

**Outlook: Shortened trading week (Thursday closed for Thanksgiving, Friday half-day) and low volume trading (~40% of average is typical). Outsized swings given the low volume are to be expected. Tuesday earnings reports from Best Buy, Analog Devices, Dell, HP, Net App with implications for semiconductors depending on Dell and HP guide.**

**Summary:** Despite **Nvidia (NVDA)** delivering stellar results, markets momentarily rallied on the news and then were subsequently hammered. Especially in AI adjacent plays where **Infrastructrue PLUS** has significant exposure. All the broader market averages fell with **S&P500 (-1.95% w/w), Nasdaq Composite -2.74% w/w, and the Dow Jones Industrials down -1.9% for the week.** Most sectors were lower. The normal stacking of moving averages for sustaining rallies were breached. But volume was 5% to 10% below average, suggesting it was not as bad as it may first appear. Strength was once again in **Health Care (XLV, +1.8%). Consumer Staples (XLP, +0.8%) and Communication Services (+0.5%) were the only other sectors that were higher. Technology (XLK, -5.2%) plunged with Semiconductors (SMH, -5.5%) and Software (IGV -6.1%) bearing the brunt. Risk proxies, ARK Innovation ETF (ARKK, -4.6%) and Innovator IBD 50 ETF (FFTY, -3.3%) also fell again. Mag 7 stocks (MAGS, -2.2%) held up better. S&P500 and the Nasdaq both closed below their 50-day moving averages. For the 2nd rocky week in a row, averages rallied on Friday. The major news for the week was the terrific results posted by Nvidia on Wednesday after the market close and rallied the first two hours of trading on Thursday. NVDA stock was up as much as 5+% Thursday only to reverse significantly and close the day down -3.15% taking the broader market with it. Despite guiding to a 65% y/y revenue increase for FQ42026 and backlog that suggested CY2026 (FY2027) could be \$350-\$400B vs Street of \$311B and take earnings to the \$8.50-\$9 range vs Street at \$7.40, Nvidia finished the week with a -5.9% loss. The odds of a Fed rate cut for December 10 improved to 69% (see FedWatch - CME Group). Sunday night futures show modest increases with the S&P500 up +~0.5%, the Nasdaq up +~0.7%, and the Dow Jones Industrial Average up +~0.3%.**

Dow Futures	Change	S&P 500 Futures	Change	NASDAQ Futures	Change
46,462.00	+ 141.00 0.30%▲	6,656.75	+ 36.50 0.55%▲	24,493.50	+ 188.00 0.77%▲

**Source:** [After-Hours Stock Quotes | CNN](#)

With Thanksgiving in the week ahead, we expect trading will be light. For a rally to continue, we would look for the Nasdaq and S&P500 to retake their 50-day and 21-day moving averages. A follow-through day would also provide greater confidence. Still, from all the homework we have done regarding fundamentals, we believe that there are tremendous tailwinds with the cap spending by hyperscalers alone to be in the \$4.5 trillion by 2030 according to estimates published by Morgan Stanley. Further, concerns about the lack of

ROIC from such spending appear to be more of a holdover from the .com era. There are many examples of very high paybacks from AI spending and the CEOs of each of the hyperscalers reference very high ROI with payback multiples of cap ex within 12-18 months. Satya Nadella, CEO of Microsoft said on its most recent earnings call that “For every \$1 Microsoft spends on cap ex, it generates \$5-\$7 in incremental cloud revenue within 12-18 months.” Other use cases by large corporates expressed similar kinds of returns. According to a search on Grok, mentions of an “AI Bubble” spiked 40% post-Nvidia earnings and NPR, Reuters, Forbes, CNBC, LA Times focusing on over-investment risks. Indeed, skeptics of bubble risks say that if it is a bubble, it would be “the most anticipated bubble in history.” (Wikipedia via Grok).

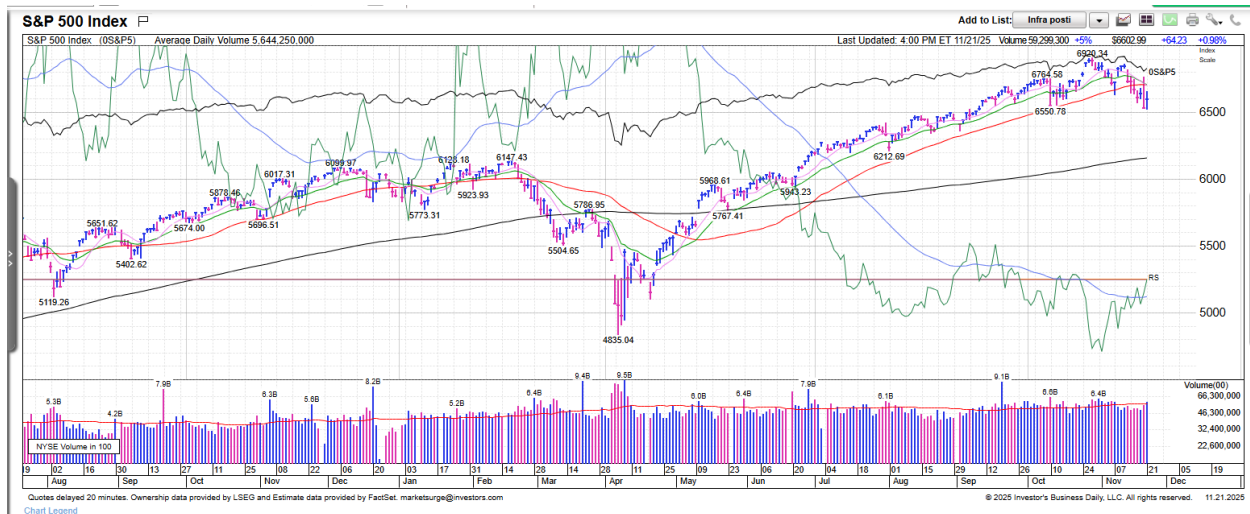
Among infrastructure and AI plays those most negatively impacted last week include **Advanced Micro Devices (AMD, -17.4%), Micron Technology (MU, -15.0%), Oracle (ORCL, -10.8%). Lumentum (LITE)** bucked the trend by rising +10.1% on the week. The US 10-year interest rate added fell 8pbs w/w to 4.06%.

#### **Stock Market Today/Week: Nov 23, 2025**

<b>Index</b>	<b>Level</b>	<b>Day change</b>	<b>Week Change</b>
S&P 500	6,602.99	+0.98%	-1.95%
S&P500 eq wt	187.34	+1.97%	-0.84%
Nasdaq Composite	22,273.08	+0.88%	-2.74%
Dow Jones Industrial Avg.	46,245.40	+1.08%	-1.91%
US 10 year	4.06%		-8bp

*Source: Factset*

Market indices showing that uptrend is under pressure. On the Nasdaq the 10dma fell below the 21ema while the 21ema was >50dma but just barely. The S&P500 the 10dma was below the 21ema and 21ema was below the 50dma. The 10dma, 21dma, 50dma are still closely bunched so a few days of increases would right the ship as far as conditions where rallies usually occur. All moving averages remain well above the 200dma.



Source: **MARKET SURGE**  
BY INVESTOR'S BUSINESS DAILY

### Key events for the week ahead:

Key Events / Catalysts	Date/Time (ET)	Potential Impact
Earnings: Agilent, Keysight	Mon pre-open	Semi proxies; weak = extended AI doubt <a href="https://www.bloomberg.com">bloomberg.com</a>
Earnings: Best Buy, Analog Devices, Dell, HP, NetApp	Tue	Dell/HPE key for capex; could swing semis 2–4% <a href="https://www.bloomberg.com">bloomberg.com</a>
Earnings: Workday, Autodesk	Tue	Software AI clues; positive = tech bid <a href="https://www.bloomberg.com">bloomberg.com</a>
Dallas Fed Mfg Survey	Mon 10:30 AM	Prior contraction; soft = risk-off <a href="https://www.insight.factset.com">insight.factset.com</a>
T-Bill/Note Auctions	Mon	2-yr note; strong demand = yield dip, equity lift.
Fed Speakers	Thu pre-close	Multiple; dovish = holiday pop <a href="https://www.bloomberg.com">bloomberg.com</a>
Quiet Holiday Close	Wed–Fri	Thin trading = 1–2% volatility easy.

Source: Grok

### This Past week bull-bear debate:

**Bulls:** AI demand backdrop continues to accelerate as Nvidia Q3 revenue beat consensus by \$2B and guided Q4 to \$65B, \$3B above consensus and mid +60s% y/y, hardly the kind of set up that should set off a market rout. \$500B Blackwell/Rubin chip order book through

2026. Walmart US comps +4.5% in Q3, 50bp beat. Google very upbeat sentiment on Gemini 3 AI model. Fed easing still bullish despite hawkish pricing on odds of Dec rate cut last week (though now back up to 67%). Fed's Williams leaned dovish, flagging room for near-term rate cut. Hedge fund long/short positioning down to 51% from 60% peak in late October. Favorable seasonality and Jefferies flagged pull backs into Thanksgiving often a favorable set up for the final 4-5 weeks of the year with a -3% pull back into TG subsequently averaging +4% TG through New Years Eve. Improved trade headlines.

**Bears:** Thursday vicious downside reversal with Goldman Sachs noting that the S&P500 closing negative after gapping up more than +1.4% has only happened once two other times: 7Apr202 after Covid crash and 8Apr2025 after tariff Liberation Day crash. AI skepticism theme gaining traction. Breach of technical points on moving averages. Hawkish repricing of Fed policy path last week to 30% odds of a cut (though has since gone back up to 69% cut odds). Private credit concerns as Blue Owl forced to scrap merging two of its private credit funds.

**What to do now:** Slowing/pausing new positions/fully invested levels.

#### **Appendix:**

What kind of positive technical confirmations for a power trend per IBD ("Webby's rules"):

1. Follow through day (FTD)
2. Subsequent FTDs.
3. Close above 21-day exponential moving average (EMA).
4. Low above 21EMA.
5. 3 consecutive days with low above 21EMA.
6. Close above 50-day moving average (DMA).
7. Low above 50dma.
8. 3 consecutive days with low above 50dma.
9. Close above 200dma.
10. Low above 200dma.
11. 3 consecutive days low above 200dma.
12. 21ema moves above 50dma.
13. 21ema moves above 200dma.

14. 50dma moves above 200dma.

In the current rally as of 11/23/2025 more conditions unmet than met (fail on #1, #2, #3, #4, #5, #6, #7, #8, #12).

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