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GLOBAL INSTITUTIONAL ADVISORS

Weekly Market Wrap

Key Market Developments

A technology-led sell-off pushed US equities into correction territory. The Nasdaq fell 10.4% and the S&P 500 fell 8.6% to 6,910.39, its worst week since April 2025, with Friday alone accounting for a 3.7% drop. The S&P 500 closed 11.6% below its 6 October record. The Philadelphia Semiconductor Index fell 17.1% and Nvidia 22.9%, the latter despite results that beat expectations, as investors weighed financing risks around AI infrastructure, new US licensing rules on advanced chip exports, and the resignation of Nvidia's chief executive amid a congressional inquiry. Anthropic's record $81 billion IPO priced at $83 and opened at $111.50 on Thursday, but closed at $97.17 and slid further on Friday, so it did little to steady sentiment. The Magnificent 7 fell 10.4% against 7.7% for the other 493 stocks, and the VIX rose to 35.9 from 19.3. The 10-year Treasury yield fell about 19bp to 4.94%, a modest move against the scale of the equity decline. Markets still price a quarter-point Fed hike at the 9 December meeting, and the October minutes showed almost all participants saw further increases as likely appropriate.

The sell-off was global but uneven. The Nikkei fell 7.7% to its lowest close since April and the KOSPI 7.95%, as chip-linked names led losses. MSCI Emerging Markets lost 8.4%, the STOXX Europe 600 5.8% and the Hang Seng 5.2%, where weak October activity data and the new US export rules added to the pressure. Within Europe, the DAX fell 7.3% against 5.3% for the CAC 40 and 5.1% for the FTSE 100, as semiconductor equipment and industrial names sold off. India moved the other way, with the Nifty 50 up 2.6% and the Sensex up 2.9%, as record foreign equity inflows of about $10 billion in November through mid-month continued into a market with less direct AI exposure. Gold fell 8.9% to $3,538 and silver 15.6%, and WTI fell 5.2% to $84, its third weekly decline, while the dollar index held near a 19-month high.

What We Are Watching – Week Starting 23rd November

- **Progression of the AI reset:** The reset is well underway. We will monitor data-centre financing, private credit marks, order cancellations and any widening in bond spreads, particularly for non-investment-grade issuers.
- **Equity positioning:** The other 493 S&P 500 stocks fell 7.7%, so the decline was broad and not confined to the largest names. Any further unwinding of leveraged long positions would generate self-reinforcing volatility.
- **Financial conditions, the Fed and the real economy:** Higher yields combined with a sharp equity market downturn will tighten financial conditions, and if it persists the impact will be felt in the broader economy. The 9 December FOMC, where a hike is heavily priced, is the next test, with Wednesday's PCE data the main input.
- **Europe's cyclical sensitivity:** Germany's underperformance shows the region is not automatically defensive. Industrial, semiconductor-equipment and export exposure can amplify a global capex slowdown.
- **India's decoupling:** Foreign inflows are at a record, with about $10 billion into equities in November through mid-month. They are supportive, but higher inflation, the RBI's shift to a calibrated tightening stance when it raised the repo rate to 5.50% in October, and relative valuations warrant disciplined entry points.

GIA View

Equities:

- Global equities: neutral, with a quality bias. The correction improves entry points, but one week of deleveraging will not establish a durable bottom.
- We do not advocate buying the dip in battered AI and technology names. Balance-sheet strength, free cash flow and transparent accounting remain the key signposts.
- Barring a broader economic downturn, India should be a relative outperformer, with large-cap names likely attracting most of the inflows. Allocations to Europe should be country specific, not a broad shift out of the US.
- We recommend higher cash allocations in equity portfolios while awaiting better entry points.

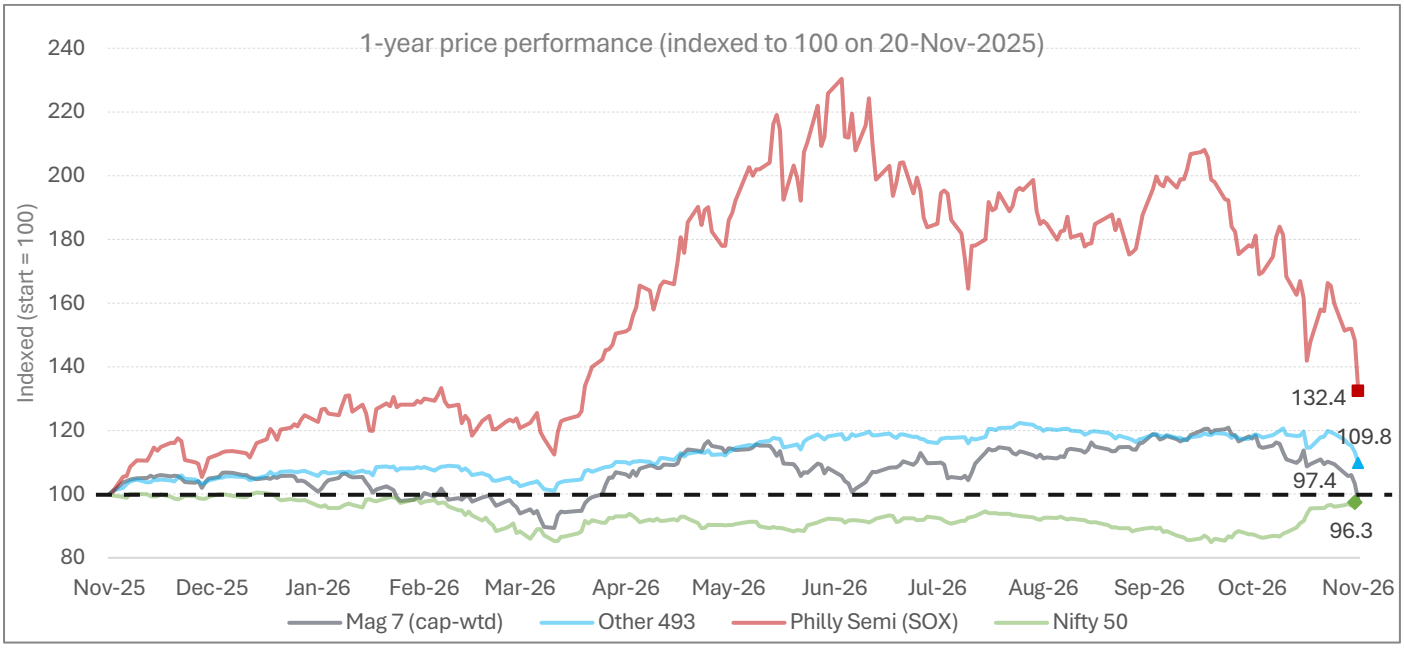
Rates:

- Retain high-quality short and intermediate carry and add duration tactically. The Treasury rally restored some diversification value, but inflation and fiscal supply remain constraints.
- Add modest duration on equity stress, not after large yield declines. With a hike priced for December, the 2-year yield fell 19.5bp, in line with the 10-year, so the move reflects safe-haven demand more than a shift in Fed expectations.

Commodities:

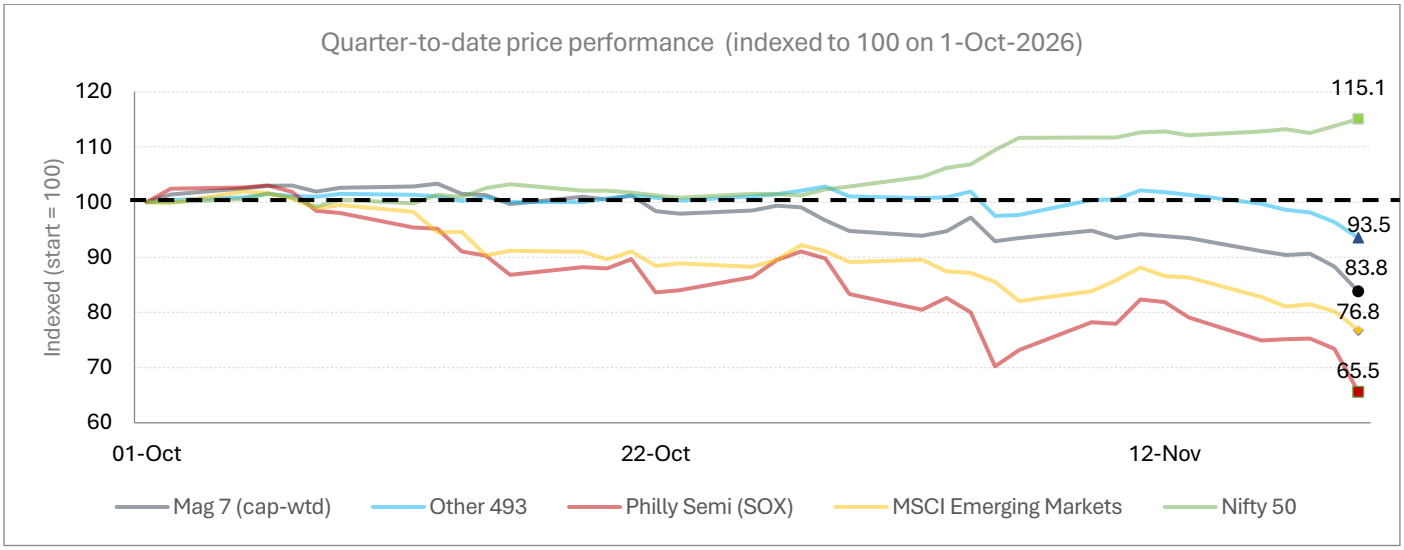
- We advocate maintaining a strategic 5% allocation to precious metals. Gold's 8.9% fall in a risk-off week shows liquidity shocks can overwhelm safe-haven demand, and a firmer dollar and rate-hike repricing added to the pressure.
- Gold is approaching technical support, and we will assess fresh long positions if support holds. Gold should be part of portfolio hedging but cannot be the only hedge. Cash pays a reasonable rate and preserves optionality for tactical opportunities.
- Oil has fallen three weeks in a row from above $104 on 30 October as Middle East exports proved resilient.

Chart of the week: Magnificent 7, the other 493 and semiconductors



The Magnificent 7, which account for 32.2% of the S&P 500, have led the recent market sell-off, declining 10.4% this week compared with a 7.7% fall in the remaining 493 constituents. The divergence is more pronounced quarter to date, with the Mag 7 down 16.2% since 1 October, against a 6.5% decline for the Other 493 and 9.9% for the broader index. Over the past twelve months, however, the trend has already shifted, with the Other 493 gaining 9.8% while the Mag 7 have declined 2.0%, indicating that market leadership had broadened well before the latest correction.

Semiconductors have experienced an even sharper reversal. While the sector continues to post the strongest 12-month gain among the major market segments (+32.4%), it has fallen approximately 43% from its June peak. The correction has accelerated, with the sector down 34.5% quarter to date and 17.1% this week, making it particularly vulnerable to further unwinding of crowded positioning.



Asset Class Performance – Week Ending 20th November 2026

	Week ending >>>				
	13-Nov-26	20-Nov-26	YTD Δ	MTD Δ	Weekly Δ
Equity Indices					
S&P 500 (USD)	7,561.7	6,910.4	0.8%	(8.8%)	(8.6%)
NASDAQ (USD)	27,943.7	25,029.0	(0.7%)	(11.8%)	(10.4%)
Dow Jones (USD)	52,347.6	48,147.3	(0.5%)	(7.0%)	(8.0%)
MSCI EM Index (USD)	1,550.2	1,420.0	(0.7%)	(9.4%)	(8.4%)
SENSEX (INR)	81,592.5	83,919.7	(2.1%)	12.7%	2.9%
Stoxx 600 (EUR)	664.1	625.7	5.0%	(3.3%)	(5.8%)
Nikkei (JPY)	61,142.4	56,436.7	12.1%	(10.8%)	(7.7%)
Hang Seng (HKD)	23,637.6	22,410.8	(14.9%)	(3.8%)	(5.2%)
Commodities					
Gold (USD per troy ounce)	3,884.5	3,538.5	(18.3%)	(8.7%)	(8.9%)
Silver (USD per troy ounce)	48.7	41.2	(43.5%)	(16.2%)	(15.6%)
Oil (USD per barrel)	88.6	84.0	46.5%	(19.3%)	(5.2%)
Natural Gas (Henry Hub)	3.2	3.4	(5.7%)	17.7%	5.6%
Currencies					
EUR/USD	1.1023	1.0968	(6.4%)	(1.7%)	(0.5%)
GBP/USD	1.3214	1.3084	(2.8%)	(2.3%)	(1.0%)
USD/INR	94.2487	92.6763	2.7%	(2.4%)	(1.7%)
CHF/USD	1.1921	1.1906	(5.7%)	(1.8%)	(0.1%)
USD/JPY	159.7100	158.5700	1.1%	0.6%	(0.7%)
Credit Markets					
US Treasury 10Y Yield (%)	5.14	4.94	77.85	1.49	(19.14)
German Bund 10Y	3.38	3.30	44.10	(1.80)	(7.30)
UK Gilt 10Y	5.34	5.24	86.38	(4.60)	(9.70)
Japan JGB 10Y	2.84	2.87	78.70	(0.60)	2.90
India G-Sec 10Y	7.31	7.19	54.69	(22.70)	(12.10)
China CGB 10Y	1.61	1.59	(28.00)	(4.50)	(2.10)
S&P BDC Index	46.74	44.39	(19.6%)	(4.3%)	(5.0%)
Policy Rates					
Fed Funds Rate (US)	4.000	4.000	25.00	-	-
BoE Bank Rate	4.000	4.000	25.00	25.00	-
BoJ Policy Rate	1.250	1.250	50.00	-	-
RBI Repo Rate	5.500	5.500	25.00	-	-

Key Economic Events – Week of 23–27 November

Date	Country/Region	Event	Period	Survey (Median)	Prior
Mon, 23 Nov	Eurozone	Flash Composite PMI	Nov P	51.9	51.7
Mon, 23 Nov	UK	Flash Composite PMI	Nov P	52.9	52.9
Tue, 24 Nov	Germany	IFO Business Climate	Nov	90.5	90.2
Tue, 24 Nov	US	Conference Board Consumer Confidence	Nov	92.2	91.7

Wed, 25 Nov	US	PCE Price Index YoY / Core PCE YoY	Oct	3.80% / 3.20%	3.60% / 3.10%
Wed, 25 Nov	US	GDP Annualized QoQ (Second Estimate)	3Q	3.50%	3.40%
Fri, 27 Nov	Japan	Tokyo CPI YoY	Nov	3.10%	2.80%

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