Weekly Market Perspectives

November 23, 2026



Anthony Saglimbene
Chief Market Strategist
Ameriprise Financial

"At the highest level, we believe the gap between current stock prices, especially for tech, and where profit estimates stand is one of the most important dynamics to watch moving forward. Whether estimates for the coming quarters hold or fall could determine if stocks stabilize or have more downside ahead."

In Several Ways, The Bear Market Has Already Arrived. Charting The Potential Paths Ahead.

U.S. stocks fell sharply last week. The S&P 500 Index and NASDAQ Composite posted their worst week since April 2025, and the NASDAQ is now lower for the year. NVIDIA's earnings and Anthropic's record IPO did little to slow the selloff in AI-related stocks. This week, U.S. markets are closed Thursday for Thanksgiving, with October core PCE inflation and the Fed's Beige Book due Wednesday.

Last week in review:

- The S&P 500 Index fell 8.6% last week, the NASDAQ Composite dropped 10.0%, the Dow Jones Industrial Average declined 8.0%, and the Russell 2000 Index lost 7.4%. The S&P 500 fell for the seventh straight session on Friday, its longest losing streak since February 2020. Technology and Communication Services were the weakest sectors, while Consumer Staples and Utilities held up better.
- Treasuries rallied, with the 2-year yield down 25 basis points and the 10-year yield ending the week at 4.93%. The U.S. Dollar Index rose +0.4%. Gold fell 9.5%, its worst week since March, and West Texas Intermediate (WTI) crude declined 5.6%.
- Anthropic raised a record $81 billion in its IPO, pricing at $83 per share, above the earlier expected range of $70 to $78. The stock opened at $111.50, but by Friday it had given back nearly all of those gains and was trading just above its IPO price.
- NVIDIA fell 22.7% for the week. The company beat expectations, issued fourth-quarter guidance above estimates, and raised its fiscal 2028 revenue growth outlook. However, it also said it would be more selective about financing other AI companies. The week ended with the SEC probing the company over potential accounting issues and growing export restrictions on semiconductors going to China.
- As a result, the selloff across technology deepened significantly, pulling the NASDAQ Composite closer to a bear market. The Philadelphia Semiconductor Index fell 17.1%, its sixth weekly decline in seven weeks. And new U.S. rules restricting foreign data centers from renting advanced AI chips to Chinese firms added to concerns about capital and regulation. AMD fell 20.6% after a short seller's report questioned its exposure to China.



For illustrative purposes only.

In several ways, the bear market has already arrived. Charting the potential paths ahead.

The best thing about weekends when stocks are in a tailspin is that markets aren't open. And given the sales figures above for GTA VI, Wall Street was probably hanging out in Vice City the last couple of days licking their wounds and causing some general video game mayhem.

In last week's report, we framed NVIDIA's earnings update and Anthropic's initial public offering as an important confidence test for the AI trade. A strong reception could have pulled buyers back into the companies building out AI. Instead, investors sold NVIDIA and the rest of the AI complex, pushing the S&P 500 into a correction and the NASDAQ Composite close to a bear market.

Notably, the selling pressure over the past week and in recent weeks hasn't materially changed the fundamental picture, as evidenced by NVIDIA's latest earnings and outlook. For example, *FactSet* estimates S&P 500 earnings per share (EPS) could grow by roughly +17% next year. Analysts have barely touched those numbers in recent weeks, despite sinking sentiment in the AI trade. Prices, meanwhile, have fallen as if deep cuts to profit estimates are imminent. **At the highest level, we believe the gap between current stock prices, especially for tech, and where profit estimates stand is one of the most important dynamics to watch moving forward. Whether estimates for the coming quarters hold or fall could determine if stocks stabilize or have more downside ahead.**

Unfortunately, the gap between stock prices and forward expectations has widened, and only some of it reflects earnings. As investors saw last week, pessimism can build quickly and suddenly take the wheel of market momentum. For instance, the VIX closed Friday at 35.9, a level typically seen only in more extreme cases of fear. And fear tends to feed on itself at these readings, as falling stock prices become the evidence that justifies more selling across the market.

As we have noted in previous commentaries, market mechanics can add to selling pressure. Systematic strategies that follow trends or target a set level of volatility are designed to cut equity exposure as prices break key levels and volatility increases. With all six major U.S. benchmarks now below their 200-day moving averages, many of those signals have turned to sell. Importantly, funds that rebalance by formula don't weigh valuations or the earnings outlook. These rules-based strategies make up an increasing share of market volume compared to a decade ago and, in part, help explain why broad market declines move fast today. Of course, the same can be said for moves on the way up when positioning is cleared. That said, *Goldman Sachs* estimates that such strategies have sold down $57 billion of net long stock exposure over the last month, leaving U.S. net long positioning $19 billion short.

Leverage also adds a complicating wrinkle to the current downdraft, in our view. At a high level, some investors used borrowed money and leveraged single-stock products to build AI positions over the past year. When prices fall, margin calls force sales regardless of the longer-term outlook. South Korea showed how painful a leverage unwind can be over the summer, when a leveraged unwind pushed the Kospi through one of its worst months since 2008 even as Samsung and SK Hynix reported record profits. Importantly, none of these forces really inform the fundamental view and what companies will earn over the next year, only that investors can be pushed out of positions when price momentum shifts unexpectedly.

In our view, the combination of these factors helps explain why the damage over the past week and over the past several weeks has been heaviest where ownership was most crowded (e.g., Tech and AI stocks). As a result, much of the tech complex and AI stocks finished last week in bear markets.

The Nasdaq 100 finished the week 20% below its 52-week high, and Technology and Communication Services are each roughly 25% off their highs. And because those sectors hold the market's largest companies, a meaningful share of households' equity positioning is already in a bear market, even with the S&P 500 still in correction.

The story in overseas markets isn't much better either. The MSCI Emerging Markets Index is down 21.5% from its high, and Taiwan fell roughly 17% last week alone. As hinted at above, Asia's largest benchmarks are concentrated in chipmakers and memory companies that sell into the same hyperscaler budgets as their U.S. peers. Some stocks across Japan, South Korea, and Taiwan have been among the most heavily leveraged areas during the AI run.



For illustrative purposes only. An index is a statistical composite that is not managed. It is not possible to invest directly in an index. **Past performance is not a guarantee of future results.**

Here at home, the NASDAQ Composite is more than 18% below its October peak, and small caps are down roughly 16% from their August peak. Industrials, Energy, Materials, and Utilities have now entered corrections as investors begin to question the profit assumptions underpinning the data-center construction buildout that those sectors had priced in. Conversely, Consumer Staples and Healthcare sit on the other side of the selling pressure. In our view, these areas have held up over recent weeks because few investors crowded into them, and they have historically served as defensive hedges during more extreme market stress.

Whether the current market stress deepens will likely depend on where the fundamentals go from here. Mechanical selling and fear can push stock prices well below fair value, but they rarely sustain a bear market on their own. In our view, selling pressure could worsen if fundamentals start to confirm what prices have already discounted.

In a less favorable scenario, we would look for hyperscalers to announce outright cuts to 2027 capex, which would directly translate into lower orders for chips and equipment. In addition, if financing stress spreads from speculative AI providers to more established borrowers, it might manifest as wider credit spreads, likely causing further risk aversion across the market. Outright canceled AI data center projects that feed through to construction, power, and industrial suppliers could eventually show up in lower hiring in these areas of the economy. And a Federal Reserve that tightens rate policy amid slowing growth, keeping borrowing costs elevated just as AI projects with distant payoffs lose funding, would likely compound the selling pressure, in our view.

Concentration risks also can't be ignored, both in market composition and earnings expectations. Information Technology and Communication Services account for 43% of the S&P 500 by market capitalization (and that's after accounting for current market declines). Importantly, NVIDIA, Micron, and Broadcom alone account for an eye-popping 45% of projected S&P 500 earnings growth next year. Thus, profit estimate cuts at just these three companies alone would be meaningful for the S&P 500, and likely why these companies have already seen a significant hit to their stocks. And profit estimate cuts that spread into industrials, utilities, and other cyclical areas would likely start to rewrite the 2027 outlook.

However, the forces behind this market decline have their limits. Systematic funds can only sell down to their minimum exposure. Margin calls stop once leveraged positions are cleared out. After that, these strategies stop being sellers and will likely become buyers as volatility fades. For instance, the Kospi's record one-day rebound on July 31, after forced selling ended, showed how quickly prices can recover once that selling pressure runs its course.

On a more positive note, if fundamentals hold, the gap between current prices and a still-favorable profit backdrop for next year could begin to work in investors' favor. We believe that the longer 2027 estimates hold and prices stay depressed, the more attractive valuations become for longer-term investors. For example, the

S&P 500 is trading at roughly 16.5x its earnings over the next twelve months, meaningfully below the five-year average of 19.8x. And if credit spreads remain contained, chip and equipment order books hold, and inflation eases pressure on the Fed to raise rates, then we believe stocks are starting to flash attractive entry points for long-term investors.

Importantly, if the market follows that more favorable path, then we believe this correction can help reset expectations for the AI trade and put the 2027 outlook for stocks on a more stable path. A healthy reset, like the one we might be seeing now, may also change which companies lead moving forward. Notably, hyperscalers such as Microsoft, Alphabet, Meta Platforms, and Amazon could come out ahead if conditions break right. For example, their capex is running at a staggering 4.75x the 2022 level and has absorbed much of their free cash flow, which has investors rightfully concerned. Yet slower spending growth could allow cash flow to rebuild, fund buybacks, and reduce borrowing. In our view, investors may begin rewarding, at some point, AI rationalization and start appreciating a dial-back to the "buildout at all costs" that has dominated the trade over recent years, and fueled what may be excess optimism in hardware providers.



Conversely, semiconductor and other hardware providers could face a continued period of adjustment, since their 2027 estimates assume hyperscaler budgets continue to rise at a rapid clip. Dominant suppliers with strong balance sheets should hold up better than smaller equipment makers tied to new construction if hyperscaler spending is curtailed. Interestingly, software could see benefits next year as companies look to leverage existing AI capabilities and budgets to enhance operations and security. Investors got a taste of this in the summer, as software outperformed semiconductors and companies earning money from AI were preferred over those selling the tools to build it**. If this market reset leads to prioritizing AI monetization over capacity, then longer-term investors should consider welcoming it with open arms as a healthy and needed clearing event. In our view, such a result would likely lead to slower but more dependable earnings growth and AI leadership that could spread across more companies than just a few chipmakers.**

Bottom line: Investor patience has historically paid off during moments like this and when volatility suddenly spikes. In fact, VIX readings between 35 and 40 (which we hit last week) were followed by median S&P 500 price returns of +7.7% over three months, +16.9% over six months, and +23.2% over the next year, going back to 1990. Those gains usually began while fear was still high, and often before there was an obvious change in market tone. And as we have often noted during periods of uncomfortable market stress, stocks can see their strongest and weakest days occur close together, so investors who step aside when it's difficult to remain invested often miss the rebound that helps fuel more consistent, positive returns over the long term.

It's also important to note that, as painful as last week was, S&P 500 declines of 10% to 15% during the year are actually a normal part of owning stocks. In many years, the S&P 500 has fallen 10% or more at some point and still finished the year higher. Most of those corrections ended well short of a bear market.

So while it's late in the year and there's a good deal of uncertainty for markets and investors to unpack (and more downside from here is certainly possible), it's also important to remember that fundamental conditions remain supportive of continued growth next year. As it stands currently, we believe 2027 estimates for growth and profits could prove sturdier than current prices imply. As such, history suggests if these conditions don't change much, periods of market stress pose more opportunity than risk, as long as your time horizon and expectations are geared correctly.

But here's the near-term rub. Investors hate high levels of uncertainty around significant market themes and drivers almost as much as they hate bad news about those themes. Given the high degree of uncertainty around AI at the moment, we believe investors may need to pack a ton of patience and be prepared if that uncertainty starts turning into additional bad news.

The week ahead:

- October core PCE inflation, the second estimate of third-quarter GDP, durable goods orders, and the Fed's Beige Book are all due on Wednesday.
- U.S. markets are closed Thursday for Thanksgiving and will close early, at 1:00 p.m. Eastern, on Friday.
- Earnings include Dell Technologies, Analog Devices, Deere, Medtronic, Workday, HP Inc., and Best Buy.

Stock Market Recap

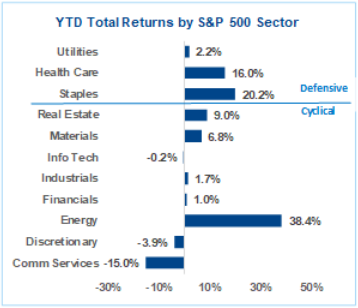
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 6,910	-8.6%	-8.8%	2.0%	22.1	25.4	1.2	1.3
Dow Jones Industrial Average: 48,147	-8.0%	-6.9%	1.6%	18.0	22.2	1.6	1.8
Russell 2000 Index: 6,416	-7.4%	-8.1%	5.1%	48.5	47.1	1.3	1.3
NASDAQ Composite: 22,618	-10.0%	-11.0%	-2.2%	28.5	36.9	0.6	0.7
Best Performing Sector (weekly): Consumer Staples	-2.0%	1.6%	20.2%	25.3	23.2	2.1	2.5
Worst Performing Sector (weekly): Info Tech	-12.1%	-16.6%	-0.2%	24.9	35.9	0.6	0.7

Source: Factset. Data as of 11/20/2026

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	1.0%	0.0%	-0.5%
West Texas Intermediate (WTI) Oil: $86.78	-5.6%	-19.3%	51.6%
Spot Gold: $3,537.87	-8.9%	-8.7%	-18.2%
U.S. Dollar Index: 103.81	0.4%	1.9%	5.6%
Government Bond Yields	**Yield Chg**		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.63%	-25 bps chg	5 bps chg	115 bps chg
10-year U.S. Treasury Yield: 4.93%	-23 bps chg	1 bps chg	75 bps chg

Source: Factset. Data as of 11/20/2026. bps = basis points



Source: S&P Global, Factset. Data as of 11/20/2026

These figures are shown for illustrative purposes only and are not guaranteed. They do not reflect taxes or investment/product fees or expenses, which would reduce the figures shown here. An index is a statistical composite that is not managed. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

Important Disclosures

Sources: FactSet and Bloomberg. FactSet and Bloomberg are independent investment research companies that compile and provide financial data and analytics to firms and investment professionals such as Ameriprise Financial and its analysts. They are not affiliated with Ameriprise Financial, Inc.

The views expressed are as of the date given, may change as market or other conditions change, and may differ from views expressed by other Ameriprise Financial associates or affiliates. Actual investments or investment decisions made by Ameriprise Financial and its affiliates, whether for its own account or on behalf of clients, will not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not account for individual investor circumstances.

Some of the opinions, conclusions and forward-looking statements are based on an analysis of information compiled from third-party sources. This information has been obtained from sources believed to be reliable, but accuracy and completeness cannot be guaranteed by Ameriprise Financial. It is given for informational purposes only and is not a solicitation to buy or sell the securities mentioned. The information is not intended to be used as the sole basis for investment decisions, nor should it be construed as advice designed to meet the specific needs of an individual investor.

Portfolios that hold a limited number of securities or concentrate investments in similar industries, sectors or geographical regions may experience greater volatility and greater risk of loss as the performance of these investments (either positive or negative) will have a greater impact on the portfolio as a whole.

Portfolios that hold a limited number of securities or concentrate investments in similar industries, sectors or geographical regions may experience greater volatility and greater risk of loss as the performance of these investments (either positive or negative) will have a greater impact on the portfolio as a whole.

Use o**f leverage** allows for investment exposure in excess of net assets, amplifying the impact of returns (either positive or negative) and increasing volatility and risk of loss.

Diversification does not assure a profit or protect against loss.

There are risks associated with **fixed-income** investments, including credit (issuer default) risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer term securities.

Stock investments involve risk, including loss of principal. High-quality stocks may be appropriate for some investment strategies. Ensure that your investment objectives, time horizon and risk tolerance are aligned with investing in stocks, as they can lose value.

Investments in **small cap companies** involve risks and volatility greater than investments in larger, more established companies.

Generally, **large-cap** companies are more mature and have limited growth potential compared to smaller companies. In addition, large companies may not be able to adapt as easily to changing market conditions, potentially resulting in lower overall performance compared to the broader securities markets during different market cycles

The products of **technology** companies may be subject to severe competition and rapid obsolescence, and their stocks may be subject to greater price fluctuations.

Past performance is not a guarantee of future results.

An index is a statistical composite that is not managed. It is not possible to invest directly in an index.

Definitions of individual indices and sectors mentioned in this article are available on our website at ameriprise.com/legal/disclosures in the Additional Ameriprise research disclosures section.

The **S&P 500 Index** is a basket of 500 stocks that are considered to be widely held. The S&P 500 index is weighted by market value (shares outstanding times share price), and its performance is thought to be representative of the stock market as a whole. The S&P 500 index was created in 1957 although it has been extrapolated backwards to several decades earlier for performance comparison purposes. This index provides a broad snapshot of the overall US equity market. Over 70% of all US equity value is tracked by the S&P 500. Inclusion in the index is determined by Standard & Poor's and is based upon their market size, liquidity, and sector.

The **NASDAQ Composite** index measures all NASDAQ domestic and international based common type stocks listed on the Nasdaq Stock Market.

The **Dow Jones Industrial Average** (DJIA) is an index containing stocks of 30 Large-Cap corporations in the United States. The index is owned and maintained by Dow Jones & Company.

The **Russell 2000 Index** measures the performance of the small-cap segment of the US equity universe. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The Russell 2000 includes the largest 2000 securities in the Russell 3000.

The **US Dollar Index** (USDX) indicates the general international value of the USD. The USDX does this by averaging the exchange rates between the USD and major world currencies. This is computed by using rates supplied by approximately 500 banks.

The **MSCI Emerging Markets Index** captures large- and mid-cap representation across 24 Emerging Markets (EM) countries. With 843 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI Emerging Markets Index consists of the following 24 EM country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates, as of December 2017.

The **Chicago Board of Options Exchange (CBOE) Volatility Index® (VIX®)** Index is based on real-time prices of options on the S&P 500® Index (SPX) and is designed to reflect investors' consensus view of future (30-day) expected stock market volatility.

West Texas Intermediate (WTI) is a grade of crude oil commonly used as a benchmark for oil prices. WTI is a light grade with low density and sulfur content.

The **Philadelphia Semiconductor Index** (SOX) is a stock market index that tracks the performance of companies in the semiconductor (chip) industry.

Earnings per share (EPS) is a measure of a company's profit attributable to each outstanding share of common stock. EPS equals Net income available to common shareholders ÷ Average shares outstanding. Generally, a higher EPS indicates greater profitability on a per-share basis.

Third party companies mentioned are not affiliated with Ameriprise Financial, Inc.

Investment products are not insured by the FDIC, NCUA or any federal agency, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

Securities offered by Ameriprise Financial Services, LLC. Member FINRA and SIPC.

© 2026 Ameriprise Financial, Inc. All rights reserved.