Morning Interest

Your morning track through cards, credit and capital

Friday, November 6, 2026 | Issue No. 14 · 6 min read

CURATED BY
Paul Ivinskas

TOP 3 *Lead story: October's 165,000-job gain and a 4.1% jobless rate support card and BNPL credit heading into the holidays, but they also lift the odds of a December Fed hike and the funding costs that come with it.*

1. Employers added 165,000 jobs in October, more than double forecasts, and unemployment fell to 4.1%, a lift for card and BNPL credit heading into the holidays that also raises the odds of a December Fed hike and the higher funding costs that would follow.[1][2][3][4]
2. Tech led a partial rebound Friday, with QQQ up 2.0% and chip stocks 5.3% by 9:42 a.m. ET while the Dow slipped, a day after the S&P 500 fell 4.4%, the Nasdaq dropped 5.5% into a correction and the VIX jumped 70% in the market's worst day in 18 months.[5][6][7]
3. Affirm shares fell before the open despite a beat and a raised fiscal 2027 GMV outlook of more than $65.25 billion, on worries about its credit allowance and a cautious holiday-quarter guide.[8]

MARKET OPEN Tech led a partial rebound in the first 12 minutes of trading after Thursday's rout, while the Dow lagged. As of 9:42 a.m. ET, SPY was up 0.7%, QQQ 2.0% and semis (SOXX) 5.3%, while the Dow (DIA) fell 0.5% and consumer staples (XLP) 2.1%; the VIX eased 6% to about 26.4 in delayed data. Bank and card stocks were mixed: KBE slipped 0.2%, KRE was flat, Synchrony rose 0.7% and Capital One 0.5%, and Amex fell 0.4%. Affirm fell 1.7% after its results and Atlanticus 4.0%, while SoFi gained 2.2%. The 10-yr yield rose about 3 bp to 4.87% and the 2-yr about 5 bp to 4.52% as the jobs beat lifted Fed hike bets; gold fell 1.6%.

165K	4.1%	78%	$14.4B
OCTOBER JOBS	UNEMPLOYMENT	DEC. HIKE ODDS	AFFIRM GMV
vs. ~70K expected	from 4.2%	from 70% before the report	fiscal Q1, +33%

WHAT IT MEANS: HIRING BEATS AFTER A ROUT

The numbers	Employers added 165,000 jobs in October and the unemployment rate fell to 4.1% from 4.2%, the Labor Department said at 8:30 a.m. ET. Professional and business services added 70,000 jobs, health care 42,000 and transportation and warehousing 25,000.[1][9]
A clear beat	The gain was more than double the roughly 70,000 jobs economists surveyed by Bloomberg had expected, and August and September were revised up by a combined 84,000, lifting September to 60,000 from 29,000. The revisions erase much of the scare from September's weak first print.[1][2]
Wages	Average hourly earnings rose 0.4% from September to $38.00, above the 0.3% expected, and were up 3.1% from a year earlier. That annual pace is likely still below inflation, so real pay is barely keeping up for many card customers.[1][2]
Beneath the surface	Retail trade employment showed little change heading into the holiday season, a soft spot for store-card partners even as overall hiring beat. Labor force participation held at 61.9%, and the number of unemployed people was little changed at 7.1 million, including 2.0 million out of work 27 weeks or more, or 27.6% of the total.[1]
The Fed	Traders lifted the odds of a December rate hike to 78% from 70% before the data, according to Reuters, and the 2-yr yield rose 5 bp to 4.52% soon after the release. The Fed held its range at 3.75% to 4% on Oct. 28 with two officials dissenting in favor of a hike, and Peter Cardillo told Reuters the report "just confirms that the Fed has no choice but to raise rates in December."[3][4]
After the rout	Nasdaq futures rose about 1.3% after the release while Dow futures fell about 1%, as strong hiring and higher hike odds pulled in different directions. The report lands a day after the S&P 500 fell 4.4% and the Nasdaq 5.5%, its worst day in 18 months and a drop into correction territory, as chip stocks collapsed on fears a Democratic Congress will slow data-center spending.[5][6][10]

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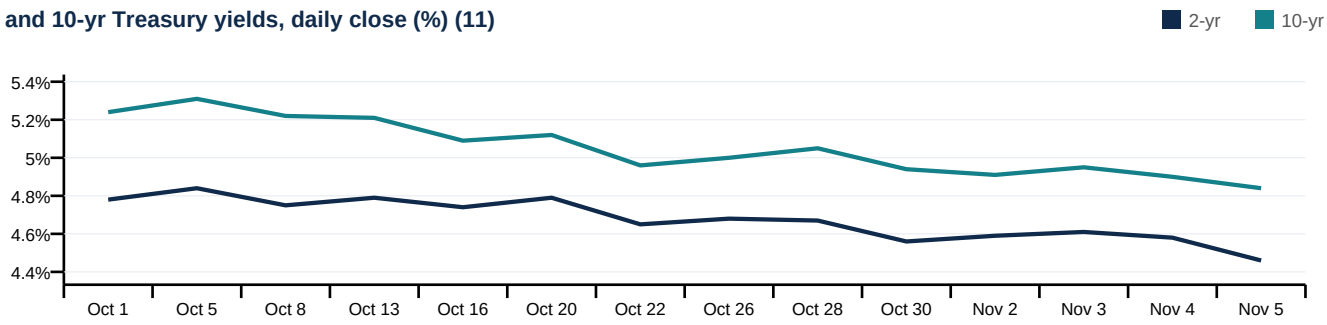
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For issuers A 4.1% jobless rate heading into the holidays supports credit performance and spending, since jobs drive card losses more than anything else. The trade-off is funding: a December hike would lift deposit and ABS costs, and a market slump can dent spending among wealthier cardholders.[1][3][5]

2-yr and 10-yr Treasury yields, daily close (%) (11)



U.S. Treasury par yields at the close, selected days Oct. 1 to Nov. 5. Friday's jobs data lifted the 2-yr to about 4.52%.

BNPL & INSTALLMENTS

Affirm Affirm shares fell more than 4% before the open even as it beat forecasts and raised its fiscal 2027 GMV outlook to more than $65.25 billion. Fiscal first-quarter GMV rose 33% to $14.4 billion and revenue reached $1.26 billion, but Truist flagged "concerns around the credit allowance" and a second-quarter GMV guide of $17.9 billion to $18.2 billion that it called "more conservative than usual."[8]

Affirm's credit Management tied the higher provisions to September approval and origination experiments kept on its balance sheet and said they are reserved appropriately. Average loan terms run under 98 days, and Levchin said a new transformer model could add 2 to 3 percentage points of approvals with essentially no added loss.[12]

Affirm's funding Funding costs rose 27 basis points from the prior quarter, partly on seasonality, though more than 70% of on-balance-sheet funding is fixed rate and a recent ABS deal was more than four times oversubscribed. Issuers watching BNPL pricing should note that more than 80% of Affirm Card loans have historically been interest-bearing.[12]

Brand-paid 0% About one million products in the Affirm app already carry brand-funded promotions, and Levchin expects 0% volume to grow in agentic commerce as Affirm builds APIs for shopping agents. Merchant-funded promotional financing is the private-label playbook, now aimed at AI shopping tools.[12]

EARNINGS CALL QUOTES

Affirm CEO Max Levchin called credit "job number zero" on the Nov. 5 call.[12]

Marqeta There is "almost nothing more engaging than a card product," CEO Mike Milotich said after third-quarter results.[13]

BANKING

OppFi Subprime lender OppFi withdrew its applications with the OCC, Fed and FDIC to buy Arizona's BNC National Bank for $130 million, blaming a "lack of clearly articulated standards." Sens. Elizabeth Warren and Chris Van Hollen, who had called its model "predatory," welcomed the move, the second such retreat after Enova dropped its Grasshopper Bank bid.[14]

Charter path High-rate lenders seeking bank charters face a tougher road with Warren in line to chair Senate Banking. OppFi said its merger agreement remains in effect and it still wants a charter, but 20 attorneys general had argued the deals were attempts to sidestep state usury caps.[14]

Deal window	Card portfolio sales and bank-fintech deals may speed up before the window closes: Fernando Rivas, Wells Fargo's head of corporate and investment banking, said a "now or never" attitude will drive bank M&A through 2027, since a tougher FTC and DOJ "could very easily come back in [20]28." A UBS analyst wrote that the midterms are likely to "catalyze M&A."[15]

CARDS & PAYMENTS

Swipe-fee bill	The Credit Card Competition Act loses both lead Senate sponsors next year, with Sen. Roger Marshall defeated and Sen. Dick Durbin retiring, and Durbin has handed the effort to Sen. Peter Welch. Backers may try to attach it to lame-duck spending bills, but a convenience-store lobbyist gave it only "as good a shot as many other things to move."[16]
Rate caps instead	A Democratic Congress may focus on card interest rates instead, Payments Dive suggests, which could favor the Sanders-Hawley bill to cap rates at 10%. For issuers, that would trade a routing mandate aimed at Visa and Mastercard for a direct hit to card yields.[16]
Marqeta	Card platform Marqeta swung to $115.4 million of third-quarter net income and raised its outlook as processing volume rose 29% to $126.5 billion. Block still made up 41% of revenue, and KBW warned that growth from top clients, including BNPL companies, could slow.[13]

COMING UP

UMich sentiment	The University of Michigan releases its preliminary November sentiment reading this morning, at 10 a.m. ET. October's final index was 48.0, from 48.1 in September, with year-ahead inflation expectations up to 4.7% from 4.6%, a weak base for holiday spending.[17]
Bowman speaks	Fed Vice Chair for Supervision Michelle Bowman discusses supervision and regulation at the University of Mississippi today at 12:15 p.m. ET.[18]
Consumer credit	The Fed's September consumer credit report (G.19), which includes revolving balances, is also on today's calendar.[18]

WORTH A READ

Fun, profit, health	Alex Johnson argues consumer finance products rarely deliver fun, profitability and financial health at once, and that savings deserve more investment because liquid savings tracks well-being. "We must reject this premise," he writes, a useful frame for issuers pitching rewards and BNPL as healthy products.[19]
Agents vs. inertia	A Fintech Takes podcast recap asks whether big banks that block outside AI agents will fall behind fintechs that welcome them. "Most banks profit off inertia, and personal agents are inertia-dissolving machines," Johnson writes, a warning for card issuers that rely on top-of-wallet habits.[20]

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MARKET RECAP as of 9:42 a.m. ET, Nov 6

RATES & ALTERNATIVES	LAST	DAY	30D	1Y
2-yr Treasury	4.52%	+5 bp	-29 bp	+104 bp
10-yr Treasury	4.87%	+3.1 bp	-36 bp	+88 bp
2s/10s curve	+35 bp	-2 bp	-7 bp	-16 bp
TLT (20+ yr)	$81.88	-0.06%	+3.9%	-11.0%
SGOV (T-bills)	$100.49	+0.04%	-0.3%	-0.3%
Inv. grade (LQD)	$104.53	-0.12%	+2.0%	-7.4%
High yield (HYG)	$77.33	+0.06%	-0.4%	-4.8%
Dollar (UUP)	$29.12	+0.69%	+1.4%	+4.4%
Gold (GLD)	$369.58	-1.57%	-2.7%	+2.0%
WTI oil (USO)	$147.99	-0.15%	-2.5%	+106.2%
Bitcoin	$75,644	-0.67%	-10.0%	-34.3%

FINTECH & BNPL	LAST	DAY	30D	1Y
Fintech (FINX)	$24.07	-0.50%	-4.3%	-30.1%
Fintech (ARKF)	$41.84	+1.28%	-9.6%	-27.8%
Payments (IPAY)	$49.46	-1.79%	+4.0%	-12.1%
Affirm (AFRM)	$68.46	-1.72%	-2.3%	-11.2%
Block (XYZ)	$85.27	+1.46%	+13.4%	+6.5%
PayPal (PYPL)	$58.88	-0.14%	+8.3%	-22.7%
Klarna (KLAR)	$13.41	-0.89%	+6.4%	-66.2%
SoFi (SOFI)	$16.39	+2.18%	+0.5%	-47.9%
Upstart (UPST)	$22.22	+0.36%	-5.0%	-55.9%
Sezzle (SEZL)	$153.18	-1.17%	+38.7%	+112.7%
LendingClub (HAPN)	$16.28	+0.62%	+9.4%	-12.3%

BANKS & CARD	LAST	DAY	30D	1Y
Financials (XLF)	$57.21	-0.50%	+4.6%	+9.1%
Banks (KBE)	$66.08	-0.21%	+1.4%	+15.8%
Regional (KRE)	$72.32	+0.01%	+1.3%	+18.3%
JPMorgan (JPM)	$337.41	+0.02%	-1.3%	+10.6%
Citi (C)	$119.50	+0.89%	-10.6%	+18.3%
Capital One	$204.83	+0.49%	+2.7%	-8.2%
Amex (AXP)	$323.76	-0.37%	+5.2%	-10.4%
Synchrony (SYF)	$74.61	+0.73%	+3.0%	-0.5%
BFH	$103.38	+0.79%	+1.2%	+55.3%
Atlanticus (ATLC)	$92.56	-4.04%	+0.6%	+58.3%
OneMain (OMF)	$56.68	-0.26%	-0.3%	-1.0%

EQUITIES	LAST	DAY	30D	1Y
SPY	$738.28	+0.72%	-4.1%	+7.4%
QQQ	$659.96	+2.00%	-10.8%	+4.7%
Dow (DIA)	$511.98	-0.45%	-0.4%	+6.8%
Russell 2000 (IWM)	$271.95	+0.36%	-3.0%	+9.0%
Mid caps (MDY)	$654.43	+0.11%	-1.2%	+11.4%
Equal-wt S&P (RSP)	$215.95	-0.42%	+2.7%	+16.0%
Semis (SOXX)	$138.82	+5.25%	-29.0%	+36.5%
Cons. disc. (XLY)	$117.43	-0.18%	+7.2%	-2.3%
Cons. staples (XLP)	$89.37	-2.06%	+9.2%	+17.8%
Retail (XRT)	$90.19	-0.97%	+10.0%	+6.4%
VIX	26.38	-6.39%	+63.3%	+65.5%

IBKR, 9:42 a.m. ET (VIX, 10-yr delayed 15 min); S&P and Nasdaq indices stale, so SPY and QQQ stand in. 2-yr: Reuters, ~8:50 a.m. ET. UUP, USO proxies. Price only. SOXX split-adjusted.

Sources

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(3) Pomegra: Fed rate hike odds slip to 66% ahead of jobs report (Nov 6)
(4) Reuters via Investing.com: Strong October jobs report sends yields higher (Nov 6)
(5) Motley Fool via Yahoo Finance: Stock market today, Nov. 5 (Nov 5)
(6) Stock Titan: Stock market today, Nov. 5 (Nov 5)
(7) Fox Business: Nasdaq opens higher as chip stocks attempt to recover (Nov 6)
(8) Investing.com: Affirm delivers results and guidance beat, raises full-year GMV outlook (Nov 6)
(9) Kiplinger: What to expect from the October jobs report (Nov 5)
(10) Reuters via BNN Bloomberg: Nasdaq eyes higher open as chips pare losses (Nov 6)
(11) U.S. Treasury: Daily par yield curve rates, Oct. and Nov. 2026 (Nov 5)
(12) GuruFocus via Yahoo Finance: Affirm Q1 fiscal 2027 earnings call highlights (Nov 5)
(13) Payments Dive: Cards draw customers, Margeta CEO says (Nov 5)
(14) Banking Dive: OppFi withdraws regulatory applications to buy bank (Nov 4)
(15) Banking Dive: Wells Fargo exec sees 'now or never' M&A attitude (Nov 5)
(16) Payments Dive: Will a 'blue wave' push the CCCA? (Nov 5)
(17) University of Michigan: Surveys of Consumers (Nov 6)
(18) TheStreet Pro: Stock market today, Nov. 6 (Nov 6)
(19) Fintech Takes: Difficult, Not Impossible (Oct 30)
(20) Fintech Takes: Bots, Blockchains & Bad Ideas (Nov 4)

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