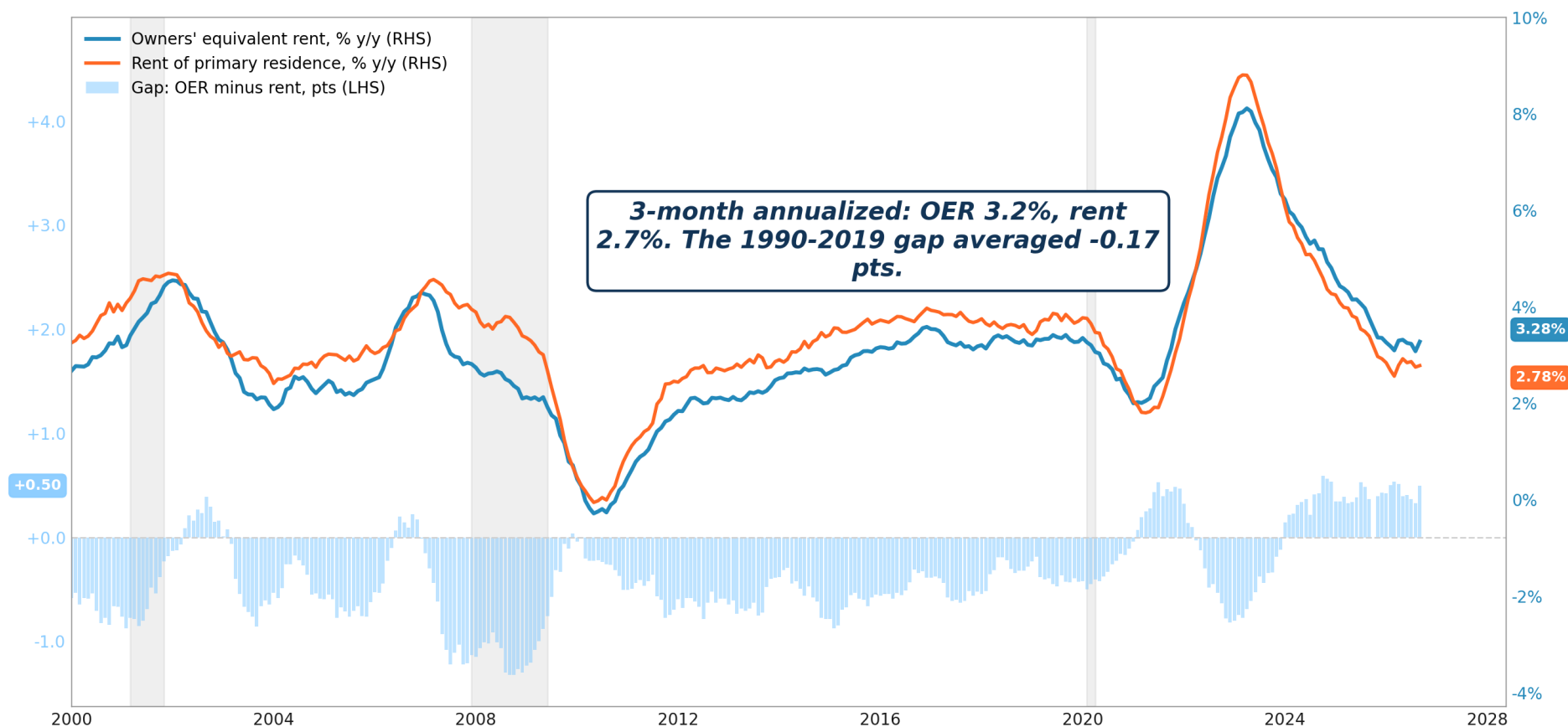


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October 27, 2026

Owners' Rent Is Running 0.5 Points Ahead of Tenant Rent, the 79th Percentile Since 1984

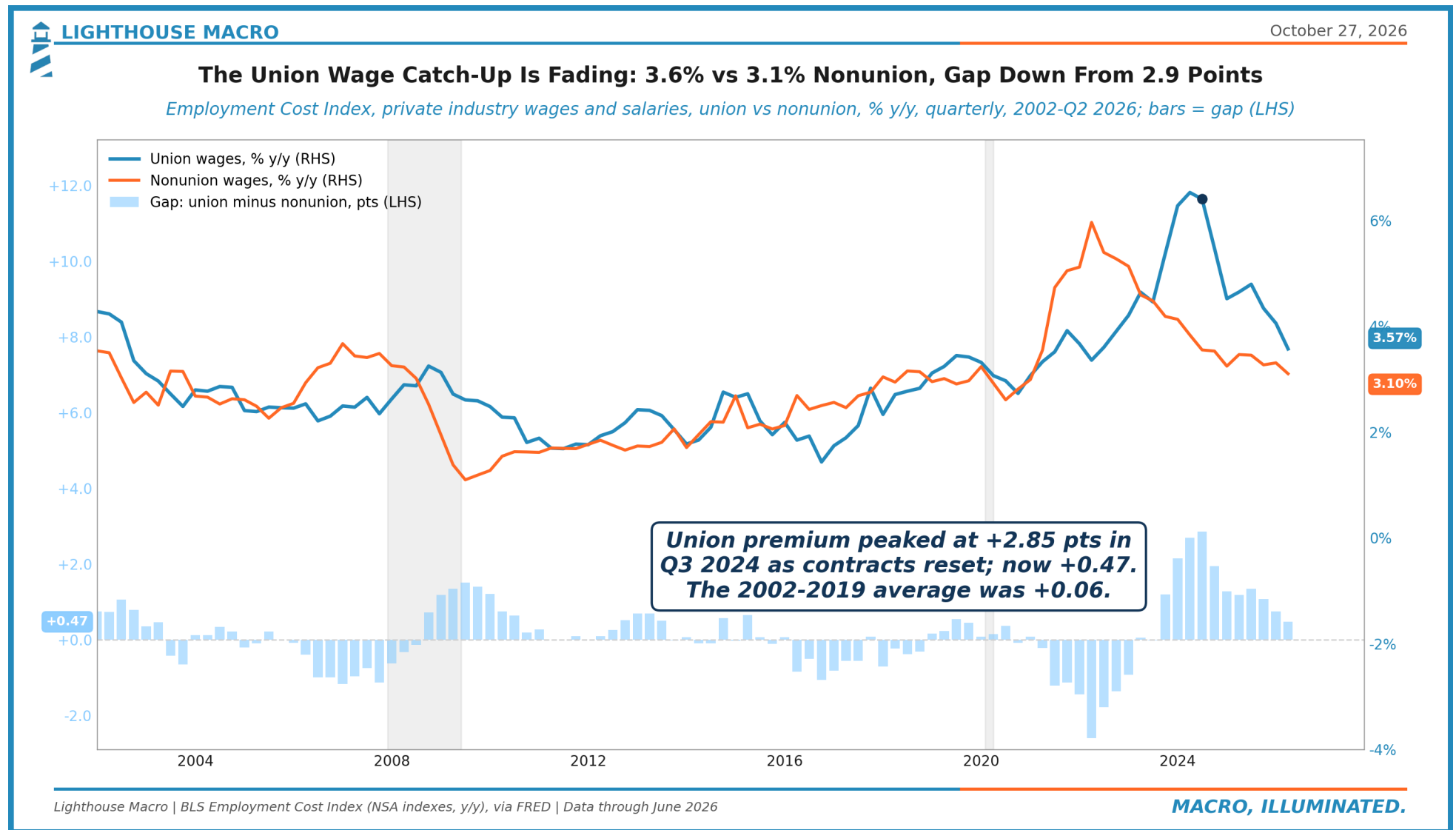
CPI owners' equivalent rent of residences vs rent of primary residence, % y/y, SA, monthly, Jan 2000-Sep 2026; bars = gap (LHS)



Lighthouse Macro | BLS CPI, via FRED | Data through September 2026

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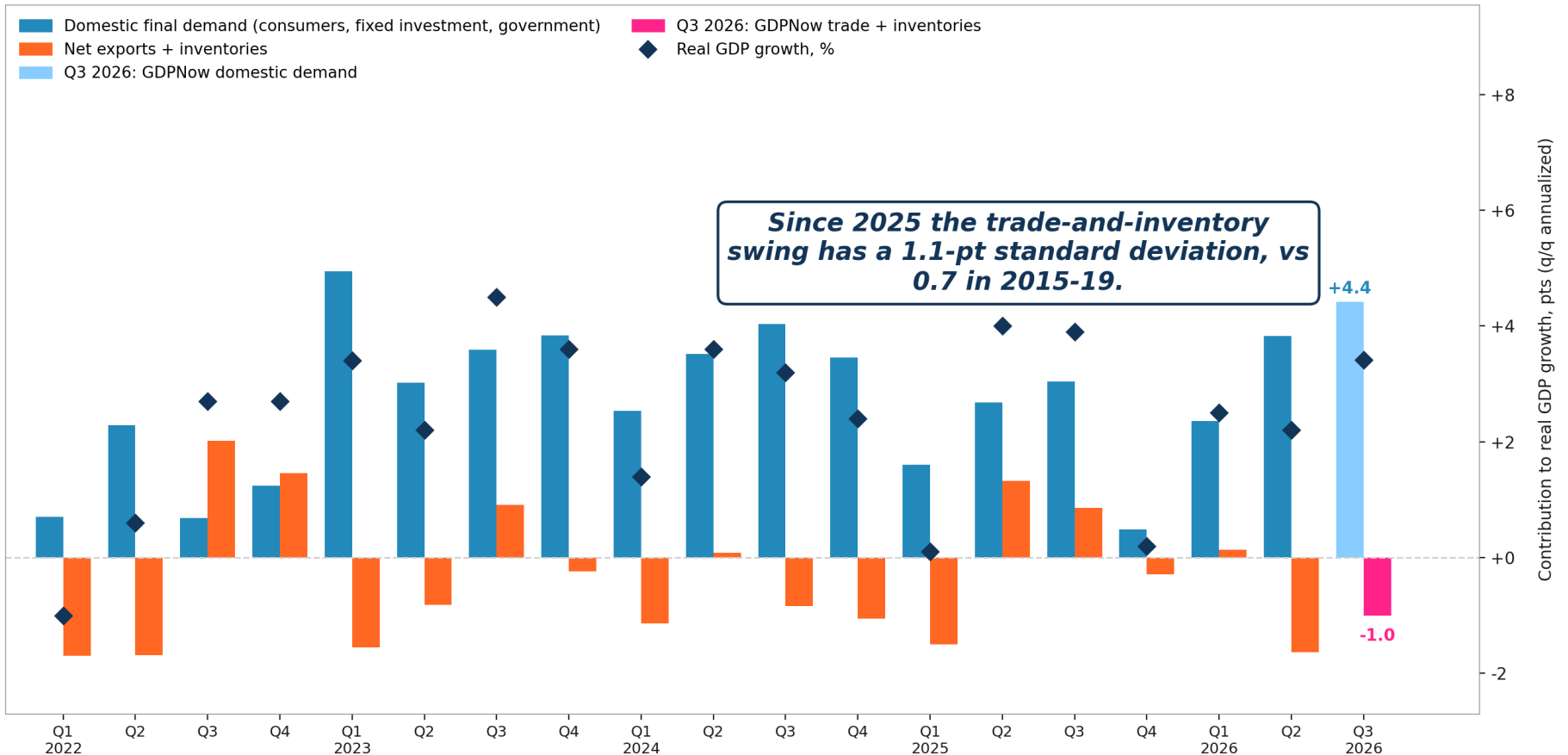
Sept CPI: owners' equivalent rent +3.28% y/y, tenant rent +2.78%, a 0.50-pt gap at the 79th percentile since 1984 (1990-2019 avg -0.17). OER is the bigger shelter weight, so shelter disinflation lags the rent data.



Union wages rose 3.57% y/y in Q2 2026, nonunion 3.10%. The union premium peaked at 2.85 pts in Q3 2024 as post-2022 contracts reset, and is now 0.47 (2002-19 avg +0.06). One source of wage heat into Friday's ECI is running out.

Strip Out Trade and Inventories and GDPNow's Q3 Is 4.4 Points of Domestic Demand

Contributions to real GDP growth, pts, q/q SAAR, Q1 2022-Q3 2026: domestic final demand vs net exports plus inventories; Q3 2026 = GDPNow Oct 27 update



Lighthouse Macro | BEA NIPA Table 1.1.2, Federal Reserve Bank of Atlanta GDPNow, via FRED | Data through October 2026

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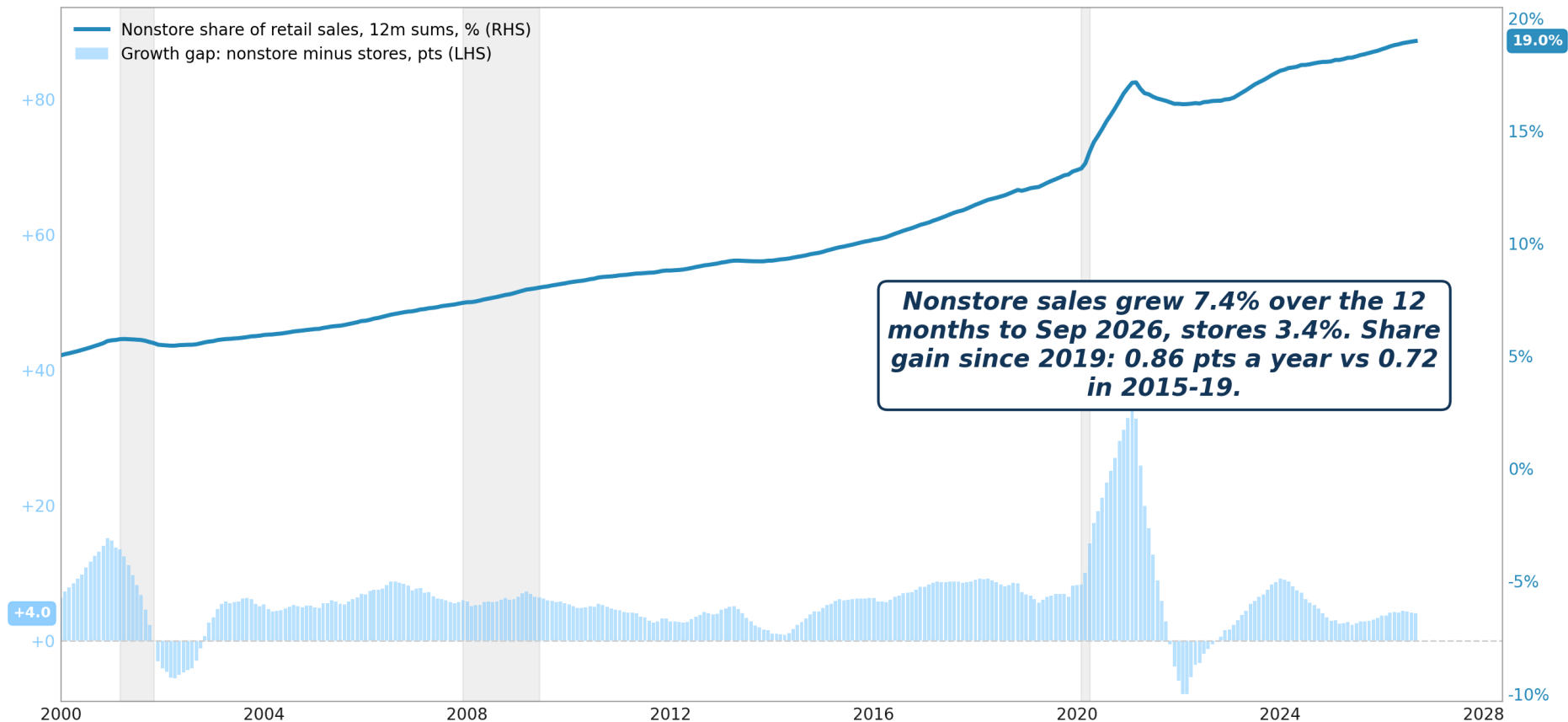
GDPNow's 3.4% for Q3 is 4.4 pts of domestic demand and -1.0 from trade and inventories (net exports -2.9, inventories +1.8). That swing has run 1.1 pts of std dev since 2025 vs 0.7 in 2015-19. Read Thursday's print through domestic demand.



October 27, 2026

Online Keeps Outgrowing the Store by 4.0 Points a Year; Its Share of Retail Is 19.0%

US retail sales ex food services, 12-month sums: nonstore retailers vs store-based y/y growth gap (bars, LHS) and nonstore share (RHS), monthly, Jan 2000-Sep 2026



Lighthouse Macro | Census Bureau Advance Retail Sales, via FRED | Data through September 2026

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Nonstore retailers took 19.0% of retail sales over the 12 months to Sept, growing 7.4% vs 3.4% for stores. The 4.0-pt gap is below its 2010-19 average of 5.4, yet the share still climbs about 0.9 pts a year, faster than in 2015-19.

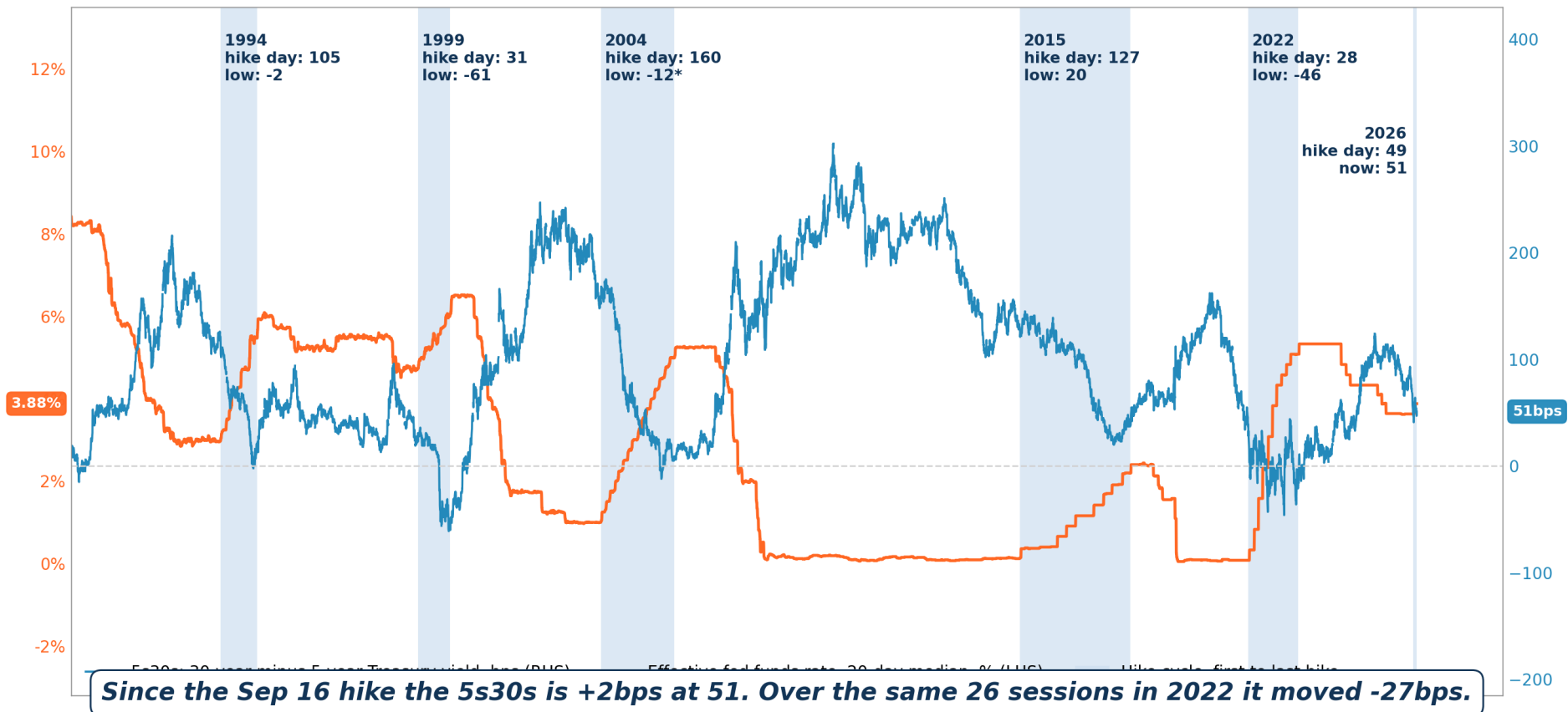


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Five Hike Cycles Took the 5s30s to 20bps or Less. Six Weeks Into This One It Sits at 51bps

30y minus 5y Treasury yield (bps, RHS) vs fed funds (% LHS), daily 1990-Oct 23, 2026; 32nd pctile since 1990. *No 30y Feb 2002-Feb 2006



Lighthouse Macro | Federal Reserve H.15 via FRED (DGSS, DGS30, DFF) | Data through October 2026

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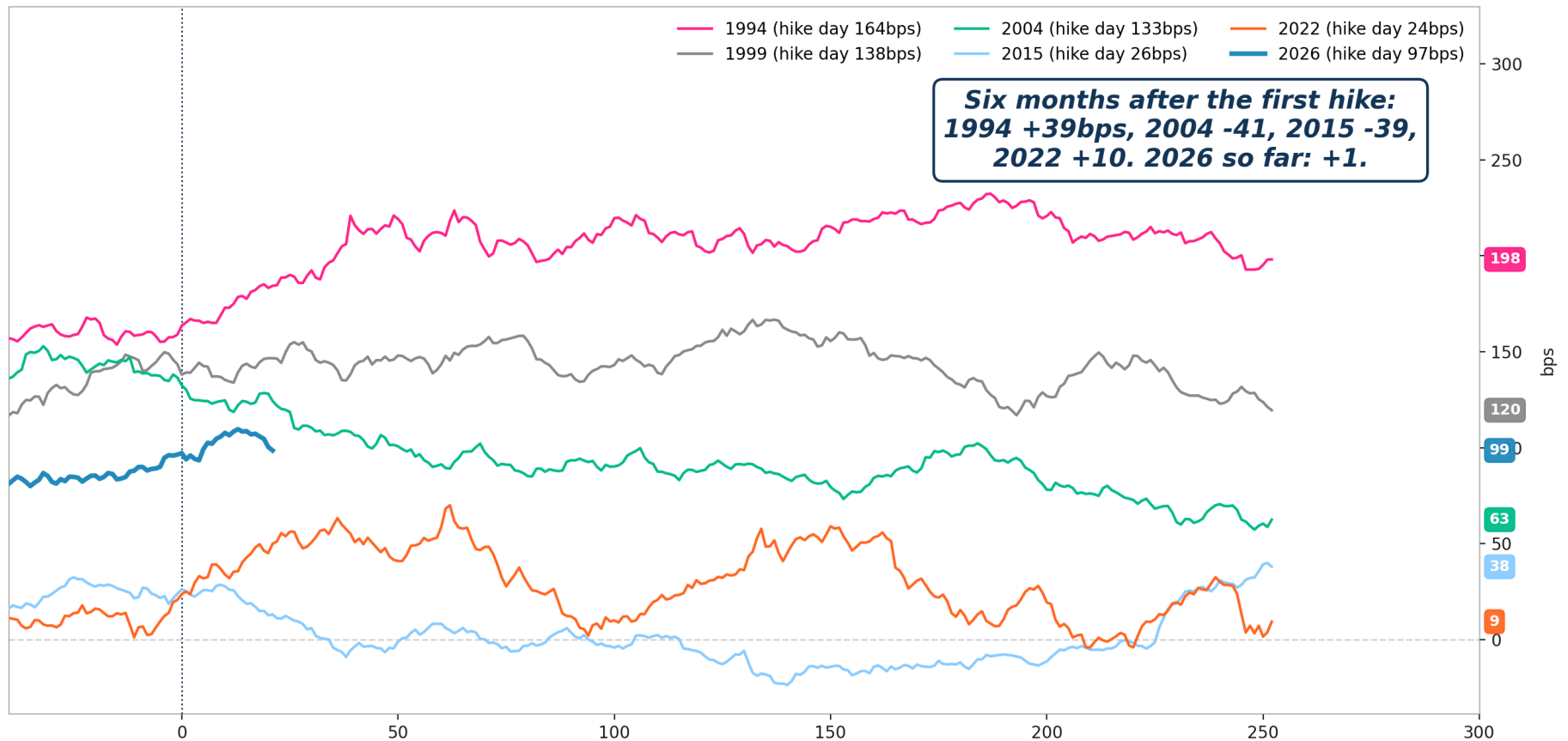
The 5s30s Treasury curve was 51bps on Friday, +2bps since the Sep 16 hike. Over the same 26 sessions in 2022 it moved -27bps, and each of the five cycles since 1994 took it to 20bps or less (2015 was the high). So far the long end is holding its slope as the Fed tightens.



October 27, 2026

The Term Premium Entered This Hike Cycle at 97bps, 4x Where 2015 and 2022 Began

Kim-Wright 10-year term premium, bps, daily, aligned on the first Fed hike of each cycle, 40 sessions before to 300 after; 2026 through Oct 16, 2026 (21 sessions)



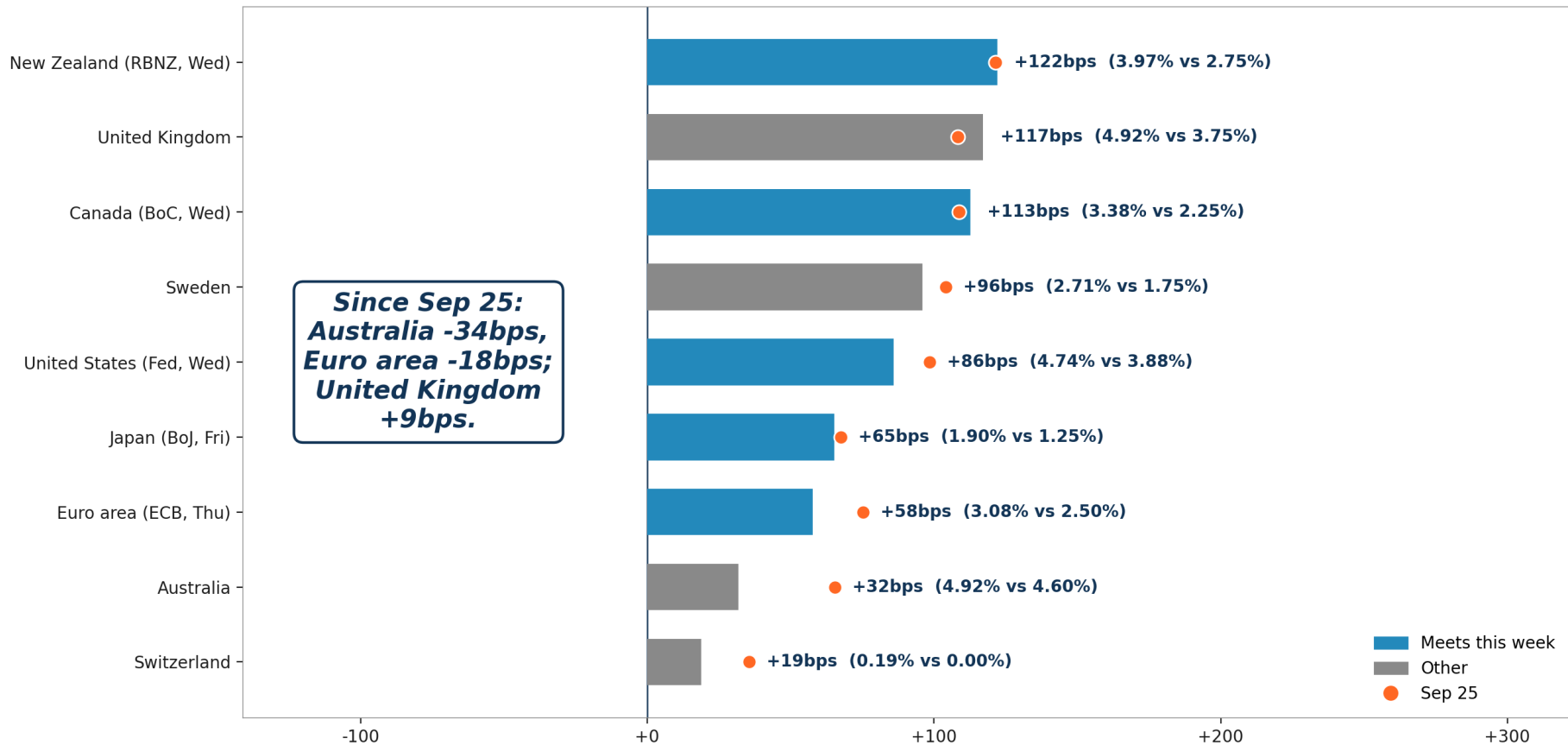
Lighthouse Macro | Federal Reserve Board Kim-Wright model via FRED (THREEFYTP10) | Data through October 2026

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The Kim-Wright 10-year term premium was 99bps on Oct 16, +1bps in the 21 sessions since the Sep 16 hike. It began this cycle at 97bps vs 26 in 2015 and 24 in 2022. Six months after the 2004 and 2015 first hikes it was 41 and 39bps lower; in 1994, 39 higher.

Two-Year Yields Sit Above the Policy Rate in All Nine Economies, Led by New Zealand at +122bps

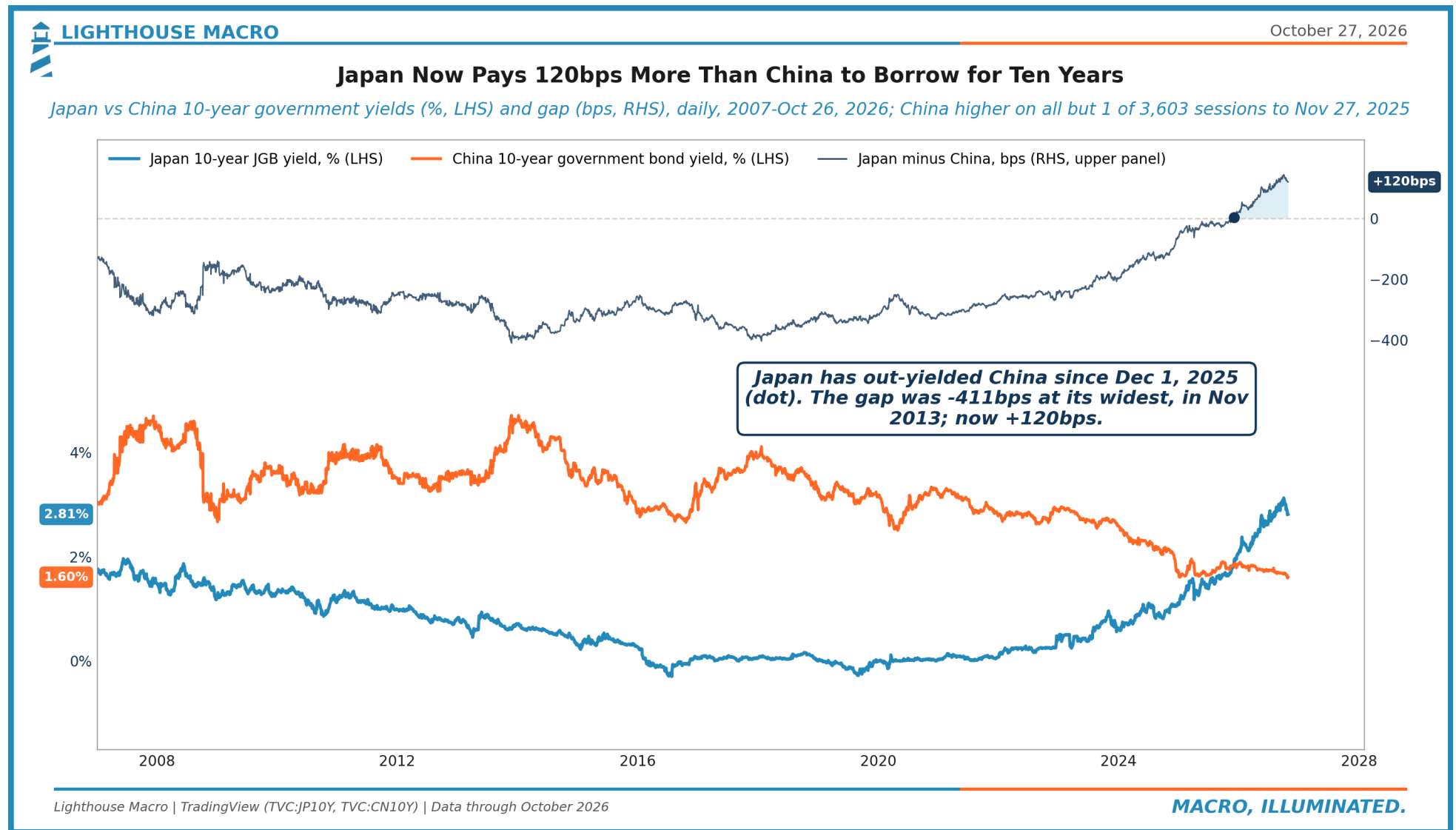
2-year government yield minus policy rate (Fed midpoint, ECB deposit rate), bps, close Monday Oct 26 (bars) vs Sep 25 (dots); a positive gap leans toward hikes



Lighthouse Macro | TradingView (2-year yields, central bank rates); FRED (DFEDTARU/L, ECBDFR) | Data through October 2026

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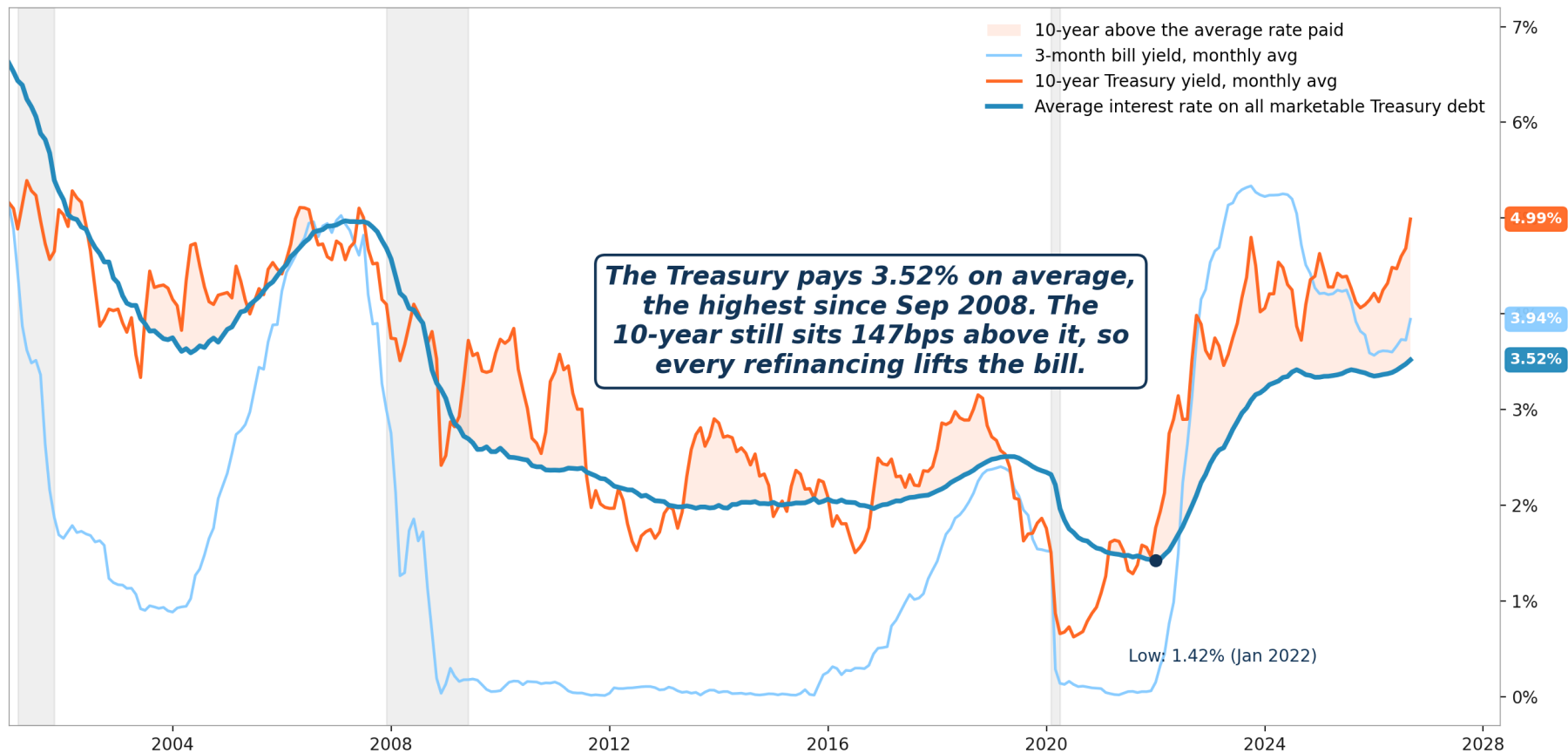
Two-year yields minus policy rates, Monday: US +86bps, Japan +65, euro area +58, Canada +113, New Zealand +122. All nine we track sit above policy, a front-end lean toward hikes. Five decide by Friday, the Fed first.



Japan's 10-year yielded 2.81% on Monday and China's 1.60%: Japan pays 120bps more, from -13 a year ago. China out-yielded Japan on all but 1 of 3,603 sessions from 2007 to Nov 27, 2025. The BoJ decides Friday with its policy rate at 1.25%.

Treasury Pays 3.52% on Its Debt, 147bps Under the 10-Year: The Repricing Has Further to Run

Average rate on all marketable Treasury debt vs 10-year and 3-month bill yields (monthly avg), %, 2001-Sep 2026; 10-year gap at the 99th percentile



Lighthouse Macro | U.S. Treasury Fiscal Data (Average Interest Rates); Federal Reserve H.15 (DGS10, DTB3) | Data through September 2026

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The Treasury paid an average 3.52% on its marketable debt in Sep 2026, +11bps in a year and up from 1.42% in Jan 2022. The 10-year averaged 4.99% and bills 3.94%, so maturing debt still rolls into higher coupons; the average has room to climb.

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Copper/Oil Is +22% Off April's Oil-Shock Low: Near 2008's Six-Month Rebound (+23%), Short of 2022's (+62%)

COMEX copper (\$/lb) divided by WTI crude (\$/bbl), x100, weekly averages, Aug 2000-Oct 26, 2026; Monday 6.4, 89th percentile since 2000; dots: oil-shock lows



Lighthouse Macro | COMEX copper futures (DB); FRED (DCOILWTICO); TradingView (NYMEX:CL1!) | Data through October 2026

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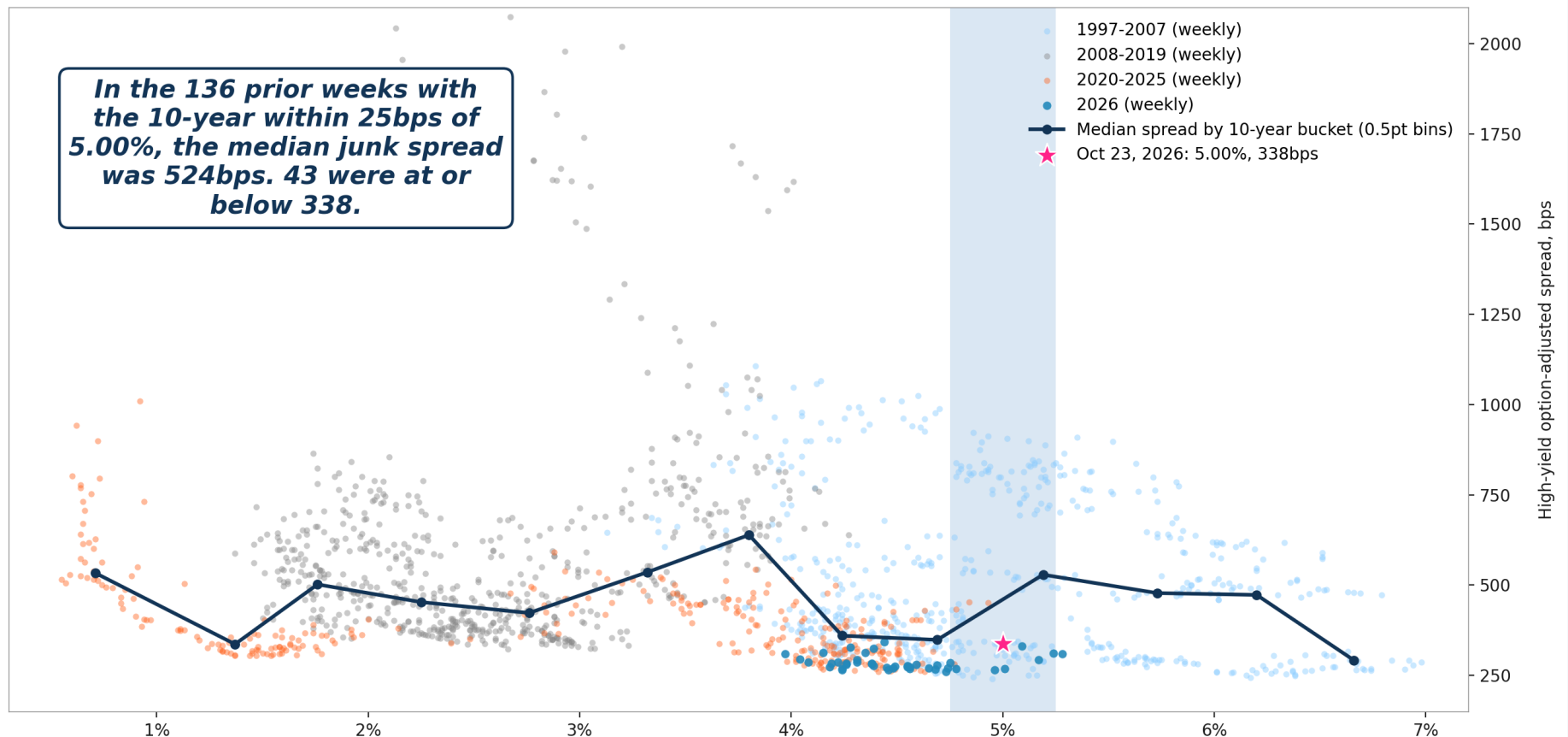
Copper \$6.56/lb and WTI \$101.76 on Monday put copper/oil at 6.4, +22% from April's oil-shock low and the 89th percentile since 2000, though under July's 8.7. Six months after the 2022 low it was +62%, after 2008 +23%. Metal demand is outrunning crude.



October 27, 2026

At a 5% Ten-Year, Junk Spreads Have Usually Been Wider: 338bps vs a 524bps Median

ICE BofA US high-yield OAS (bps) vs 10-year Treasury yield, weekly Friday closes, Jan 1997-Oct 23, 2026, by era; shaded band: 10-year within 25bps of 5.00%



Lighthouse Macro | ICE BofA via FRED (BAMLH0A0HYM2); Federal Reserve H.15 (DGS10) | Data through October 2026

MACRO, ILLUMINATED.

Junk spreads were 338bps with the 10-year at 5.00% on Friday. In the 136 weeks since 1997 with the 10-year within 25bps of that, the median spread was 524bps and 43 were this tight. Buyers are taking yield from Treasuries, and paying up for credit.