REGIONS ASSET MANAGEMENT

# Weekly Market Commentary

NOVEMBER 23, 2026

## MARKET UPDATES

November 20, 2026:
Recorded Leadership Discussion Featuring: Regions Chief Economist, Chief Investment Officer, and Chief Market Strategist.

December 4, 2026:
For access to this call please contact your Regions Wealth Advisor or Portfolio Manager.

## WHAT WE'RE WATCHING

S&P Global releases preliminary November Purchasing Managers Indices (PMIs) on Monday. Services PMI is projected to fall to 55.7 from 56.1, and Manufacturing PMI is expected to fall to 54.5 from 54.9 the prior month. A reading above 50 indicates expansion or growth, below 50 indicates contraction.

The Conference Board's Consumer Confidence survey for November is released Tuesday and is expected to improve to 92.1 from 91.7 in October.

October Personal Consumption Expenditure (PCE), the FOMC's preferred inflation gauge, is released on Wednesday. Headline PCE is expected to have risen 0.3% month over month and 3.8% year over year during the month, which would compare to 0.5% and 3.6% readings the prior month. Core PCE, which is more closely watched by policymakers, is expected to have risen 0.3% month over month and 3.2% year over year, which would compare to 0.3% and 3.1% readings in September.

## KEY OBSERVATIONS

Bears (sellers) were in control throughout the balance of the week as U.S. equity indices traded lower into the closely watched Anthropic IPO on Thursday and continued to stumble into the weekend. Technology stocks were under pressure again with the sector falling over 12% on the week, pulled lower by a 17% drop in semiconductor stocks. The S&P 500 closed lower in all five trading sessions and finished the week with a loss of 8.5%, which leaves the index in correction territory, or down 10% from its October all-time high, and at a level last seen in mid-April. A historically positive seasonal setup remains in place through January, but there's little incentive for market participants to put risk back on in the lead-up to Thanksgiving, so the week to come could prove volatile on low volume as well.

Both developed and developing markets abroad sold off in sympathy with U.S. equities. The tech-heavy MSCI Emerging Markets (EM) index fell 8.3% on the week, dragged down by its exposure to South Korea and Taiwan, in particular. Developed markets had held up relatively well month-to-date as beneficiaries of the 'anti-AI' theme, but the MSCI EAFE fell 6.2% as indices tied to the Eurozone and Japan also declined by 6% or more on the week on heavy volume. U.S. dollar strength is worth watching here as a potential sign capital is shifting out of foreign markets and moving back into the U.S.

U.S. Treasury yields fell across the curve as bonds caught a safe-haven bid as stocks sold off. Notably, multiple Fed members spoke out and appeared to back a more aggressive pace of rate hikes in the months to come, so the drop in yields over the balance of the week could have been partially driven by market participants pricing in an economic slowdown and potentially even a policy misstep out of the FOMC.

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ASSET MANAGEMENT

| | Price/Yield | Total Return (%) | | | | | |
|---|---|---|---|---|---|---|---|
| | 11/20/2026 | 1 Week Ago | 1 Month Ago | Year to Date | 1 Year | 3 Years | 5 Years |
| S&P 500 | 6,910.39 | -8.57 | -10.82 | 1.98 | 6.91 | 16.53 | 9.57 |
| NASDAQ 100 | 25,028.98 | -10.40 | -16.02 | -0.33 | 4.71 | 17.08 | 9.43 |
| S&P Mid Cap 400 | 3,424.66 | -6.95 | -6.47 | 4.81 | 11.63 | 12.20 | 5.21 |
| S&P Small Cap 600 | 1,594.64 | -6.65 | -4.72 | 10.13 | 18.72 | 13.04 | 4.05 |
| MSCI World ex US | 424.14 | -7.13 | -8.59 | 2.81 | 8.05 | 14.91 | 6.66 |
| MSCI EM | 1,420.01 | -8.38 | -12.04 | 2.90 | 5.64 | 15.34 | 4.77 |
| Bloomberg U.S. Aggregate | 5.28 | 1.18 | 1.27 | -0.49 | -0.06 | 4.21 | -0.14 |
| Bloomberg Corporate | 5.87 | 0.84 | 0.88 | -1.14 | -0.53 | 4.75 | -0.09 |
| Bloomberg U.S.High Yield | 8.62 | -0.86 | -0.30 | -0.32 | 1.09 | 7.12 | 3.56 |
| Bloomberg EM USD Aggregate | 7.06 | -0.65 | -0.52 | -1.38 | -0.67 | 7.21 | 1.53 |
| Bloomberg Global Agg ex-USD | 3.60 | 0.52 | 1.20 | -0.29 | -0.35 | 2.12 | -0.48 |
| Bloomberg Municipal Bond | 4.29 | -0.27 | 1.57 | -0.62 | -0.37 | 2.95 | 0.46 |

Source: Bloomberg (3- and 5-Year Returns Annualized)

| | Price/Yield | | | | | | |
|---|---|---|---|---|---|---|---|
| | 11/20/2026 | 1 Week Ago | 1 Month Ago | 12/31/2025 | 1 Year Ago | 3 Years Ago | 5 Years Ago |
| SOFR (yield) | 3.91 | 3.90 | 3.88 | 4.49 | 3.91 | 5.31 | 0.05 |
| 30 Year Mortgage (average rate) | 7.33 | 7.23 | 7.48 | 7.28 | 6.34 | 7.79 | 3.20 |
| 2 Year Treasury (yield) | 4.65 | 4.84 | 4.78 | 4.24 | 3.53 | 4.91 | 0.51 |
| 10 Year Treasury (yield) | 4.94 | 5.14 | 5.11 | 4.57 | 4.08 | 4.42 | 1.55 |
| 30 Year Treasury (yield) | 5.33 | 5.47 | 5.42 | 4.78 | 4.72 | 4.57 | 1.91 |
| WTI Crude (closing price) | 83.98 | 88.56 | 101.79 | 71.72 | 59.14 | 77.60 | 76.10 |
| Gold (NYM $/oz) | 3515.40 | 3886.30 | 4122.40 | 2641.00 | 4060.00 | 1980.30 | 1851.60 |

Source: Bloomberg (3- and 5-Year Returns Annualized)

# WHAT HAPPENED LAST WEEK?

## Stocks

### Bears In Control As A Buyers' Strike Takes Hold With All Eyes On Nvidia Earnings, Anthropic's IPO; Nowhere To Hide As Even 'Defensive' Sectors Take A Hit; Stronger Dollar, De-Risking Take A Toll On International Markets.

• **Bears In Control With All Eyes On Nvidia Guidance, Anthropic's IPO.** Last week, investors were intensely focused on two events: Nvidia's quarterly earnings release after the market close on Tuesday, and Anthropic's initial public offering (IPO) which was set to begin trading on Thursday. Nvidia, the semiconductor behemoth at the epicenter of the AI ecosystem, had seen its share price fall on hard times of late and market participants didn't quite know what to expect from Nvidia's quarterly report in the wake of founder and CEO Jensen Huang's abrupt departure the week before. Some expected the company to 'kitchen sink' the quarter and take the opportunity to pull forward guidance in the wake of management turnover/turmoil, but the interim CEO – the company's former CFO - provided guidance that was better than the consensus expected but failed to stem the tide of selling in the stock and the broader semiconductor industry group.

Following its earnings report, the stock finished lower by 2.8% on Wednesday and ended the week with a loss of almost 17%. Nvidia's slide has been painful for the broader market as the stock has now fallen by 25% month-to-date and over 31% quarter-to-date, contributing to a 24% decline in the Philadelphia Semiconductor index and a 16.5% drop in the S&P 500 information technology sector over the same time period. Nvidia's share price finding a near-term floor would be most welcome, but the stock could remain in the penalty box over the near-term as the board looks for a replacement CEO, while facing increased competition and combating the prospect of 'brain drain' as some of those loyal to the former CEO may look for greener pastures elsewhere. With Nvidia's dominance and importance in the AI ecosystem increasingly called into question, this could be to the benefit of some of its competitors facing fewer near-term headwinds and potentially poised to capture market share in the wake of management turnover at the company. But with the 'rising tide lifts all ships' stage of the AI rally now in the rearview, selectivity will be more imperative moving forward as the gulf between winners and losers widens.

On the heels of the Nvidia report, market participants quickly turned their attention toward the Anthropic (ANT) IPO, which had the potential to be even more impactful for the broader AI trade. By some estimates, the ANT IPO was more than 8 times oversubscribed, and the stock priced on Wednesday night at $83, above the $70-$78 per share range expected, evidence of robust demand from the investment community. After pricing at $83, the stock opened at $111.50 – a 34% premium to the offering price, which valued the company at around $2T. Ultimately, Anthropic's stock closed its first trading day higher by 17% as renters of the stock moved quickly to book profits, and selling continued on Friday and the stock closed out the week at $87 for a fairly meager gain in its first week of trading.

Hedge funds and other deep pocketed investors were aggressively selling technology holdings in the lead-up to the offering so they could raise cash to participate and get an allocation, with rumors of multiple investors seeking over $10B allocations making the rounds. Following the ANT IPO, capital could start to find its way back into the information technology sector as hedge fund positioning looks washed out, and it might not take much to drive a potentially powerful lift in AI-related plays into year-end.

• **Sellers Finally Come For Traditionally 'Defensive' Sectors.** Quarter-to-date, the S&P 500 has been led by traditionally defensive sectors, specifically, consumer staples and health care. The former had posted a quarter-to-date gain of 14.5% through November 13, while the latter a still respectable 12%, both easily outpacing the S&P 500's 1% decline. But last week both staples and health care saw varying degrees of profit taking for the first time in months, with the former falling 2% and the latter over 6%. The rally in stodgy staples stocks in particular has been impressive and has garnered attention and headlines, but we question the durability of the move, particularly with the sector trading at over 24 times projected next twelve months' earnings, the loftiest valuation seen since 1999. Staples tend to be low margin businesses that can be negatively impacted by rising gasoline/diesel fuel prices which flow through into packaging and transportation costs, among other areas, so the steep fall in energy prices likely played a role in the rally this group of stocks has seen of late. However, given current lofty valuations for consumer staple stocks, and with dividend yields increasingly less appealing when compared to higher Treasury yields, investors focused on income generation and/or capital preservation may now have reasons to look outside of this traditionally defensive sector to achieve those goals.

• **Stronger Dollar, De-Risking Take A Toll On International Stocks.** International developed market stocks provided minimal cover last week with the MSCI EAFE enduring a 6.2% decline, the worst week for the index since early March. The weakness was centered around cyclical sectors as financials and industrials led the move lower, with investors abroad mirroring the domestic preference for defensive sector positioning. Its early, but chasing defensive sectors is starting to become a crowded trade with unwind potential building. The magnitude of last week's decline in the EAFE is concerning as prior to last week this cohort of stocks had provided AI-diversification, but the MSCI EAFE closed lower in each trading session last week, and on increasing volume, a signal the sellers were also in control abroad. The uptick in the U.S. dollar last week posed yet another excuse to sell international stocks, and when paired with the sector rotation away from cyclicals, suggests market participants are hunkering down for now.

Sector rotation was even more apparent in emerging markets, as the tumble in technology stocks had an amplified impact on the hardware-centric MSCI EM index. The benchmark gauge for developing equity markets fell 8.4% last week, its worst weekly return since March of 2020. It's worth noting the MSCI EM index closed last week within 1% of its year-to-date low seen back in March, a level that from our perspective stands as a key pillar of technical support. A breach below the March low and the trailing 52-week low would suggest a downtrend could be in place, but at the same time it's tough to completely ignore the strong fundamental and valuation backdrop supporting the sub-asset class at present.

# Bonds

## Treasuries Catch A Half-Hearted 'Haven' Bid; FOMC Minutes, Fed Speak Skew 'Hawkish,' But Yields Drop As Bond Investors Price-In A Potential Policy Mistake, Economic Slowdown.

**• A Half-Hearted Safe-Haven Bid In Treasuries.** The bond market took a backseat to the goings on in the equity capital markets last week as economic data was sparse, but market participants did take notice of some 'hawkish' remarks made by FOMC member Christopher Waller early in the week, which led to a recalibration of rate hike expectations in December and beyond. The 2-year Treasury yield, which is more closely linked to the expected path forward for the Fed funds rate, fell 12-basis points to close at 4.76%, while the 10-year yield, which is more impacted by expectations for economic growth and inflation, dropped 21-basis points to close at 4.94%.

The 10-year yield is worth watching into year-end, particularly following the FOMC's meeting in early December. After rising to an intra-day high of 5.35% in early October, the 10-year yield finished last week more than 40-basis points below that level, contributing to a 2% gain for the Bloomberg Aggregate Bond index since October 5th. The 10-year made a lower-high at 5.13% the week following the midterms, even after the October Consumer Price Index (CPI) and nonfarm payrolls growth surprised to the upside – a curious and counterintuitive move. Further downside for yields could be driven by a continued safe-haven bid, but the magnitude of any additional drop could be telling as a steep drop following next month's FOMC meeting could imply market participants see additional rate hikes as potentially a policy mistake likely to tamp down economic growth in the quarters to come.

**• FOMC Minutes Reiterate Consensus View That More Rate Hikes Are Coming.** The minutes from the October Federal Open Market Committee (FOMC) meeting released last week revealed the committee was closer to hiking rates last month than the final 10-2 vote implied. Outside of the dissenters, a few other members were a "close call" while others suggested current futures pricing was consistent with their views of how the policy rate should rise in December and into the new year. Fed Governor Waller grabbed headlines with his assertion that the committee should hike by 50-bps in December, or hike while giving "credible" guidance that they would deliver another hike in January. The futures market modestly revised expectations for an upsized rate hike in December higher following Waller's comments but reversed course and was pricing in around a 95% likelihood of even a 25-basis point hike by the end of the week.

The lack of movement in rates on the heels of Waller's remarks suggests market participants believe it will be difficult to build consensus around a 50-bp hike in December and are instead pricing in 25-bps next month with around a 63% chance of a January hike. Rates on the short end of the curve moved lower last week as market participants are either discounting recent rhetoric or pricing in a downshift to inflation and/or economic growth in the coming quarters/years due to a more hawkish stance emerging from monetary policymakers. All told, it's difficult to get a 'clean' signal on monetary policy from rate movements last week as the disruption in risk assets likely muddied the waters.

Source: Bloomberg


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