SOLLINDA
CAPITAL MANAGEMENT

Market Down & Dirty

November 23, 2026

The Data

- U.S. equities sold off broadly, with pressure spreading well beyond Tech & Semis.
  - S&P 500 -8.6%, Dow -8.0%, Russell 2000 -7.5%, Nasdaq Composite -10.0%.[1]
    - The Nasdaq-100 fell -10.4%, its worst week since 2020; SOXX lost -17.3%.[1]
  - All 11 major S&P 500 sector ETFs finished lower last week.
    - Technology fell about -12.5%; Consumer Staples held up best at -2.1%.[1]
    - Equal-weight S&P 500 fell -6.2%; the index ended ~6% below its 200-day average.[1]
  - The VIX nearly doubled from 19.30 to 35.9, touching 40 intraday Friday.[1]

- U.S. Treasury yields declined as investors sought safety during the equity selloff.
  - U.S. 2yr -0.25% to 4.63%, 10yr -0.22% to 4.93%, and 30yr -0.16% to 5.31%.[1]
  - Treasuries finally acted as a cushion as the 10yr closed back below 5%.

- Commodities sold off sharply amid global risk reduction and a stronger U.S. dollar.
  - WTI crude declined about -5% for the week, ending near $84 per barrel.[1]
  - Gold declined about -9.5%, copper -9.9%, and silver -16.3%.[1]
  - The U.S. dollar advanced for a fourth consecutive week.[1]

- In our opinion, data were mixed: growth held up while inflation concerns lingered.
  - October retail sales rose +0.2%; sales excluding autos rose +0.6%.[1]
  - Philly Fed manufacturing fell to 6.3 from 20.9, while prices paid rose to 58.2.[1]
  - Initial jobless claims of 203k remain low despite the market turmoil.[1]

- Non-U.S. equities also weakened.
  - Emerging markets entered a bear market, -21% from June; Taiwan fell ~18%, its worst week since 1991.[1]

1: Sources: Bloomberg; AP; U.S. Treasury; Philadelphia Fed; U.S. Labor Dept.; Sollinda (11/20/2026).

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Conclusion

- Anxiety about the AI trade became a broad market correction.
  - The S&P 500 fell seven straight days, ending about 12% below its Oct. 6 record and 6% below its 200-day moving average.[1]
  - Breadth was weak: only 19.3% of S&P 500 members ended above their 20-day average and 42.8% above their 50-day.[1]
  - In our view, weak participation warrants caution, but it doesn't tell us how long the correction will last.
- Market mechanics amplified the selling and could also exaggerate a rebound.
  - Late in the week, everything traded as one: nearly every sector fell as investors rushed for protection and dealer hedging reinforced the swings.[1]
  - Friday's options expiration cleared much of that hedging and may reduce fragility.
    - But a rally driven by positioning alone would not prove the market has stabilized.
- The AI complex remains a key vulnerability for equities and the broader economy.
  - Tech topped 40% of the S&P 500 in October vs. 35% at the 2000 peak, so AI doubts now move the whole market.[1]
  - That concentration also affects retirement assets and household wealth, which can ultimately influence confidence and spending.
- Even traditional havens were sold as investors reduced risk.
  - Treasuries rallied, but gold, silver and copper fell; in our view, investors sold what they could, not what they wanted to.[1]
  - "Dr. Copper," a barometer of global growth, fell ~10%, in step with the S&P 500.[1]
- The Federal Reserve's policy path is still a major uncertainty.
  - Futures still price ~92% odds of a December hike, down from fully priced.[1]
  - In 2018 the Fed turned "patient" within three weeks of a hike as equities fell; persistent inflation may limit that flexibility today.
  - In our view, the Fed remains a potential swing factor, not a guaranteed backstop.
- From a near-term risk management perspective, here are some of the things we're watching:

  - **Breadth & Credit:** Does selling stabilize across the broader market and credit, or keep spreading?
  - **Volatility & Market Structure:** Following options expiration, does the VIX retreat and the S&P 500 reclaim 7,000?
  - **Rates & Fed:** Do Wednesday's PCE and GDP reports shift December Fed hike odds or the 10yr's yield?
  - **Global Markets & Commodities:** With markets closed Thursday, do Taiwan, Korea, copper and gold stabilize in a holiday-shortened week?

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