Ivinskas Daily Brief

Monday, October 26, 2026 | Cards · BNPL · Fintech

7,683	4.98%	18.1	Nov 20
S&P 500	10-YR TREASURY	VIX	EU CCD2 GO-LIVE
+0.78% at 9:56 AM MT	below 5% after 3 weekly drops	-6.9% today	BNPL becomes regulated credit

TOP LINE Stocks are higher to start a heavy central-bank week (the Fed, ECB, BoJ and Bank of Canada all meet), led by semis (SOXX +3.1%), while VIX is down ~7%. Card lenders and big banks are up (SYF +1.4%, JPM +0.9%, C +1.0%). Payments names are lagging (PayPal -3.7%, Block -2.8%). Today's deep dive covers the EU Consumer Credit Directive (CCD2), which turns Klarna and PayPal pay-later into regulated credit across much of Europe from Nov 20, the biggest regulatory reset BNPL has faced.

Market recap as of 10:11 AM MT, Oct 26

EQUITIES			RATES & ALTERNATIVES			BANKS & CARD		
S&P 500	7,682.88	+0.78%	2-yr Treasury	4.72%	+3 bp	JPMorgan (JPM)	$334.49	+0.88%
Nasdaq Comp.	26,226.99	+1.05%	10-yr Treasury	4.98%	-0.6 bp	Regional (KRE)	$72.92	+0.63%
QQQ	$713.02	+1.22%	TLT (20+ yr)	$81.67	+0.41%	Synchrony (SYF)	$74.68	+1.41%
Dow (DIA)	$522.85	+0.28%	SGOV (T-bills)	$100.67	+0.01%	BFH	$101.73	+1.84%
Russell 2000 (IWM)	$277.91	+0.78%	Gold (GLD)	$368.46	+0.50%	Capital One	$202.62	+0.64%
Semis (SOXX)	$492.96	+3.09%	Bitcoin	$80,238	-0.27%	Amex (AXP)	$313.93	+0.23%
VIX	18.10	-6.94%				Citi (C)	$121.76	+0.95%
						Affirm (AFRM)	$69.58	-0.71%
						Block (XYZ)	$74.36	-2.75%
						PayPal (PYPL)	$54.92	-3.68%
						Klarna (KLAR)	$12.62	-1.48%

Intraday quotes; indices and VIX delayed ~15 min (9:56 AM MT). 10-yr from CBOE TNX. 2-yr is the pre-market level (The Blye Sheet) vs Friday's Treasury close of 4.69%. Bitcoin vs 24h. Source: Interactive Brokers unless noted.

Deep dive: EU credit rules for Klarna & PayPal (CCD2)

What happens Nov 20	The EU's revised Consumer Credit Directive (2023/2225) applies from **Nov 20, 2026**. It replaces the 2008 rules and pulls buy-now-pay-later and third-party invoice credit into full consumer-credit law, for loans up to EUR 100,000. Orders placed through Nov 19 stay under the old rules.
The loopholes close	Under the old directive, credit under EUR 200 and interest-free credit repaid within three months were exempt, which is how most BNPL operated outside credit law. **Both exemptions are gone.** What remains is narrow: a merchant's own interest-free deferral, paid within 50 days (14 days for large sellers). Briqpay's analysis says that generally falls away once a third party such as Klarna or PayPal provides the credit or buys the receivable.
Credit check on every purchase	Providers must assess creditworthiness on **every in-scope purchase from the first euro**, using income, expenses and financial situation. Existing BNPL balances count in that assessment. Germany sets no fixed euro threshold for a SCHUFA bureau pull, so the depth of the check scales with the amount. A consumer turned down by an automated decision can ask for a human review.
Germany is ground zero	Germany passed its implementing law (Bundestag in April; Bundesrat approved), and BNPL providers come under **BaFin supervision**. It's Europe's largest BNPL market, an estimated ~USD 83B in 2026 (vendor estimate). Klarna has used SCHUFA data since 2023, and its pay-in-installments products can now show up as inquiries or contracts on consumer files. As of September it was unclear whether PayPal would report Pay Later installments to SCHUFA.

Pay in 30 days: the grey zone	German consumer guides say fee-free invoice purchases paid within 50 days stay exempt, while legal analyses say the exemption covers only a merchant's *own* credit. How regulators treat Klarna and PayPal 'pay in 30 days' invoices is the key open question for volumes. Watch for BaFin guidance.
New consumer rights & checkout rules	These include a standard pre-contract information sheet (SECCI) before the customer is bound, a 14-day no-reason withdrawal right, and a cost warning on credit ads, including 'pay later' badges at checkout. Add-ons such as payment protection can't be pre-ticked, and a declined shopper must be offered another payment method.
Patchy rollout	Sweden, Denmark, Finland, Austria and Germany go live Nov 20, and Belgium's act passed in July. The **Netherlands** bill is still in parliament with no date. In January the Commission put 23 of 27 member states on notice for late transposition, so on day one providers will run different rulebooks by country. Swedish penalties reach SEK 10M or 10% of turnover.
How providers are preparing	Klarna has been reissuing consumer credit agreements ahead of the deadline, including for recurring and subscription charges. Expect more declines at the margin, more bank-account and open-banking data in underwriting, and pressure on approval rates, conversion and holiday-season volumes. That lands just as Black Friday falls a week after go-live.
Why it matters in the US	Europe is the template. CCD2 is where US state BNPL laws (New York's licensing regime, plus bills elsewhere) are heading: ability-to-repay checks, disclosures and supervision. For card and private-label issuers, the gap between BNPL and regulated revolving credit is narrowing, which shifts the competitive maths at checkout. Klarna (KLAR) and PayPal (PYPL) are the two listed names most exposed.

Banking

Central-bank week	The Fed (two-day FOMC from Tue Oct 27, decision Wed), ECB, Bank of Japan and Bank of Canada all meet this week. The 10-yr Treasury is just below 5% after three straight weekly declines.
Regional bank Q3	Bank of Hawaii (Oct 26) posted EPS of $1.49, about $0.02 below consensus. Revenue was $198.8M (+8.8% YoY) and net interest margin rose 4 bp q/q to 2.82% on steady asset yields and deposit costs. Other Q3 prints today include Business First Bancshares (beat), Bank of Marin (beat) and MainStreet Bancshares (miss).
Charter & merger pipeline	Approvals are speeding up. *Context: Sep 2026: the OCC conditionally approved charters for Mission Lane (credit-card bank) and Revolut. Avant and Block applied. The FDIC proposed faster merger reviews; it says average review time is down to 64 days in 2026 from 107.*

Week ahead

Tue Oct 27	The FOMC meeting begins. Consumer confidence and housing data are also due.
Wed Oct 28	The Fed rate decision. A hold is widely expected, so the forward guidance is the focus.
Thu Oct 29	Q3 GDP and September PCE. Headline PCE is expected at 3.7% YoY (from 3.4%) and core at 3.1%. Faster inflation squeezes real incomes and card credit.
This week	Visa and Mastercard earnings, the best near-term read on US card spend heading into the holidays.

Sources: Brigpay: CCD2 explained, by country · Checkalle: Klarna & PayPal BNPL rules 2026 · ShopAppy: EU puts BNPL under credit law Nov 20 (Oct 9) · Berliner Zeitung: new BNPL rules from Nov 20 · FXStreet: central bank week (Oct 26) · GuruFocus: Bank of Hawaii Q3 · American Banker: fintech charters 2026 · Banking Dive: FDIC faster merger review · The Blye Sheet: Before the Bell, Oct 26

Compiled automatically from public sources. Grey italic text is dated background, not new news. Check figures against the original filings before relying on them.