

Weekly Market Report For 16 – 20 November 2026

Overview

- Global equities suffer a sharp sell-off, led by technology and semiconductor.
- Investors question elevated AI valuations and the returns on massive AI-related investments.
- U.S. may tighten restrictions on AI chip exports to China.
- Major central banks signal a more hawkish policy stance amid persistent inflationary pressures.
- Asian and Thai equities decline in line with the global market downturn.

Market Brief

Global equities came under heavy selling pressure last week, particularly technology and semiconductor stocks, amid concerns over elevated valuations, the return on investment (ROI) from AI-related spending, and the risk of tighter U.S. restrictions on semiconductor exports.

U.S.

o U.S. equities entered correction territory, with the Dow Jones Industrial Average falling 8.0% WoW, the S&P 500 declining 8.6% and the Nasdaq dropping 10.0%. Meanwhile, the VIX Index surged to nearly 36, its highest level since April 2025, reflecting heightened investor anxiety and market uncertainty.

o Semiconductor faced heavy selling pressure, with the Philadelphia Semiconductor Index plunging 17.1% WoW, marking its steepest weekly decline since September 2001. The index also fell approximately 42% from its June record high, reflecting mounting concerns over elevated AI valuations and the sustainability of AI-related investment.

o NVIDIA shares plunged 23% WoW, despite reporting better-than-expected earnings and projecting approximately 75% revenue growth in fiscal 2028, underscoring robust demand for AI chips. However, investor concerns persisted over the sustainability of AI-related spending, NVIDIA's financial commitments and financing support for customers and business partners, as well as heightened regulatory scrutiny and tighter U.S. restrictions on AI chip exports to China.

o Concerns over AI investment intensified as investors questioned the potential returns from massive AI infrastructure spending and the risks associated with debt-financed expansion. Meanwhile, Washington is considering tighter oversight of advanced semiconductor exports and restrictions affecting AI infrastructure and data-center equipment supplied to China.

o Anthropic's IPO attracted significant investor attention, raising approximately US$81 billion in the company's IPO. However, despite a strong initial market debut, its shares subsequently retreated amid the broader sell-off in technology stocks.

o U.S. Treasuries attracted safe-haven demand, pushing the 10-year Treasury yield down to approximately 4.91%, from around 5.15% at the end of the previous week.

Gold prices fell sharply, declining 9.5% WoW, while Brent crude dropped 3.4%, extending its losses for a third consecutive week amid improving global crude supply prospects. Nevertheless, geopolitical risks stemming from tensions between the U.S. and Iran continued to pose a potential threat to oil markets.

Minutes from the Fed's October meeting pointed to a more hawkish monetary policy outlook.

o Most policymakers expressed concerns over persistent inflation and indicated that further monetary tightening could be necessary. Some officials supported considering a 50-basis-point rate hike in December, including Christopher Waller, who argued that a more aggressive response might be warranted if inflation remained elevated.

o U.S. retail sales increased 0.2% MoM in October, while the Control Group measure rose 0.6%, exceeding market expectations and highlighting the continued resilience of consumer spending.

Europe

o European equities declined in line with global markets, with the STOXX Europe 600 falling approximately 5.8% WoW, led by technology and industrial stocks amid concerns over potentially tighter U.S. semiconductor export restrictions.

o Technology stocks, including ASML and Infineon Technologies, came under selling pressure amid concerns over the potential impact of tighter U.S. restrictions on semiconductor exports.

o Eurozone inflation accelerated to 4.0% YoY in October, and core inflation was at 2.6%. The data reinforced expectations that the ECB could maintain a restrictive policy stance, with markets reassessing the possibility of further rate hikes.

Japan

o Japanese equities declined amid the global technology sell-off, with the Nikkei 225 falling 7.7% WoW and the TOPIX declining 6.8%.

o The yen strengthened to approximately 158.8 per U.S. dollar, from around 160 at the end of the previous week, supported by safe-haven demand.

o Japan's 10-year government bond yield declined to approximately 2.80%, from 2.87%. Meanwhile, the BOJ Governor continued to signal support for further monetary tightening, despite only a modest increase in October inflation.

o Japan's GDP contracted by 0.1% in the third quarter, missing market expectations, as private consumption remained weak. However, exports continued to show strong momentum, rising 20.5% YoY in October to reach a record high.

China

o Chinese equities declined amid the global sell-off in AI-related stocks, concerns over tighter U.S. semiconductor export restrictions and weaker-than-expected October economic data. The CSI 300 fell 1.5% WoW, the Shanghai Composite declined 2.8%, and the Hang Seng Index dropped 5.2%.

o Chinese equities faced additional pressure from tighter U.S. restrictions on AI chip exports, including requirements for data-center operators in several countries to obtain licenses before purchasing advanced chips. Meanwhile, Tencent, NetEase and Kuaishou came under selling pressure following weaker-than-expected earnings results.

o China's economy continued to show signs of weakness. Industrial production grew 4.8% YoY in October, while retail sales increased by just 0.4%, highlighting persistently subdued domestic consumption.

Thailand

o Thai equity market declined 3.4% WoW, in line with global markets, amid selling pressure on technology-related stocks and concerns over potential U.S. restrictions on AI chip exports.

o Foreign investors recorded net sales of approximately THB 4.7 billion, while domestic institutional investors posted net sales of around THB 2.1 billion.

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