

Investors Punish AI Spending Without Cash: Intel's Collapse Caps a 2% Nasdaq Drop

Data as of: Oct 30, 2026 U.S. close (AP final); crypto as of Oct 30 morning ET

Key takeaways

1. Intel fell 28.6% on Friday, and the Nasdaq lost 2.00% for the week while the S&P 500 fell for a third week.
2. Cloud grew fast at Alphabet, Amazon and Microsoft, but record capex and Intel's cash warning drove the selling.
3. Next: Apple on Monday, the midterms and AMD on Tuesday, and the October jobs report on Friday.

Today's key news

This was the week Wall Street stopped paying for AI growth on faith. Alphabet doubled its cloud revenue and still suffered its worst day on record on Thursday. Amazon's AWS grew 39%, yet a \$77.3 billion quarterly capex bill kept the stock under pressure. Then Intel told investors it does not expect positive cash flow this year, and the stock lost 28.6% on Friday, its worst day since 1974.

The Nasdaq Composite fell 2.00% for the week to 25,437.00 and the S&P 500 posted its third straight weekly loss. Money did not leave stocks; it moved into consumer staples and energy. Oil above \$104 and two Fed dissents for a hike kept rate worries alive, even as the 10-year yield eased to 4.93%.

The takeaway: next week tests whether the AI trade can find a floor. Apple reports Monday, AMD Tuesday, the midterms are Tuesday, and the jobs report lands Friday.

-28.6%

Intel, Oct 30

Worst day since 1974 (AP)

-2.00%

Nasdaq Composite, week

25,955.34 to 25,437.00

\$104.12

WTI crude settlement, Oct 30

Up 15.2% in October

What mattered this week

Cloud growth was strong; the cash math was not

On the numbers alone, Big Tech delivered. Google Cloud revenue rose 103% to \$30.7 billion, AWS grew 39% to \$46.0 billion, and Microsoft's Azure grew 48%, sending the stock up about 4% after hours on Wednesday (CNBC).

The problem was the bill. Alphabet spent \$51.4 billion on property and equipment in the quarter and Amazon spent \$77.3 billion. Alphabet's revenue of \$127.58 billion came in just under the \$127.97 billion FactSet estimate, and the stock fell more than 12% on Thursday, its worst day on record (AP). Microsoft gave back its after-hours gain and closed lower on Thursday.

Our read: investors are no longer rewarding AI demand by itself. They want to see when the spending turns into free cash flow, and companies that cannot show that are being marked down hard on report day. See [Chip Monitor](#) for relative strength across semiconductors.

Intel's cash warning became a chip-sector rout

Intel's fourth-quarter revenue guide of \$15.0 billion to \$16.0 billion sits entirely below the \$17.07 billion LSEG estimate. The company also said it does not expect positive cash flow this year. Jay Goldberg of Seaport Research Partners blamed a loss of confidence in management, saying Intel built too many PC chips and too few AI server chips (Reuters).

The selling spread. Nvidia fell 4.2% on Friday and was the biggest drag on the S&P 500, and Coinbase lost 10.6% as the Binance hack hit crypto (AP). Defensive names held up: Mondelez rose 3.9%, Exxon Mobil 2.2% and Chevron 1.8%.

Asian chipmakers felt it too. SK Hynix had reported record quarterly operating profit of 83.33 trillion won (a 79.7% margin) on Oct 28 and pledged about 100 trillion won in shareholder returns for the year, but its shares fell 7.08% in Seoul on Friday as the U.S. chip selloff spread.

Oil and the Fed kept rate-hike risk on the table

The Fed held its target range at 3.75%–4.00% on Wednesday in a 10–2 vote; Governor Lisa Cook and Cleveland Fed President Beth Hammack wanted an immediate hike. After the meeting, markets priced about an 85% chance of a December hike (Bloomberg data). On Friday, St. Louis Fed President Alberto Musalem said a hike is needed "soon," and Dallas Fed President Lorie Logan called for at least two more.

Oil is the pressure point. A tanker attack in the Strait of Hormuz and Houthi claims of strikes on Saudi facilities pushed WTI to a \$104.12 settlement on Friday, the highest close since late April, capping a 15.2% gain in October (Reuters). The data were mixed: third-quarter GDP grew at a 3.4% annual rate, above the 3.1% Dow Jones estimate, and September PCE inflation ran 3.6% from a year earlier, while the employment cost index slowed to 0.8% from 0.9%. The 10-year yield fell to 4.93% as investors sought safety. See [Market Pulse](#).

Crypto: the largest hack on record pushed Bitcoin below \$77,000

About \$6.3 billion was drained from Binance hot wallets on Thursday evening. Blockchain analytics firm Elliptic called it the largest theft on record and said \$2.84 billion (44%) had been frozen. Binance said it will cover all losses from its own funds. Friday saw \$1.57 billion of crypto positions liquidated (CoinDesk), and Bitcoin fell below \$77,000 (AP). Before the hack, U.S. spot bitcoin ETFs had taken in \$440.8 million from Monday through Thursday. See [Crypto Market](#).

Our last calls: how they played out

What we flagged last Sunday	What happened	Market reaction
Fed decision and any December hike signal	Held at 3.75%–4.00%, 10–2 with two votes for a hike	December hike odds about 85%; Fed officials pushed for more
Whether cloud growth justifies the capex	Google Cloud +103%, AWS +39%, Azure +48%	Alphabet's worst day on record; Intel -28.6%
AMD to close Oct 30 below \$566.42	AMD fell about 12% on Friday (hit)	Chip selloff after Intel's guide

- **This week: 19 of 21 directional calls hit (90%).** The two misses: Microsoft higher on Oct 29 (we leaned only on the after-hours gain, and Alphabet's plunge dragged Big Tech down) and continued foreign buying in Korea (no numeric line set in advance). Details are on our [track record](#).

What to watch

Time (ET)	Event
Sun Nov 1	OPEC+ meeting of eight producers on December output
Mon Nov 2, 10:00 AM	ISM manufacturing index for October
Mon Nov 2, after the close	Apple fiscal Q4 results
Tue Nov 3	Midterm elections; AMD Q3 results after the close
Fri Nov 6, 8:30 AM	October jobs report (BLS)

If-then scenarios

- **If** Apple's guidance holds and AMD keeps its data-center outlook → check: whether the Nasdaq recovers 25,437.00 and Nvidia holds Friday's low
- **If** OPEC+ holds output while Hormuz attacks continue → check: WTI above \$104, the 2-year yield and December hike pricing
- **If** the jobs report runs hot → check: the 10-year back toward 5%, and whether staples and energy keep leading

Not a forecast — what to check depending on the outcome.

Market data

Week in review (Oct 30 close)

Market	Close	Week
S&P 500	7,580.07	-0.57% (third straight weekly loss)
Nasdaq Composite	25,437.00	-2.00%
Dow Jones Industrial Average	51,770.31	-0.85%
10-year Treasury yield	4.93%	Down from above 5.30% earlier in October
WTI crude (settle)	\$104.12	+0.82% (October +15.2%)
Bitcoin	below \$77,000	Down from above \$86,000 earlier in October

Gold was \$3,980.40 an ounce on Friday morning (7:07 AM ET), a three-and-a-half-month low, and down 4.3% in October (Reuters).

Day by day

Day	S&P 500 / Nasdaq / Dow	What moved it
Mon Oct 26	+0.70% / +0.82% / +0.28%	AI stocks rebounded
Tue Oct 27	+0.60% / +1.18% / +0.03%	Gains extended ahead of the Fed
Wed Oct 28	+0.28% / +0.27% / +0.19%	Fed held; Microsoft and Alphabet reported after the close
Thu Oct 29	-0.30% / -1.38% / -0.25%	Alphabet's worst day on record
Fri Oct 30	-1.82% / -2.86% / -1.09%	Intel -28.6%; worst day since June

Earnings scorecard

Company	Results	Key number	Reaction
Alphabet (Oct 28)	Revenue \$127.58B (est. \$127.97B)	Google Cloud +103%; capex \$51.4B	Down more than 12% Oct 29
Microsoft (Oct 28)	Azure +48%	Cloud drove the beat	About +4% after hours; lower Oct 29
Amazon (Oct 29)	Net sales \$201.9B	AWS \$46.0B (+39%); capex \$77.3B	-1.4% Oct 30
Intel (Oct 29)	Revenue \$16.5B	Q4 guide \$15.0B–\$16.0B (est. \$17.07B)	-28.6% Oct 30
Chevron (Oct 30)	Adjusted EPS \$5.28	Refining drove the beat	+1.8% Oct 30

Economy and the Fed

Release	Result	Prior
FOMC decision (Oct 28)	Hold at 3.75%–4.00%, 10–2	25 bp hike in September
Q3 GDP, advance (Oct 29)	+3.4% annual rate (est. 3.1%)	+2.2%
September PCE prices, y/y (Oct 29)	3.6% (core 3.1%)	Released with Q3 GDP
Initial jobless claims (Oct 29)	194,000 (est. 200,000)	Week ended Oct 24
Employment cost index, Q3 (Oct 30)	+0.8%	+0.9%

Crypto

Item	Detail
Bitcoin (Oct 30, morning ET)	\$76,778
Ether (Oct 30, morning ET)	\$2,238
Spot bitcoin ETF flows	Mon +\$110.3M / Tue +\$176.0M / Wed +\$137.3M / Thu +\$17.2M
Binance hack	About \$6.3B stolen; \$2.84B frozen

Strategist views

- **Cautious:** Kay Haigh of Goldman Sachs Asset Management said another energy spike or strong data could bring more tightening into play (Reuters). Matt Britzman of Hargreaves Lansdown described a sell-first mood in which Intel's warning gave investors an easy reason to cut chip exposure (Reuters).
- **Constructive:** Standard Chartered's Geoffrey Kendrick expects more crypto losses near term but ties a bottom to the release of frozen assets and more hack details (CoinDesk), a sign the selloff is event-driven rather than a break in demand.

No charts this week: chart data for the Friday close was not yet available. Weekly index changes are calculated from AP closing levels for Oct 23 and Oct 30. This report is for information only and is not investment advice.

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