Moonstream Newsletter — November 2026: “Robbed, Not Broken”

October Review: I Turned Bullish. October Didn’t Care.

Last month I made a call.

I told you I was bullish.

I gave you two things that would change my mind.

A weekly close below the 365-day moving average, then about $79,700.

Or a break of September’s low at $74,892.

And I said a move above $87,500 would open the door to the $90,000s.

Here’s the scorecard.

Bitcoin tagged **$87,229 on October 2nd**.

That was $271 short of my breakout level, and it was the high of the month.

From there it was one hit after another.

A hot CPI print on the 14th. Rate hike odds for December near 90%. Brent back above $110. The AI trade cracking on Wall Street.

Then, on October 29th, the largest crypto theft in history.

Bitcoin fell to **$76,156 on October 30th** and closed the month at $77,437.

That’s **−7.3%**, the worst October since 2014 and the first back-to-back red Octobers since 2011–2012.

So I’ll own it.

Neither of my two conditions was triggered. Not yet.

The 365-day moving average kept falling all month. It’s now about **$77,000**, not the $79,700 it

was a month ago.

Bitcoin's weekly closes held above it. So did every daily close, by as little as $10 on October 30th.

September's low of $74,892 held too, even through the hack.

But today Bitcoin is trading right on top of that line.

That's a bull case hanging by a thread.

I'll tell you exactly where I stand in the coin pick.

First, let's go through what happened, because a lot happened.

Let's get into it.

October 2026 at a glance:



[BTC4H]]

Bitcoin open: $83,565 | Bitcoin high: $87,229 (Oct 2nd) | Bitcoin low: $76,156 (Oct 30th) | Bitcoin close: $77,437

Monthly return: **−7.3%** — the worst October since 2014, ending a three-month green streak

Monero: **+9.9%** (the only green major) | HYPE: −3.3% | Zcash: −13.0% | Ethereum: −16.1% | ONDO: −18.0% | Chainlink: −18.8% | Solana: −19.2%

Total crypto market cap: ~$2.61 trillion, down about $256 billion (−9%) on the month

Altcoin market cap (everything but Bitcoin): ~$1.05 trillion, down 11% and back below the $1.2 trillion line

Bitcoin dominance: 59.8% at month-end — up from 58.7%, after peaking at 60.4% on Oct 18th

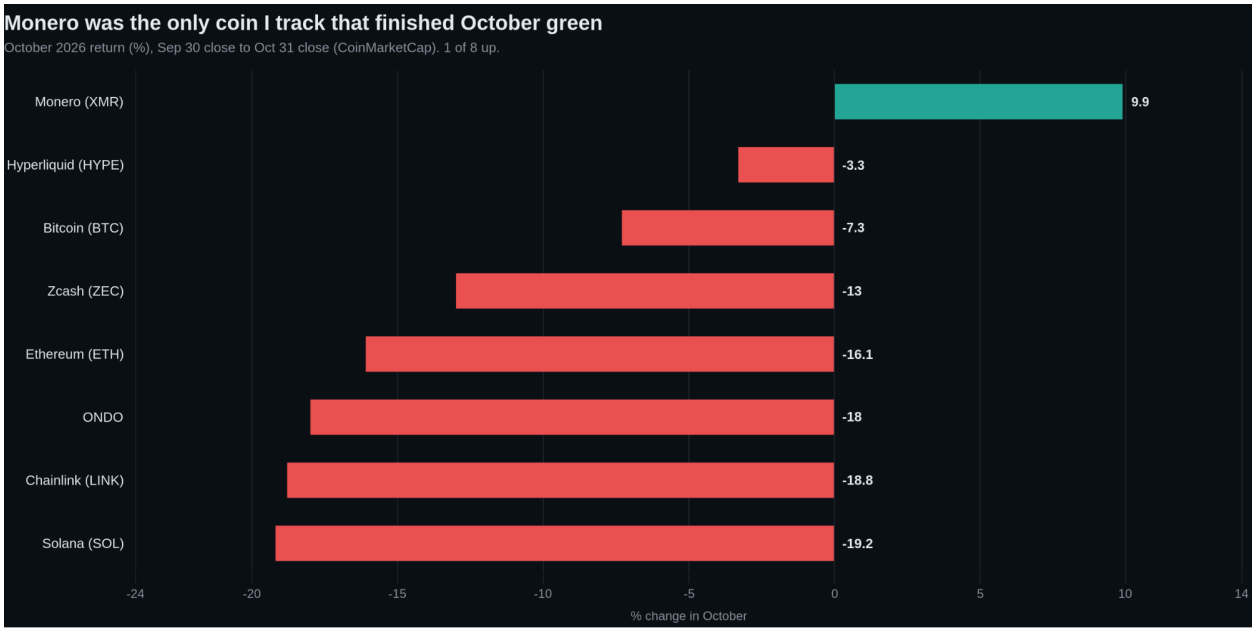
Bitcoin spot ETFs: **−$515 million** — after +$2.8 billion in September

Bitcoin Fear & Greed: 30 (Fear) at month-end, 37 today | Crypto Fear & Greed: 36 (Fear) at month-end, 33 today

Still ~39% below the October 2025 all-time high of $126,198



Bitcoin peaked on October 2nd, $271 shy of the $87,500 breakout level. It never closed a day below the 365-day moving average, but it's now sitting right on it. September's low held.



October performance for the coins I track. Monero, the privacy coin I've said I prefer, was the only one in the green.

The Big Story: The Biggest Heist in Crypto History

On October 29th, someone walked out of Binance with about **$6.3 billion**.

It's the largest crypto theft on record, more than four times the $1.5 billion Bybit hack in February 2025.

Here's how the week played out.

- **October 28th:** The attacker's wallet is funded with small withdrawals from Tornado Cash. The staging starts a day early.
- **October 29th, 4:05 p.m. ET:** Funds start leaving Binance wallets on ten blockchains. Most of it is gone in about 20 minutes.
- **Same evening:** Binance halts deposits and withdrawals. Co-founder Yi He says Binance will cover all losses.
- **October 30th:** Circle, Tether and Ripple freeze funds tied to the hack. About $3 billion is frozen on-chain.
- **October 31st:** The FBI confirms North Korea's TraderTraitor unit, the same group behind Bybit. Binance says 90% of the losses are replaced.
- **November 1st:** Binance hits 95% and reopens withdrawals in phases.

How they got in

This wasn't a smart contract bug.

Binance's early investigation traced it to **one engineer's compromised laptop**.

That access led to the hot wallet signing system.

The attackers collected signatures ahead of time, then fired them all in one burst.

It's the same playbook North Korea used on Bybit. Patient, quiet, then fast.

What it did to price

The timing was brutal.

The hack hit the night before Wall Street's worst tech day since June.

Bitcoin fell more than 4% to about $78,000 on the 30th, and wicked to $76,156.

BNB, Binance's own token, dropped 8%.

Ethereum and Solana fell harder than Bitcoin.

Leverage got flushed. About $1.54 billion was liquidated in 24 hours, $1.29 billion of it longs.

Spot Bitcoin ETFs saw **$643 million** in outflows that Friday, the biggest single day out in four months.

The Bitcoin Fear & Greed Index went from 51 to 30 in a day.

I want to be careful here. Not all of that was the hack.

The Nasdaq 100 lost 3.4% that same Friday. Some of crypto's drop was the same risk-off wave hitting everything.

But the hack is what turned a bad week into the worst October in 12 years.

How the recovery has gone

There are two separate stories here, and the headlines keep mixing them up.

1. Getting the stolen crypto back.

About **$3 billion** of the stolen funds was frozen on-chain by stablecoin issuers and industry

partners.

That's nearly half the haul, and it's a big deal. Frozen USDT and USDC can't be laundered.

But that money now goes through legal channels. It's not coming back quickly.

The rest is native coins like ETH and BTC, which can't be frozen. Expect North Korea to spend months laundering it, the way they did with Bybit.

2. Making customers whole.

This is the part that matters for you, and Binance moved fast.

It didn't wait for any recovered funds. It replaced 95% of the stolen assets out of its own pocket, in three days.

How Binance is covering it

The money came from three places:

- **SAFU**, its emergency user-protection fund, built in 2018 for exactly this. Binance pulled **7,499 BTC (about $581 million)** from it and has promised to refill it to $1 billion.
- **Part of its futures insurance fund.** Binance says what's left still meets its regulatory requirements.
- **Its corporate treasury** — the bulk of it. Binance hasn't broken down the split.

The last 5% is less liquid tokens that take longer to buy back in size.

Withdrawals reopened Sunday morning on 15 networks first, including Bitcoin, Ethereum, BNB Chain, Solana and XRP.

By mid-afternoon, Binance had processed $4.6 billion in withdrawals against $1 billion in deposits.

That's a net $3.6 billion out, about 2.1% of its assets.

People are moving money. It isn't a bank run.

My take

The price damage was real. The structural damage wasn't.

Mt. Gox and FTX went bankrupt. Customers waited years.

Binance ate a $6 billion loss and reopened in three days.

Fundstrat's Sean Farrell said the hack doesn't create meaningful solvency risk for Binance. I agree.

Still, two lessons.

First, not your keys, not your coins. Binance had the money to cover this. A smaller exchange wouldn't have.

Second, the hackers still hold a few billion in liquid crypto. As they launder it, they sell. That's a slow, quiet overhang, mostly on ETH.

Here's what I'm watching: whether Binance outflows stay orderly this week, and when it closes the last 5%.

The Fed: A Hold, Not a Pivot

On October 28th the Fed held rates at **3.75–4.00%**.

That was my base case last month: skip October, hike in December.

But don't mistake it for a dovish turn.

The vote was **10–2**, and both dissenters wanted to hike. Cleveland's Beth Hammack and Governor Lisa Cook voted for another 25bp.

When a reporter asked if holding meant the Fed had gone soft on inflation, Chair Warsh answered flatly: "there's no soft inflation target."

Wall Street called it a hawkish hold.

Why they're not done

September CPI, released October 14th, ran hot.

3.7% headline, up from 3.4% and above the 3.6% forecast. Gasoline did most of the work.

The part that worried the Fed was core: **2.6%, up from 2.4%**.

That means energy is starting to leak into everything else.

Citi, one of the last holdouts, flipped to calling a December hike the same day.

Future rate hike odds

Here's how the market is pricing it after the meeting:

- **December 9th FOMC:** about **85% odds of a 25bp hike** on CME FedWatch, up from 78% the day before the decision.
- **Odds of a hold in December:** roughly 15–17%.
- **Cuts:** not on anyone's board for 2026. September's dot plot already erased the cuts penciled in for 2027.

One quirk to know about.

The December decision lands one day before November CPI comes out.

So the last inflation number the Fed sees before deciding is **October CPI on November 10th**. That print matters a lot.

Two other changes worth knowing

Warsh has dropped forward guidance. The Fed isn't telling markets what it will do next.

And starting next fall, it will hold fewer rate-setting meetings. That makes every remaining meeting a bigger event.

Less guidance plus fewer meetings means more surprises. Expect more volatility around each one.

My read

One more hike in December is now very likely.

That would take the funds rate to 4.00–4.25%.

After that, it depends almost entirely on oil.

And one more thing ends this week. The Treasury's doubled bond buybacks, which I credited for September's rally, wrap up **November 4th**.

That was the hand easing the long end while the Fed tightened. It’s about to come off.

Iran and Oil: Eight Months In, $117 Brent

The war that started February 28th is now in its ninth month.

Last month I gave you a sliver of good news: crude flows through Hormuz were back near pre-war levels.

That didn’t last.

In early October, at least nine commercial ships were attacked near Hormuz in a single week.

Crude exports through the strait fell back to about **70% of pre-war levels**.

Iran-backed Houthis fired missiles at Saudi Arabia, including Riyadh.

And Ukraine kept hitting Russian refineries, which is why diesel stays so tight.

Where oil ended up

Brent finished October up **13.6%**. WTI gained 15.2%. Check out today's candle though. Trump commented that he wasn't going to attack Iran again but rather try to solve this politically.



The December Brent contract settled at **$117.64** on October 30th, the highest settlement since the end of April.

WTI settled at $104.12.

That's a fourth straight monthly gain.

How long does this go on?

Nobody knows, and the signals point both ways.

The case for an end: Iran and Qatar held three straight days of talks this weekend. Iran's supreme leader and top security official have discussed conditions to end the war. Trump says it will be wrapped up soon.

The case against: He has said that before. A tanker was hit in Hormuz on October 30th. And Washington has repeated it could renew strikes.

Here's the detail I keep coming back to.

In early October, Trump said the US would not attack Iran before the midterms.

The midterms are tomorrow.

That's why traders bid oil up into month-end. They are pricing a risk that escalation is back on the table after Tuesday.

One analyst sees Brent heading toward $120 if the rhetoric heats up after the vote.

Today it fell hard, to about $108.

Why this matters for you

Oil is the whole ballgame for the Fed right now.

Energy pushed September CPI to 3.7%, and it's why core is starting to creep up.

The 10-year yield is above 5%. It was under 4% before the war.

A real peace deal is the single biggest bullish catalyst on the board. It would take the December hike off the table fast.

Escalation does the opposite.

As soon as this war ends, crypto starts moving to the upside quick in my opinion.

Midterms Tomorrow: One Big Unknown Comes Off the Board

The midterms are tomorrow, November 3rd.

All 435 House seats and 35 Senate seats are on the ballot.

I'm not here to tell you who to root for. I'm here to tell you what it means for markets.

Where the odds sit

Going into the vote, prediction markets lean heavily toward Democrats taking the House, at about 94% on Kalshi.

The Senate is closer, with Democrats favored at roughly 73%.

Polls and prediction markets have missed before, so treat those as odds, not outcomes.

Close races can also take days to call.

Why getting it over with is the point

Markets hate uncertainty more than they hate any particular result.

Historically, once a midterm is done, investors have tended to step back in regardless of who won. That's part of why people talk about an early Santa rally in midterm years.

Tomorrow night removes three questions that have been hanging over everything:

- **Who controls Congress in 2027.**
- **What happens to crypto legislation.** The CLARITY Act has been parked since it failed in September. Whoever holds the Senate decides whether it comes back, and in what form.
- **What happens with Iran.** The administration's pledge not to strike before the midterms expires with the vote.

That third one cuts both ways. It removes uncertainty, but it could replace it with a real risk.

What I'm watching

The first 48 hours after results, in oil and in the 10-year yield.

If those stay calm, the relief rally has room.

If oil spikes on escalation, the election outcome won't matter much to your portfolio.

The AI Trade Cracks: Tech's Worst Month in Over a Year

Crypto wasn't the only thing that broke in October.

The AI trade, the engine of this whole bull market, finally stalled.

The Nasdaq fell 5.3% in October.

The semiconductor index fell **19%**.

Korea's KOSPI, basically a chip index with a flag on it, dropped 16.2%.

How it unwound

It happened in two waves.

Wave one: rates. The hot CPI print on October 14th sent the Nasdaq and S&P to their worst day since July.

The logic is simple. Many AI companies are building data centers with borrowed money. Higher rates make that money more expensive.

Wave two: earnings. The last week of October was big tech report card week, and the grades disappointed.

Intel guided its fourth quarter lower. Amazon missed on profit and revenue. Alphabet talked up even bigger AI spending.

On Friday, October 30th, the Nasdaq 100 dropped 3.4% and erased more than **$1 trillion** in a day.

CoreWeave and Nebius, the “neocloud” names, fell more than 10%.

Nvidia fell 4.2% and was the biggest drag on the S&P 500, which closed out its third straight losing week.

One portfolio manager put it well: the AI trade is leaving its “hopes and dreams phase” for a “show me” phase.

Is the AI trade over?

I don’t think so.

Nobody has shown that AI demand itself is slowing.

What’s changed is the question investors ask. It used to be “how much are you spending?” Now it’s “when does it pay off?”

That’s an unwind of a crowded trade, not the end of a technology.

For the time being, money is rotating into energy and defensive stocks.

The next big test is **Nvidia’s earnings around November 18th**.

Why a crypto newsletter cares

Because Bitcoin traded with tech all month.

The same things hurting AI stocks hurt crypto: higher rates, a stronger hand from the Fed, and funds cutting risk.

When hedge funds get margin-called on their Nvidia, they sell what's liquid. Bitcoin is very liquid.

The good news is the reverse is also true.

If the post-election relief rally shows up in tech, crypto should get a lift with it.

Let's Check the Indicators

Inflation: Energy Is Leaking Into Core

September CPI came in at **3.7% headline / 2.6% core** (Morningstar).

Headline rose 0.6% in a single month. Gasoline did most of that.

Core moving from 2.4% to 2.6% is the bigger deal. That's the number the Fed is reacting to.

Truflation's real-time index jumped to **3.41%**, from 2.74% when I wrote last month's issue.

Index	Truflation (Nov 2)	Official (September)	Gap
US CPI	3.41%	3.70%	−0.29
US PCE	3.08%	3.65%	−0.57

Truflation vs. the official numbers, from the Truflation dashboard.

Last month the CPI gap was 0.66 points. Now it's 0.29.

I said last month that if oil kept climbing, the gap would close from the other direction.

That's what happened. Oil is feeding through.

Truflation is no longer pointing to official inflation coming down soon.

That's one more reason to expect the Fed to hike in December.

Bitcoin Fear & Greed: Back to Fear



Bitcoin Fear & Greed Index (alternative.me), last three months.

The Bitcoin index is at **37 (Fear)** today, down from 74 (Greed) on October 1st.

It crashed from 51 to **30** the day after the hack, the lowest reading since mid-August.

Worth remembering: the last time it sat this low, in August, the next move was the big squeeze.

Crypto Fear & Greed



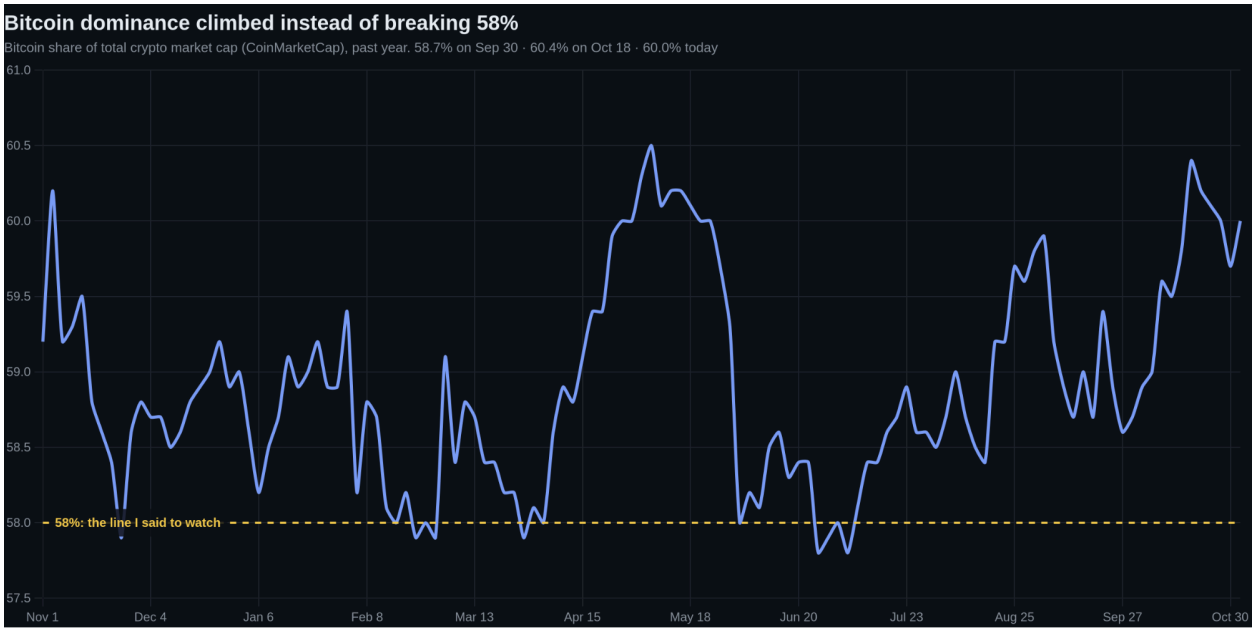
CoinMarketCap's [Crypto Fear & Greed Index] over the past year.

The broader crypto index reads **33 (Fear)** today, versus 69 on October 1st.

Its yearly range is a good reminder: **5** on February 6th, **82** on August 27th.

Fear, not extreme fear. Real capitulation looks worse than this.

Bitcoin Dominance: The Rotation Failed



Bitcoin's share of the total crypto market over the past year (CoinMarketCap).

Last month I said to watch 58%. A break below it would confirm money rotating into alts.

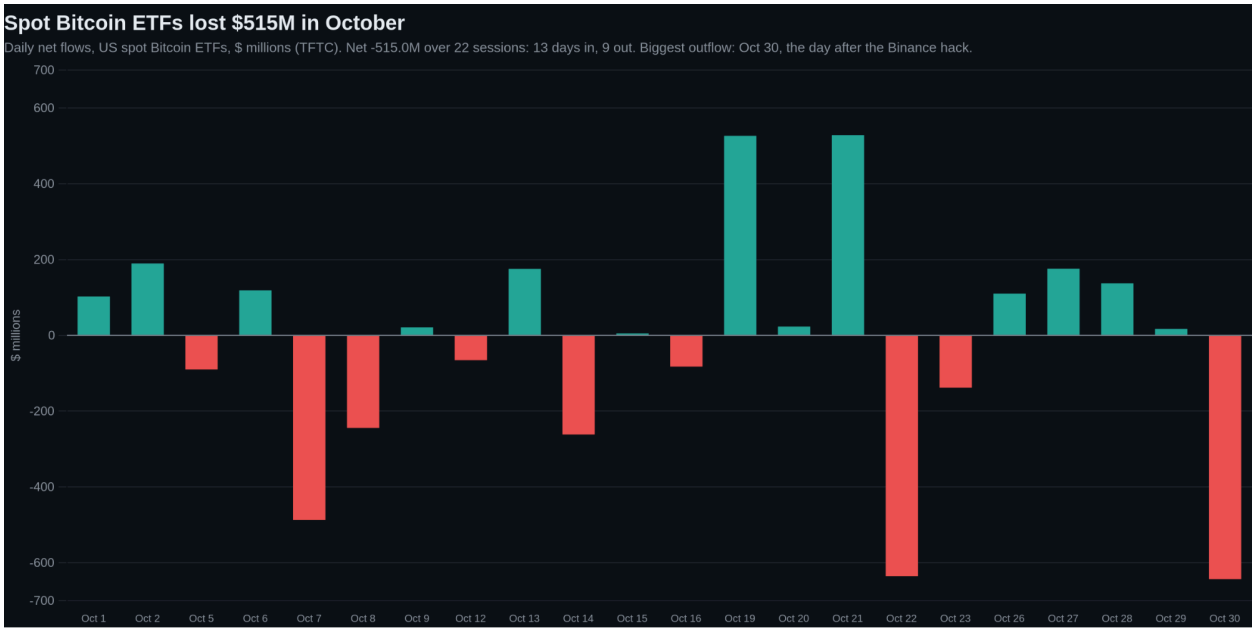
It went the other way. Dominance climbed from 58.7% to **60.4% on October 18th**, and sits at 60.0% today.

That's right back near the 2026 high of about 60.5% from May.

Alts fell about twice as hard as Bitcoin. Money didn't rotate into alts. It came out of them first.

That's what a risk-off month looks like.

ETF Flows: Red for the Month



Daily net flows into US spot Bitcoin ETFs (TFTC). Two big outflow days around the hot CPI and the hack.

The split under the surface matters.

BlackRock's IBIT still took in **+$932 million**. Fidelity's FBTC lost **$755 million** and ARK's ARKB lost $444 million.

The biggest buyer kept buying. The rest blinked.

Ether ETFs had it worse, with a record $1.61 billion of outflows, wiping out their gains for the year.

Total October flows were small next to September's +$2.8 billion. This was a pause in buying, not a rush for the exits, until the hack.

What's Coming Up That Could Move the Market

Midterms — November 3rd

Results tomorrow night, with close races possibly taking days. Watch oil and the 10-year in the 48 hours after.

Treasury buybacks end — November 4th

The doubled long-bond buybacks wrap up. One source of support for the long end goes away.

October jobs report — November 6th

A strong number locks in December. A weak one is the only thing likely to talk the Fed out of it.

October CPI — November 10th

The last CPI print the Fed sees before its December 9th decision. Watch core. If it pushes past 2.6%, the hike is a lock. PPI follows on the 13th.

Nvidia earnings — around November 18th

Not yet confirmed by Nvidia. This is the AI trade's next report card, and Bitcoin has been trading with tech.

October PCE — November 25th

The Fed's preferred inflation gauge.

Binance's last 5%

Watch for Binance to close the remaining gap, reopen every network, and keep outflows orderly. Also watch for the hackers moving their unfrozen ETH and BTC.

Iran after the vote

The pre-midterm pledge not to strike expires. A peace deal is the biggest upside surprise on the board. Escalation is the biggest downside one.

FOMC — December 9th

About 85% odds of a 25bp hike to 4.00–4.25%. New dot plot at this one.

Coin Pick: Still Bullish, on a Knife's Edge — and an Honest Grade on ONDO

First, Bitcoin.

Last month I said two things would change my mind: a weekly close below the 365-day moving average, or a break of $74,892.

Neither has happened.

So technically, **I'm still bullish. Until proven otherwise I still think this is likely consolidation after that massive move from $65K to $88K.**

But I want to be honest about how thin that is.

The 365-day is now about $77,000 and still falling. Bitcoin is sitting right on it today.

Here's how I'm reading it:

- **Bull case holds:** weekly closes stay above the 365-day, around $77,000. Then October was a shakeout, and $87,500 is still the breakout level.
- **I'm wrong:** a weekly close below the 365-day, or a break below $74,892. That would be a lower low, and I'd expect a retest of the $70,000s. I still think we hit bottom at $57,500 and that this is all just more consolidating, and that we don't revisit new lows.

This Sunday's weekly close matters more than usual.

I'm not adding risk into a likely December hike, a war with an expiring pause, and an AI trade that's still unwinding.

Grading ONDO

I said I'd grade this honestly, so here it is.

I picked ONDO at about **$0.50**.

It closed October at **$0.41**, down **18%**, and it's about $0.40 today. On hack day it wicked to $0.37.

It hasn't hit my rethink level of a weekly close below $0.35. But it's close.

What went right: the business.

Ondo now manages more than $4 billion across its products, up from about $1.95 billion at the start of the year.

Its tokenized Treasury fund, USDY, passed BlackRock's BUIDL in size.

It launched Ondo Private Markets and joined DTCC's Fund/SERV network.

What went wrong: the token, and the competition.

The two biggest risks I flagged last month both showed up.

One: ONDO is a governance token. The business grew and the token didn't follow.

Two: competition. Ondo's share of the tokenized stock market fell from about 56% in January to about 26% in early October.

And there's a large token unlock on January 18th, 2027.

Grade: the thesis is half right so far. The trade is wrong so far.

How I'd handle it now: I'm not adding. If you scaled in like I suggested, you're holding a modest position at a loss, which is exactly why we sized it small.

The $0.35 weekly close is still my line. Below it, I'd step aside and revisit after the January unlock.

As always, this is my own thinking and not financial advice. Do your own research and size it to your own risk.

Overall it's worth taking the wide view: Bitcoin is still $21K above its summer low, which is a good thing. My view is that we've already seen the worst and just need to continue being patient and let the market come to us.

Webinars are posted on the member page as soon as they're ready. You can view the October webinar here.

Bookmark it: moonstream.mikenewton.com

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Talk soon!

Mike