osaic Research

Market View: Week of Nov. 20, 2026

22 HOURS AGO

EXECUTIVE SUMMARY

U.S. equity markets experienced a historic sell-off last week as mounting concerns surrounding the AI trade and the prospect of additional interest rate hikes weighed heavily on investor sentiment. What began as weakness in technology stocks quickly spread across broader equity markets, with the S&P 500, NASDAQ Composite, Dow Jones Industrial Average, and Russell 2000 all posting sharp declines, highlighting how quickly sentiment can shift after extended periods of market gains. Investor uncertainty was further reflected in a sharp increase in the CBOE Volatility Index (VIX). Despite relatively resilient economic data, the sharp declines reflect growing investor sensitivity to valuations, monetary policy, and uncertainty surrounding the sustainability of AI-driven growth.

ECONOMIC REVIEW[1]

Investors received October retail sales data this week, showing sales increased 0.2% month-over-month (MoM), slowing from September's 0.8% increase, but remaining 6.8% higher year-over-year (YoY).

- The slowdown was largely driven by declining auto sales, while sales excluding autos rose 0.6%, suggesting consumer spending remains relatively resilient despite elevated prices.

Housing market data was mixed, with building permits falling 7.4% MoM to an annualized rate of 1.30 million, while housing starts rose 9.9% to 1.31 million.

- The decline in permits, which serve as an indicator of future construction activity, suggests homebuilders remain cautious of higher mortgage rates despite the pickup in housing starts.

The Federal Reserve (Fed) released the minutes from its October meeting, where officials voted 10–2 to hold interest rates steady at 3.75%–4.00%.

- Nearly all officials indicated that additional rate hikes would likely be necessary to bring inflation back toward the Fed's 2% target, with some suggesting a larger hike could be considered if inflation remains elevated.

The University of Michigan's Consumer Sentiment Index rose to 51.5 in November, up from 48.0 in October, reflecting improving consumer optimism despite broader weakness in financial markets throughout the month.

How does the most recent economic data impact you?

Resilient retail sales suggest consumer spending remains strong, giving the Fed greater flexibility to address elevated inflation through additional rate hikes.

Declining building permits signal continued housing market weakness, while higher borrowing costs could further pressure consumers, businesses, and housing affordability.

A LOOK FORWARD[1]

In the holiday shorted week, investors will turn their attention to the Personal Consumption Expenditures (PCE) index, the Fed's preferred measure of inflation, as well as an updated third-quarter Gross Domestic Product (GDP) reading, providing further insight into inflation and growth across the economy.

How does this week's slate of economic data impact you?

With inflation remaining elevated, the PCE reading could play an important role in shaping the Federal Reserve's December interest rate decision.

The updated GDP reading will provide further insight into the strength of the U.S. economy, particularly whether consumer spending and business investment continue to support economic growth.

MARKET UPDATE[2]

Market Index Returns as of 11/20/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-8.57%	-9.55%	1.98%	5.86%	16.53%	9.57%
NASDAQ	-9.99%	-15.74%	-2.18%	2.15%	17.55%	7.87%
Dow jones Industrial Average	-7.96%	-5.24%	1.57%	5.78%	13.05%	8.24%
Russell Mid-Cap	-6.98%	-3.62%	7.79%	11.52%	14.71%	5.80%
Russell 2000 (Small Cap)	-7.44%	-7.56%	5.11%	10.30%	14.64%	3.38%
MSCI EAFE (International)	-6.27%	-6.78%	2.85%	9.38%	14.12%	7.17%

Market Index Returns as of 11/20/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
MSCI Emerging Markets	-8.38%	-16.60%	2.90%	8.62%	15.34%	4.77%
Bloomberg U.S. Agg Bond	1.18%	2.50%	-0.49%	-0.25%	4.21%	-0.14%
Bloomberg High Yield Corp.	-0.86%	-0.43%	-0.32%	1.04%	7.12%	3.56%
Bloomberg Global Agg	0.54%	0.82%	-1.87%	-0.94%	3.01%	-1.61%

OBSERVATIONS

U.S. equity markets experienced one of their worst weeks in decades, as concerns surrounding AI spending, elevated valuations, and additional interest rate hikes triggered a broad market sell-off.

- The S&P 500 fell -8.57%, its 12th-worst week since 1952, while the NASDAQ (-9.99%) recorded its 11th-worst week on record. The Dow Jones (-7.96%) also suffered significant losses.

Mid-cap and small-cap stocks were also caught in the sell-off, with the Russell 2000 declining -7.44% as weakness spread beyond large-cap technology companies.

International equities faced similar pressure (-6.27%), particularly emerging markets (-8.38%), where AI-linked technology companies contributed to broader declines.

Bonds held up better than equities amid the broader market sell-off, with the U.S. Aggregate Index (1.18%) and Global Aggregate Index (0.54%) both posting gains as investors sought safer assets.

- High yield corporate bonds (-0.86%), which are issued by companies perceived to be riskier, faced pressure as investors became more cautious about credit risk.

BY THE NUMBERS

Trump Administration Moves to Expand Domestic Critical Mineral Supply: The Trump administration auctioned off rights to roughly 31.5 million acres of Pacific Ocean seafloor near American Samoa for $6 million, marking its first deep-sea mining lease sale. The two 20-year leases were awarded to Wetstone U.S. Ventures, allowing the company to explore deposits of critical minerals such as nickel, cobalt, copper, and manganese, which are essential for batteries, electronics, defense technologies, and data centers. The administration views deep-sea mining as an opportunity to strengthen domestic supply chains and reduce reliance on China for critical

minerals. However, the sale has faced opposition from environmental groups concerned about potential damage to marine ecosystems, while additional regulatory approvals will be required before commercial mining can begin.[3]

Grand Theft Auto VI Breaks Entertainment Sales Records: Rockstar Games' highly anticipated Grand Theft Auto VI generated a record $3.79 billion in worldwide retail sales within its first 24 hours following its November 19th release, making it the largest entertainment launch in history. The game, developed by Rockstar Games and published by Take-Two Interactive (TTWO), sold 32.5 million copies before its release, setting another industry record. For comparison, Grand Theft Auto V generated roughly $1 billion in its first three days following its 2013 launch and has since sold over 230 million copies worldwide. The record-breaking launch highlights the continued strength of the gaming industry, while future releases of the game's online multiplayer mode and PC version could provide additional recurring revenue opportunities for Take-Two.[4]

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1 Data obtained from Bloomberg as of 11/20/26.

2 Data obtained from Morningstar as of 11/20/26.

3 Trump holds first deep-sea mining lease sale despite court ruling

4 Grand Theft Auto 6 reaches $3.79 billion in sales in one day

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