# Morning Interest

*Your morning track through cards, credit and capital*

Thursday, November 5, 2026 | Issue No. 13 · 5 min read

CURATED BY
**Paul Ivinskas**

**TOP 3** *Lead story: Block's $764 million anti-money laundering settlement raises the compliance bar for card issuers and their fintech partners.*

1. Block will pay $764 million, net of $200 million in credit for earlier settlements, to resolve a $964 million Justice Department anti-money laundering case, a reminder for card issuers and their fintech partners that compliance lapses are now as costly as credit losses.(1)
2. Stocks reversed Wednesday's election rally, when the S&P 500 rose 1.6% and the VIX fell 20%, with QQQ down 3.6% and SPY 1.6% at 7:55 a.m. MT as chipmakers slid on Qualcomm's miss and worries that a Democratic Congress will slow data-center buildouts, though bank and card stocks held their gains.(2)(3)
3. Sezzle shares jumped 22% after it raised its 2026 revenue growth forecast to about 42.5%, citing a 42.6% rise in third-quarter revenue and lower credit losses, ahead of Affirm's results tonight.(4)(5)

**MARKET OPEN** Stocks gave back part of Wednesday's election rally in the first half hour of trading, with technology leading the decline. As of 7:55 a.m. MT, SPY was down 1.6%, QQQ 3.6% and semis (SOXX) 6.9% after Qualcomm's miss and fresh worries about data-center buildouts; the Dow (DIA) slipped 0.6% and the VIX rose 10% to about 18.2. Banks held up: KBE and KRE both gained 1.4%, Synchrony rose 1.6%, Amex 1.5% and Capital One 1.3%. Fintech lenders fell, with SoFi down 5.8%, Upstart 5.4% and Affirm 3.5% ahead of its results, while Sezzle soared 22% on its beat. The 10-yr yield rose about 2 bp to 4.92%, oil (USO) gained 1.7% and gold 0.9%.

| -1.6% | $764M | +22% | +75% |
|---|---|---|---|
| SPY | BLOCK DOJ PAYMENT | SEZZLE SHARES | BANK BNPL VOLUME |
| 7:55 a.m. MT | after $200M credit | after Q3 beat | holiday forecast |

## WHAT IT MEANS: BLOCK SETTLES WITH THE DOJ

**The deal** Block will pay $764 million to settle Justice Department charges over Bank Secrecy Act and anti-money laundering failures, net of $200 million in credit for earlier settlements, under a $964 million deal disclosed in its quarterly filing. Charges are deferred for three years and dropped if Block complies, and the company warned that losses could exceed the amount it has set aside.(1)

**A long tail** Cash App's compliance lapses have now cost Block more than $1 billion: the DOJ deal follows a $255 million settlement with the CFPB and 48 states in January 2025 and a $45 million deal with 46 states in July. Executives did not discuss the settlement on the earnings call.(1)

**For issuers** For card issuers and their fintech partners, the deal is a reminder that AML controls are now priced like credit risk: regulators are collecting on old lapses even as fintechs grow lending fast. Expect sponsor banks and partners to tighten onboarding and monitoring terms in program agreements, and expect a Democratic Congress to press the issue in hearings.(1)(6)

**Results held up** Investors largely looked past the settlement: Block's quarterly net income rose 23% to $565.6 million on $6.72 billion of revenue, and TD Cowen's Bryan Bergin called it one of Block's "strongest recent performances."(1)

## BNPL & INSTALLMENTS

**Sezzle** Sezzle raised its 2026 revenue growth forecast to about 42.5% from 35%, its fourth increase this year, after third-quarter revenue rose 42.6% to $166.5 million and net income rose 79% to $47.8 million. Total transaction volume grew 34.9% to $1.4 billion, and the credit loss provision fell to 2.7% of volume from 3.1%, against a full-year target of about 2.5%.(4)

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| **Bank charter** | Sezzle applied in October for a national bank charter as Sezzle Bank, N.A., and set a preliminary 2027 adjusted EPS outlook of $7.20. Subscribers rose 68% to 955,000, a recurring fee base that a bank charter could pair with deposits.[4] |
| **Holiday volume** | Bank and credit union BNPL volume will rise 75% from a year ago between Nov. 1 and Dec. 31, equipifi forecasts, a sign that banks are moving to keep installment spending on their own cards. Users will rise 60%, with about 30% of them first-time users, and the forecast draws on more than 100 institutions and 4 million households.[7] |
| **Signs of strain** | A NerdWallet-Harris poll found 38% of Americans plan to use BNPL this holiday season, and 38% of those expect to pay late. TransUnion began sharing limited BNPL data with one lender in October, an early step toward installment loans showing up in underwriting.[8] |
| **Affirm tonight** | Affirm reports fiscal first-quarter results after the close today, with a call at 2 p.m. PT, giving a fresh read on holiday-quarter demand and credit after Sezzle's beat.[5] |

## EARNINGS CALL QUOTES

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| **Sezzle** | "We enter the holiday season with Subscribers approaching one million and transaction frequency reaching a Company high," CEO Charlie Youakim said in the results release.[4] |

## BANKING

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| **Midterm fallout** | Democratic control of Congress "hurts the direction of travel in the bank space," TD Securities analyst Scott Siefers said, as hopes for bank-friendly bills fade. CFPB nominee Brian Johnson cleared committee in September but still needs a floor vote before Congress adjourns, and UBS's Jonathan Pringle noted the Senate can now block Fed nominees.[6] |
| **Regulators stay put** | Supervision may change less than the politics suggest: Citi analyst Benjamin Gerlinger expects regulator leadership to stay stable. Several Republicans on the House Financial Services Committee lost their seats.[6] |
| **OCC on AI** | The OCC issued a supervisory framework for bank use of super intelligence, saying it is not a separate risk category and does not need its own risk appetite. Expectations stay technology-neutral, so banks can fold AI underwriting and fraud tools into existing model risk programs.[9] |
| **Fair Isaac** | Fair Isaac shares fell about 9% before the open after fourth-quarter profit missed estimates, a hit to a credit scorer whose pricing power matters to every card issuer that buys scores for underwriting and account reviews. The stock has been under pressure since the company held its mortgage score price at $10 in late October.[2][10] |
| **Chime** | Chime posted its third straight GAAP profit, earning $44 million as revenue rose 32% to $718 million, and raised its outlook. Revenue from MyPay and Instant Loans grew 52% to $274 million, and active members rose 20% to 10.9 million.[11] |

## CARDS & PAYMENTS

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|---|---|
| **CFO exits** | FIS named Alex Brooks interim CFO after James Kehoe's exit and sold a prepaid business for $100 million. At Toast, CFO Elena Gomez will leave at year-end, and Michael Senno takes the role.[12] |
| **Processor fees** | Riverside Payments will pay $600,000 to settle FTC and Washington state charges that it lured merchants with promised 40% to 60% savings and then charged a $695 early termination fee. A $32.1 million judgment is suspended, and the case is the latest in a run of fee cases against processors.[13] |

## COMING UP

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| **Friday** | The October jobs report at 6:30 a.m. MT.[14] |

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## WORTH A READ

**Banks after the sweep**

Forbes' Mayra Rodriguez Valladares lays out how Democrats could press big banks on lending to nonbank financial firms, about $1 trillion or 6% of assets, and revive rate caps, while noting Congress "cannot independently rewrite Federal Reserve capital regulations through oversight hearings."[15]

## MARKET RECAP as of 7:55 a.m. MT, Nov 5

| RATES & ALTERNATIVES | LAST | DAY | 30D | 1Y |
|---|---|---|---|---|
| 2-yr Treasury | 4.58% | -3 bp | -23 bp | +110 bp |
| 10-yr Treasury | 4.92% | +2.1 bp | -31 bp | +93 bp |
| 2s/10s curve | +34 bp | +5 bp | -7 bp | -17 bp |
| TLT (20+ yr) | $81.69 | -0.09% | +3.7% | -11.2% |
| SGOV (T-bills) | $100.46 | +0.01% | -0.3% | -0.3% |
| Inv. grade (LQD) | $104.36 | -0.13% | +1.8% | -7.6% |
| High yield (HYG) | $77.38 | -0.18% | -0.3% | -4.7% |
| Dollar (UUP) | $28.95 | +0.17% | +0.8% | +3.8% |
| Gold (GLD) | $375.66 | +0.85% | -1.1% | +3.7% |
| WTI oil (USO) | $147.88 | +1.70% | -2.6% | +106.0% |
| Bitcoin | $78,822 | -1.53% | -6.2% | -31.5% |

| FINTECH & BNPL | LAST | DAY | 30D | 1Y |
|---|---|---|---|---|
| Fintech (FINX) | $24.67 | -1.40% | -1.9% | -28.4% |
| Fintech (ARKF) | $41.96 | -4.64% | -9.3% | -27.6% |
| Payments (IPAY) | $51.69 | +0.19% | +8.7% | -8.1% |
| Affirm (AFRM) | $72.94 | -3.51% | +4.1% | -5.4% |
| Block (XYZ) | $85.82 | -2.07% | +14.1% | +7.2% |
| PayPal (PYPL) | $59.55 | -1.08% | +9.5% | -21.8% |
| Klarna (KLAR) | $13.79 | -0.72% | +9.4% | -65.2% |
| SoFi (SOFI) | $16.37 | -5.81% | +0.4% | -48.0% |
| Upstart (UPST) | $22.11 | -5.43% | -5.5% | -56.1% |
| Sezzle (SEZL) | $167.06 | +22.22% | +51.3% | +132.0% |
| LendingClub (HAPN) | $16.38 | -1.86% | +10.1% | -11.8% |

| BANKS & CARD | LAST | DAY | 30D | 1Y |
|---|---|---|---|---|
| Financials (XLF) | $59.48 | +0.47% | +8.8% | +13.4% |
| Banks (KBE) | $68.80 | +1.43% | +5.6% | +20.6% |
| Regional (KRE) | $75.20 | +1.44% | +5.3% | +23.0% |
| JPMorgan (JPM) | $352.95 | +0.24% | +3.2% | +15.7% |
| Citi (C) | $125.28 | +0.43% | -6.3% | +24.0% |
| Capital One | $208.96 | +1.28% | +4.8% | -6.3% |
| Amex (AXP) | $337.45 | +1.46% | +9.7% | -6.6% |
| Synchrony (SYF) | $75.89 | +1.61% | +4.8% | +1.2% |
| BFH | $107.18 | +2.24% | +4.9% | +61.0% |
| Atlanticus (ATLC) | $100.30 | +0.55% | +9.0% | +71.6% |
| OneMain (OMF) | $58.58 | +1.05% | +3.0% | +2.3% |

| EQUITIES | LAST | DAY | 30D | 1Y |
|---|---|---|---|---|
| SPY | $754.22 | -1.64% | -2.0% | +9.7% |
| QQQ | $667.35 | -3.56% | -9.8% | +5.9% |
| Dow (DIA) | $530.15 | -0.56% | +3.1% | +10.6% |
| Russell 2000 (IWM) | $280.94 | -1.08% | +0.2% | +12.6% |
| Mid caps (MDY) | $674.00 | -0.93% | +1.8% | +14.7% |
| Equal-wt S&P (RSP) | $222.62 | -0.32% | +5.9% | +19.6% |
| Semis (SOXX) | $139.72 | -6.94% | -28.5% | +37.4% |
| Cons. disc. (XLY) | $119.50 | -2.31% | +9.1% | -0.6% |
| Cons. staples (XLP) | $92.97 | +1.12% | +13.6% | +22.5% |
| Retail (XRT) | $93.32 | -0.43% | +13.8% | +10.1% |
| VIX | 18.24 | +9.81% | +12.9% | +14.4% |

*IBKR, 7:55 a.m. MT (VIX, 10-yr delayed 15 min). Price only. 2-yr: Treasury close Nov 4. UUP, USO proxies. SOXX split-adjusted.*

**Sources**


(1) Payments Dive: Block reaches $964M DOJ pact (Nov 4)
(2) Reuters via Yahoo Finance: S&P 500 futures steady after midterm rally; Nasdaq lags on chip weakness (Nov 5)
(3) Investopedia via Yahoo Finance: Stock market today (Nov 4)
(4) Sezzle: Third quarter 2026 results (Nov 4)
(5) Affirm: First quarter fiscal 2027 results date (via Finviz)
(6) Banking Dive: Midterm results may curb bank-friendly legislation, analysts say (Nov 4)
(7) equipifi: Holiday BNPL volume forecast (Nov 5)
(8) 24/7 Wall St: Americans turn to BNPL for the holidays (Nov 4)
(9) OCC: News release 2026-97, supervisory framework for bank use of Super Intelligence (Nov 4)
(10) TIKR: FICO sinks 16% as it holds mortgage score price at $10 (Oct 26)
(11) Startup Fortune: Chime posts third straight profitable quarter (Nov 5)
(12) Payments Dive: FIS, Toast CFOs exit (Nov 4)
(13) Payments Dive: Payment processor settles FTC case over alleged deceptive fees (Nov 4)
(14) Thrive in Markets: 2026 jobs report calendar
(15) Forbes: A Democratic landslide could reshape US banking regulation (Nov 4)



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