The Texas Switch

How a governor's race in Texas reached a $15B AI loan and the Nasdaq.



Texas at night (NASA Black Marble). In orange: the state line and three data-center sites named in the reporting.

Hubbard data center

Bloomberg
Oct 28-29, 2026

Loan	**$15B**
Lenders	**led by Morgan Stanley**
Site	**Hubbard, near Waco**
Tenant	**Anthropic**
Planned bond sale	**$5B to $7B, high-yield, September**
Status	**Delayed, may be spread over a year**
Meanwhile	**the banks hold the debt**

The chain

from the ballot to the tape

Texas holds 27% of planned US data-center gigawatts.
Wells Fargo, via CNBC. SemiAnalysis: nearly 30% of what comes online in 2028.

57% of Texans oppose a data center in their community.
30% support, 14% no opinion. UT/Texas Politics Project poll, August 5-13, 2026.

The state froze permits before the vote.
Grid connection queue under audit since Aug. 3; state environmental (TCEQ) permits frozen Sept. 21. SemiAnalysis.

Hinojosa wins on a moratorium until legislation is passed.
AP projection, via CNBC. The first Democratic governor of Texas in more than three decades (Bloomberg).

A $15B loan stays with the banks.
The sale to high-yield investors was delayed after Texas put a hold on new projects. Bloomberg.

Tech stocks take the hit overnight.
CNBC: the Texas result "appeared to be the biggest blow to tech stocks".

Overnight, Nov 3 to 4

futures and Robinhood overnight trading

Nasdaq 100 futures	-2.2%
S&P 500 futures, at worst	-1.2%
CoreWeave	-7%
Oracle	-4%
Nebius	-4%
By morning Nasdaq 100 futures, off their worst levels	-0.2%

The nuance

The pause started before anyone voted. Approvals were already suspended under Republican Governor Greg Abbott. Hinojosa campaigned on making it a moratorium.

Built sites keep going. GLJ Research: projects with power, permits and steel keep going; those with power but no state environmental permits slip 12 to 18 months. Its estimate: roughly 13 GW immediately exposed.

What to watch

The legislature. The regular session runs Jan. 12 to May 31, 2027. The moratorium Hinojosa wants needs lawmakers.

Washington. JPMorgan's Jahangir Aziz expects a national moratorium to be vetoed by the president, and points to the states: many already have limited one- or two-year moratoriums.

The Hubbard bond sale, and the other Texas sites: Meta's 960 MW El Paso data center ($12.6B of notes, S&P) and Stargate in Abilene.

The full story: Not in Washington (milankillian.dev/briefs/macro/deep-dive/2026-11-midterms), what the midterms mean for banks, markets and AI. Earlier one-pagers: **Off the Sheet** (milankillian.dev/spv.pdf) · **The bottom of the J** (milankillian.dev/curve.pdf).

Sources: CNBC (2026-11-04); CNBC (2026-11-04); Bloomberg (via Business Standard) (2026-11-04); Bloomberg News (via Bloomberg Law) (2026-10-29); ComputeLabs Research (relaying Bloomberg) (2026-10-28); Finimize (relaying Bloomberg) (2026-10-28); SemiAnalysis (2026-11-01); The Texas Politics Project, University of Texas at Austin (2026-08); CNBC-TV18 (2026-11-04); investingLive (2026-11-02); S&P Global Ratings (2026-11-02); ABC News (2026-10-31).

Overnight moves are futures and Robinhood 24-hour trading, not closing prices. Opinions (GLJ Research, JPMorgan) are labelled as such. Night imagery: NASA Black Marble via GIBS; state line: US Census Bureau. Research notes, not investment advice.