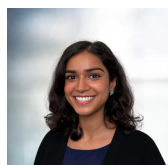


First to Market

September 30, 2026

ALL EYES ON MICRON'S EARNINGS TODAY



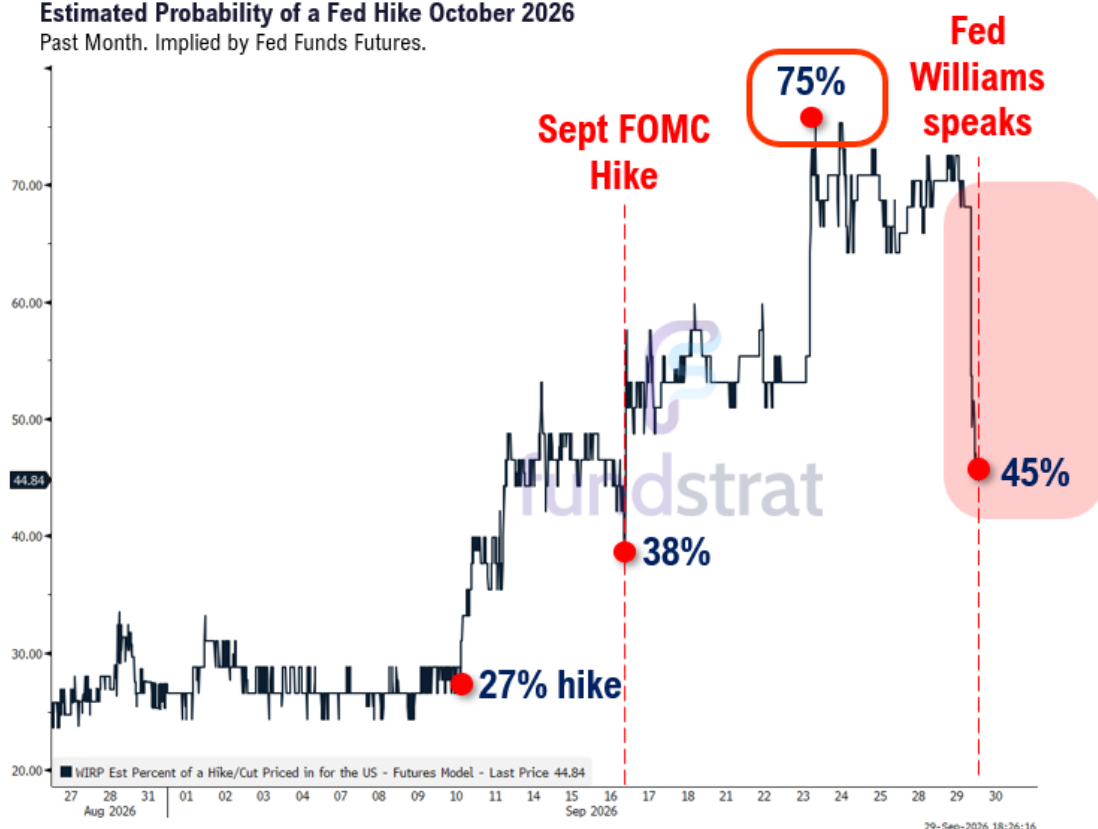
Hardika Singh

ECONOMIC STRATEGIST, MARKET INTELLIGENCE

Chart of the Day

FED: Hike probability near 50% after Williams Comments

Estimated Probability of a Fed Hike October 2026
Past Month. Implied by Fed Funds Futures.



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Good morning!

We need to start throwing Micron earnings watch parties at this point, like we once did for Nvidia back in 2024. Contrary to popular belief, that level of exuberant anticipation didn't mark a top for Nvidia shares. Since the *Wall Street Journal* wrote about it, Nvidia shares have nearly doubled.

One measure suggests that Micron's becoming more important to the broader stock market's fortunes than Nvidia, making its quarterly earnings after close today all the more important to watch. Analysts expect Micron to be the leading contributor to the S&P 500's profit growth this year instead of Nvidia for the first time in 2.5 years, according to data from Seaport Research Partners cited in *MarketWatch*. Micron \$MU shares are up 238% this year, while Nvidia \$NVDA has added 20% and the S&P 500 \$SPY has increased 12%.

If Micron's earnings are strong, they can also reaffirm the nascent gains posted by tech stocks despite punishing multidecade highs for yields. The \$1.21 trillion memory maker is among the companies at the forefront of the artificial intelligence revolution, which has quickly become the biggest economic bet in U.S. history, currently running at 3.6% of GDP a year, on average. As agentic AI takes over the world by storm, demand for memory chips is supposed to outpace supply at least until 2028, juicing up profits at memory and storage makers.

Here's what I'll be keeping an eye on:

(1) Whether the DRAM and NAND supply will continue to remain tight like it was previously forecast and what's happening with pricing. Micron has started constructing new manufacturing facilities, but they're not expected to bring supply online until mid-2027 to 2028. Because Micron's in the memory industry, which is prone to boom and bust cycles, there are additional concerns about the durability of demand when supply does catch up, along with the impact on margins.

(2) Whether the number of strategic customer agreements has increased. At its last quarterly earnings, Micron disclosed 16 agreements. As there are price floors and ceilings associated with these contracts and they typically run for five years from

calendar year 2026 through 2030, investors would like to see this number grow because it can provide greater earnings visibility.

All in all, the bar is quite high and it won't be so easy to impress me and other market participants.

And let's not forget the following concerns either: It's not sustainable to have Micron's gross margins of above 80% to continue for much longer. The cure for high memory prices might also just become high prices at some point. Already, companies from Apple to Dell have had to raise prices because of soaring memory costs. The sentiment tied to AI is also quite negative at the moment. For example, when I looked through this Meta Muse story yesterday, I was shocked at how many consumers were against the idea of giving full control over your phone to an AI agent (whatever could go wrong!!). Borrowing costs are going up across the economy, partially because many investors would rather buy AI bonds.

AI executives, including Micron's leaders, have been in discussions with the White House in recent weeks about the future of AI.

Up until a month ago, everything but tech was rallying. But as fall has started, tech has roared back. The S&P 500 tech sector is up 2.3% since the index last hit record on Aug. 13, while the broader index is down 1.8%.

Still, don't expect fireworks even if there's gangbusters earnings. Micron has beat earnings estimates for 12 quarters in a row, starting in the third quarter of 2023. But an analysis of its stock-price performance five days after the report shows an average gain of 1.1% and a median loss of 0.8%.

Analysts expect quarterly revenue to come in at \$51.49 billion, which would be up 355% from a year ago, while earnings-per-share are projected to grow 951%. Numbers like that used to be unheard of. Not so much in the age of AI, apparently.

Share your thoughts

Do you think Micron's stock has more room to run? [Click here](#) to send us your response.

Here's what a reader commented

Q: Are you taking money out of stocks for bonds?

A: Why pay capital gain taxes by selling equities with large gains to trade for ordinary income in 3,5 or 10 year T bills? Wealth is built on holding equities through downturns if the culture and product of the business is profitable and growing. Our economy and our country is built on looking to the future.

Catch up with Fundstrat

The White House today hosted a lunch and announced a Super Intelligence accord, or pledge. This looks to be looking like a SRO, or self-regulatory organization. This is what NYSE, FINRA, BBB, etc are and makes sense and is best for private sector capital returns. Fed Williams offered somewhat dovish comments and odds of an Oct hike dropped to below 50%.

Technical

US equity indices are close to finishing the month positive, incredibly enough, despite the rampant Treasury selloff and relentless bounce in the US dollar.

Crypto

I continue to think durable cycle lows are in. As discussed on today's monthly crypto webinar, my view has turned meaningfully more constructive over the past couple of months, and I think it is right to look for opportunities to get long. That said, the

tactical tension we have discussed over the past couple of weeks remains unresolved.

News We're Following

Breaking News

- Micron earnings are only hours away. Here's everything investors need to know. MW

Markets and economy

- The Gap Between the Rich and the Very, Very Rich Is Getting Wider WSJ
- Trump Backs Independent AI Audits in Shift of Safety Posture BBG
- There's a new Wall Street 'TACO' index — and this one is saying it's time for Trump to strike a deal MW

Business

- Apple Is Finally Ready to Enter Its Next Big Category: the Smart Home BBG
- How Meta Uses A.I. Data Centers to Avoid Billions in Federal Taxes NYT
- OpenAI is sued over rogue AI Hugging Face cyberattack CNBC

Politics/U.S.

- Ken Griffin Is Making the Largest Donation to Higher Education in U.S. History WSJ
- As Jack Smith Testifies, a Senator's Accusation of Perjury Falls Apart NYT
- Inside Man: How Chinese spies used lies, love and betrayal to target the Federal Reserve CNBC

Overseas

- Cockpit Struggle on Israel-Bound Flight Forces Emergency Landing WSJ
- After Two Decades, U.S. Forces Leave Iraq to an Uncertain Future NYT

Of Interest

- He Was Rejected by Goldman Out of College. Now He's Poised to Run the Bank. WSJ

- Will A.I. Make Your Brain Lazy? Here's What the New Research Actually Shows.
NYT

Overnight

S&P Futures	+9 ▲ point(s) (+0.11% ▲)
overnight range:	+2 ▲ to +24 ▲ point(s)

APAC

Nikkei	+1.94% ▲
Topix	+1.67% ▲
China SHCOMP	+0.31% ▲
Hang Seng	+0.37% ▲
Korea	-0.48% ▼
Singapore	-0.68% ▼
Australia	+0.92% ▲
India	-0.39% ▼
Taiwan	+0.65% ▲

Europe

Stoxx 50	-0.06% ▼
Stoxx 600	+0.18% ▲
FTSE 100	+0.30% ▲
DAX	-0.07% ▼
CAC 40	-0.39% ▼
Italy	+0.03% ▲
IBEX	+0.55% ▲

FX

Dollar Index (DXY)	-0.11% ▼ to 101.26
EUR/USD	+0.14% ▲ to 1.1358
GBP/USD	+0.34% ▲ to 1.3277
USD/JPY	+0.15% ▲ to 157.06
USD/CNY	+0.03% ▲ to 6.7045
USD/CNH	+0.01% ▲ to 6.7070
USD/CHF	+0.06% ▲ to 0.8335
USD/CAD	+0.05% ▲ to 1.4183
AUD/USD	-0.24% ▼ to 0.6969

UST Term Structure

2Y-3M Spread narrowed	-0.7bps ▼ to 70.1bps
10Y-2Y Spread narrowed	-0.6bps ▼ to 35.1bps
30Y-10Y Spread widened	0.7bps to 33.4bps

USD HY OaS

All Sectors	+10.1bps ▲ to 345bps
All Sectors ex-Energy	+7.9bps ▲ 321bps
Cons Disc	+9.9bps ▲ to 558bps
Indu	+5.5bps ▲ to 290bps
Tech	+7.0bps ▲ to 222bps
Comm Svcs	+10.8bps ▲ to 336bps
Materials	+6.4bps ▲ to 260bps
Energy	+5.3bps ▲ to 280bps

Fin Snr	+5.4bps ▲ to 216bps
Fin Sub	+7.7bps ▲ to 285bps
Cons Staples	+10.0bps ▲ to 442bps
Healthcare	+8.4bps ▲ to 343bps
Utes	+6.1bps ▲ to 237bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
9/30 8:30 AM	Aug PCE m/m	0.3	0.2	
9/30 8:30 AM	Aug Core PCE m/m	0.3	0.25	
9/30 8:30 AM	Aug PCE y/y	3.7	3.7	
9/30 8:30 AM	Aug Core PCE y/y	3.3	3.34415	
9/30 8:30 AM	2Q F GDP QoQ	1.5	1.5	
10/1 9:45 AM	Sep F S&P Manu PMI	57	57	
10/2 8:30 AM	Sep AHE m/m	0.3	0.3	
10/2 8:30 AM	Sep Unemployment Rate	4.1	4.1	
10/2 8:30 AM	Sep Non-farm Payrolls	90	162	
10/2 10:00 AM	Aug F Durable Gds Orders	0	0	
10/5 9:45 AM	Sep F S&P Srvcs PMI	n/a	58.7	
10/5 10:00 AM	Sep ISM Srvcs PMI	55.2	55.4	
10/6 8:30 AM	Aug Trade Balance	-83.8	-88.576	

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