

Weekly Market Report For 3 – 7 November 2025

Overview



- ❖ US stock markets decline as investors are taking profits on AI-related tech stocks.
- ❖ Morgan Stanley, Goldman Sachs and JP Morgan warn of market correction, but not a signal of economic crisis.
- ❖ S&P 500 companies have reported strong earnings, with average profit growth of 13% YoY.
- ❖ US labor market is experiencing volatility, with layoffs hit 20-year high but also signs of recovery in hiring.
- ❖ Health Care shares were boosted by obesity drug price deal.
- ❖ Trump's tariff case remains a key issue to watch.

Market Brief



 Last week, US indexes retreated on profit-taking due to concerns over stretched valuations in AI-related tech stocks. Nasdaq -3%, S&P 500 -1.6% and Dow Jones -1.2%.

 Morgan Stanley, Goldman Sachs and JP Morgan CEO expect a 10–20% correction in equity markets within the next 12–24 months. They emphasized this is a normal market cycle, not a signal of economic crisis. Michael Burry, famed for “The Big Short,” disclosed put options against Nvidia and Palantir, highlighting investor concerns over lofty valuations.

 **Market concentration risks.** The top 10 companies now account for over 40% of the S&P 500. Experts warn this level of concentration is "riskier than people realize." Despite this, Fed's accommodative monetary policy and strong earnings continue to support tech valuations.

 **3Q25 earnings show strength across S&P 500.** Over 91% of S&P 500 companies have reported 3Q25 earnings, 82% beat analysts' expectations and average year-over-year profit growth is around 13%, reflecting solid corporate fundamentals. Analysts interpret the current market pullback as a valuation adjustment, not a sign of economic weakness.

 **US job market**

- o Challenger, Gray & Christmas Inc, a firm that publishes a monthly update on hiring and firing activity, showed US-based employers announced more than 153,000 job cuts in October, the highest in 20 years. AI adoption was cited as a major factor, though only 6% of total layoffs were directly attributed to AI-related restructuring.
- o Private payrolls rose by 42,000, indicating that the overall labor market remained resilience, despite tech sector disruptions and AI adoption.

 **Eli Lilly and Novo Nordisk reached agreements with the US government to lower prices of weight loss drugs to USD245/month and Medicare patients will pay USD50/month.** In exchange, the companies receive import tax incentives and FDA fast-track approvals for new drugs. The initiative could expand access to over 40 million Americans, significantly broadening the market.

 **Trump tariff case:** The US Supreme Court is likely to rule against Trump's authority under IEEPA to impose broad tariffs. If the Supreme Court rules against Trump, the administration could still use other trade laws, which are more limited.

 **WTI crude oil dropped 2% WoW,** following OPEC+ discussions to increase production slightly in December. However, OPEC+ plans to pause further increases in early 2026 to avoid oversupply.

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