THE DAILY PULSE

by Jagdeep Dayal

PAYMENTS • BANKING • LENDING

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COVERAGE WINDOW: AUGUST 21–28, 2026

THIS WEEK IN BRIEF

Payments led the week: Visa notched its first record close in over a year, Revolut launched a MiCA-regulated euro stablecoin, and the industry backed Treasury's GENIUS Act rules as the comment window closed. Underneath, the FDIC reported banks earned $90.1B in Q2 with loan books expanding, Affirm's volume jumped 36%, and a fight opened over whether stablecoin rewards will drain bank deposits, all ahead of Fed Chair Warsh's Jackson Hole debut.

PAYMENTS & STABLECOINS

Visa closes at a record high on resilient consumer spending

Yahoo Finance · Aug 25

Visa closed at a record $382.41 on Monday, August 25, its first record close in more than a year, eclipsing the prior $373.31 peak from June 2025. The move followed fiscal Q3 results showing net revenue of $11.6 billion, up 14% year over year, with payments volume up 10% and cross-border volume (excluding intra-Europe) up 12%. Visa returned $6.2 billion to shareholders through buybacks and dividends during the quarter.

> **WHY IT MATTERS**
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> Visa is a bellwether for consumer spending, and Visa is being rewarded by investors in the near term, as US card volumes stay resilient even as shoppers turn more selective on discretionary purchases. For a lender, the read-through is that transaction-based revenue remains a steady engine. However, lenders need to keep an eye on delinquencies. Increased inflation could also lead borrowers to use cards to keep up their lifestyles, which would be viewed by risk managers as a net negative.

PAYMENTS & STABLECOINS

Revolut launches a euro stablecoin and moves to drop Tether

The Cryptonomist · Aug 26

On August 26, Revolut, which serves roughly 80 million customers, launched EURR, a euro stablecoin regulated under the EU's MiCA framework and authorized via Cyprus. The token is issued by a Luxembourg entity tied to Stripe-owned Bridge, with an initial rollout in Denmark, Poland and Portugal and broader EEA coverage planned later in 2026. Revolut simultaneously moved to remove Tether's USDT from European accounts, giving existing holders until August 31 to sell or transfer.

> **WHY IT MATTERS**
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> A licensed neobank issuing its own euro stablecoin on Stripe and Bridge rails shows fiat-backed tokens migrating from crypto-native venues into mainstream banking distribution. Delisting USDT while promoting an in-house token is a signal of how regulated players intend to use compliance as a competitive moat.

PAYMENTS & STABLECOINS

[Industry backs Treasury's GENIUS Act stablecoin rules as comment window closes]

The Block · Aug 25

With the comment period on Treasury's joint GENIUS Act rulemaking closing August 21, the Blockchain Association filed a letter on August 23 supporting the framework while urging that customer-identification duties apply only to direct issuer-to-customer transactions in the primary market, excluding peer-to-peer secondary transfers. The proposed rules are being written jointly by FinCEN, the OCC, the Federal Reserve, the FDIC and the NCUA, and govern permitted payment stablecoin issuers.

> WHY IT MATTERS
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> How AML and KYC scope is drawn will determine whether banks and fintechs can issue and distribute stablecoins without having to police every downstream wallet. Narrower primary-market obligations would lower the compliance burden of launching a bank-backed token, a live question for any institution weighing issuance.

BANKING & REGULATION

[FDIC: banks earned $90.1B in Q2 as lending expanded]

FDIC · Aug 25

The FDIC's Quarterly Banking Profile, released August 25, showed FDIC-insured institutions earned $90.1 billion in the second quarter of 2026, up about 12% from the prior quarter, as loan balances expanded and the net interest margin ticked up one basis point to 3.32%. The system counted 4,238 insured lenders. Rising unrealized losses on securities portfolios remained a flagged watch item.

> WHY IT MATTERS
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> Improving margins and expanding loan books point to a banking sector on firmer footing. Broad based loan growth also is a positive. Improvement in past due and non-accrual loans will continue to support demand for loans. While unrealized securities losses were up quarter over quarter, they are down Y0Y. The short term uptick in unrealized losses is potentially due to continued increase in interest rates post Q1 2026, and not a systemic issue.

BANKING & REGULATION

[Banks and crypto clash over whether stablecoin rewards will drain deposits]

CoinDesk · Aug 26

As lawmakers weigh market-structure legislation, the American Bankers Association is pressing the Senate to tighten guardrails on stablecoin 'rewards,' warning that yield-like incentives will pull deposits out of community banks and curb local lending. Coinbase's policy chief countered with data showing community-bank deposits grew roughly $482 billion, or 26%, from June 2019 through March 2026 alongside rising stablecoin adoption, and cited studies finding no measurable deposit-flight link. Money market funds and other instruments have been around for a long time, and that has not drained bank deposits, which continue to grow.

> WHY IT MATTERS

This is the defining fault line for banks in a post-GENIUS world: if issuers can pay rewards that function like interest, deposit franchises face a new competitor for low-cost funding. While there is no pattern that this is happening yet, this will remain a watch item for banks and they will have to adopt complimentary strategies. This should be a net positive for consumers that could get more for their deposits, rather than current interest on deposits being stuck in the basement.

LENDING & CREDIT

Affirm's volume jumps 36% to $14.1B as the card pushes BNPL past checkout

TS2 · Aug 27

Affirm reported fiscal Q4 2026 results on August 27: gross merchandise volume of $14.1 billion, up 36% year over year, revenue of $1.17 billion, up 33%, and 27.8 million active consumers, up 21%. GAAP operating income surged, but so did credit losses. Card GMV doubled to $2.8 billion, and the company guided to fiscal 2027 GMV above $64 billion. Shares rose about 8.6% after hours.

> **WHY IT MATTERS**
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> Affirm's acceleration, led by its card carrying buy-now-pay-later beyond online checkout, shows point-of-sale credit taking share of everyday spend rather than just big-ticket purchases. Affirm is an incredible growth story, as customers use them and their competitors for every day purchases. These growth rates could soften in a weaker labor market, as these business models have not been tested in a economic slowdown.

LENDING & CREDIT

Mortgage rates hold near 6.7% as refinancing activity cools

Fortune · Aug 27

As of August 27, the average 30-year fixed mortgage sat near 6.67% and the 15-year fixed near 5.84%, both little changed on the week but up roughly 20 basis points over the prior two months, according to Mortgage Bankers Association data. Mortgage applications fell 1% for the week ending August 21, with the MBA noting the rate uptick has dampened refinancing. The Federal Reserve has held its benchmark at 3.50%-3.75% since July, with the next FOMC meeting set for September 15-16.

> **WHY IT MATTERS**
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> For real estate and mortgage lenders, rates stuck near 6.7% keep both purchase and refinance volumes constrained even as underlying demand holds. Most economists do not expect material changes in the 10 year treasury rates (baseline to set mortgage rates), as inflation continues to remain stubbornly high. Expect the housing market to continue to be under pressure for the foreseeable future.

WHAT TO WATCH

Warsh's first Jackson Hole address as Fed Chair

CNBC · Aug 27

Stay ahead of what's moving markets, regulation, and the business of banking.