PVG Asset Management
LOSS AVERSE INVESTING

Market in a Minute

November 24, 2026

Index Performance: As of November 20, 2026			
Index	**Price**	**Last Week**	**YTD**
S&P 500	6,910.39	-8.61%	0.95%
Dow Jones	48,147.33	-8.02%	0.17%
NASDAQ	22,617.73	-10.02%	-2.69%
Russell 2000	14,299.95	-7.44%	5.11%
Russell 2000 Growth	12,136.37	-8.41%	-0.92%
Russell 2000 Value	21,985.87	-6.48%	10.01%
Russell 1000 Growth Total Return	4,270.77	-11.33%	-14.19%
SPDR Gold Shares	322.87	-9.17%	-18.53%
Powershares US $ Index	29.62	0.41%	9.58%
Ishares EAFE Index	96.14	-7.71%	0.11%
Barclays Aggregate Bond Index	96.15	1.11%	-3.73%
iShares Barclays 20+ Yr Treasury Bond	81.45	2.61%	-6.55%
Utilities Select Sector ETF	42.69	-3.07%	0.00%
Vanguard REIT ETF	92.56	-4.05%	4.60%
iShares Mortgage Real Estate	15.49	-4.68%	-30.16%
Alerian MLP ETF	48.53	-4.28%	3.21%
iShares Global Telecom	105.29	-5.90%	-13.14%
ETFMG Alternative Harvest ETF	17.84	-16.44%	-40.11%
Grayscale Bitcoin Trust	44.97	-15.26%	-34.22%
Shanghai SE Index	3,533.79	-2.77%	-10.96%



A Word on the Market

By: Patrick Adams, CFA

Market Commentary

- We have been concerned about **two major issues**, the significant over ownership in the market of **technology** and technology related stocks, and the other issue relates to interest rates with **higher yields** on the 10-Year Treasury bond and other maturities, the 2-Year and 30-Year.
- Technology and tech related companies comprised **over 50% of the S&P 500** recently, which is now down significantly. As a point of reference, **it was about 35% at its peak in 2000.**
- The **technology sector is down -26.2%** from the October high as of November 20th.

XLK



- This is an interesting statistic, for the week ending November 20th the Nasdaq Composite fell -10.02%, which is only the 11th time in 55 years of a 10% or

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of November 20, 2026			
Index	**Price**	**Last Week**	**YTD**
Information Technology	5,645.44	-12.16%	-0.68%
Consumer Disc.	1,843.05	-6.85%	-4.43%
Consumer Staples	1,018.42	-2.01%	17.75%
Health Care	2,063.44	-6.19%	14.26%
Financials	907.08	-6.94%	-0.50%
Industrials	156.37	-7.35%	0.81%
Energy	926.73	-7.01%	34.83%
Communications Services	382.40	-9.44%	-15.47%
Utilities	432.22	-3.17%	-0.37%
Materials	605.34	-7.88%	5.38%
Real Estate	270.54	-4.34%	6.08%

Source: Bloomberg website, Returns are appreciation only

PVG Strategies			
Tactical Strategies	**QTD**	**YTD**	**Average Annual Return as of 9/30/26**
Tactical Total Return	-12.96%	-11.34%	9.03%
Dynamic Core	-7.69%	0.12%	9.82%
Tactical Growth	-14.14%	-16.34%	18.48%
Absolute Return Balanced	-17.41%	-2.51%	6.85%
Loss Averse			
Loss Averse Equity Income	-5.59%	2.43%	4.14%
Specialty			
Emerging Healthcare	-18.81%	-25.92%	67.47%
Focus			
High Income Focus 10	-7.11%	-5.60%	6.66%
Blue Chip Focus 20	0.27%	12.30%	6.89%

more decline in a week**. In the 4 weeks after the previous10 times the Nasdaq was up 4.2% on average, in a range of -12.4% to +25.7%.**

- The market is taking out extreme speculation and very high expectations with **Nasdaq or QQQ off -19.9%** from the high in October.

QQQ



- We have been discussing this for a while, **we believe we are in a mid-cycle technology shake-out.** We have been looking for the market to **rotate to other sectors when inflation moderates and if inflation did not improve, we believed a correction would occur because the Federal Reserve's tightening policy would continue.**
- We think there were several **catalysts to this bear market in technology** and correction in the market, which were **Nvidia, the election, and the tighter monetary policy of the Federal Reserve.**
- **The market is now more aligned with our expectation** that this is a cyclical, although massive, **build-out of AI and that the peak of spending is likely in 2028/2029, with the rate of growth slowing sooner.**
- Nvidia is the bellwether of the AI sector. Nvidia has many issues, but the expected **75% growth for 2027 disappointed investors mainly due to the new expectation the size of the market may be smaller than the bull case.**
- **Nvidia being under heightened scrutiny will likely export fewer chips**, however with **Jensen Huang back as CEO we believe the financing of the industry's growth should continue, a major positive.**
- **Nvidia's stock crashed about -48% from its high, and memory stocks, like Micron Technology, were**

Growth Focus 10	-12.26%	-15.26%	10.98%
Emerging Healthcare Focus 10	-18.14%	-30.74%	14.16%
Strategic			
Tactical Aggressive	-11.52%	-11.43%	14.82%
Tactical Moderate	-7.59%	-3.28%	11.84%
Tactical Conservative	-2.94%	0.40%	8.77%
Tactical Income	-5.12%	-4.40%	7.13%

Interest Rates			
Fed Fund	3.88 %	**5-Year**	4.86%
3-Month	4.34%	**10-Year**	5.04%
6-Month	4.42%	**30-Year**	5.40%
2-Year	4.76%		

Source: Bloomberg.com

Economic Events This Week

Date	Report	Forecast	Previous
Nov 24	Consumer Confidence	92.5	91.7
Nov 25	GDP - 2nd Est.	3.4%	2.2%
Nov 25	Durable Orders	0.4%	1.9%
Nov 25	Durable ex-trans	0.5%	0.5%
Nov 25	Personal Income	0.4%	0.2%
Nov 25	Personal Spending	0.4%	0.5%
Nov 25	PCE Prices	0.3%	0.5%
Nov 25	Core PCE Prices	0.3%	0.3%
Nov 25	New Home Sales	650K	676K

down over -50% from its high. There appears to have been **forced selling from hedge funds and retail investors that may have had margin calls or were simply attempting to preserve capital due to very significant losses**. The mid-term elections will likely result in fewer AI data centers being built. This environment favors the larger, well financed mega cap technology companies in a big way. It is estimated that over 700 AI data centers are planned, we believe some will not happen due to increased regulations, and massive AI data center will have a huge cost advantage.

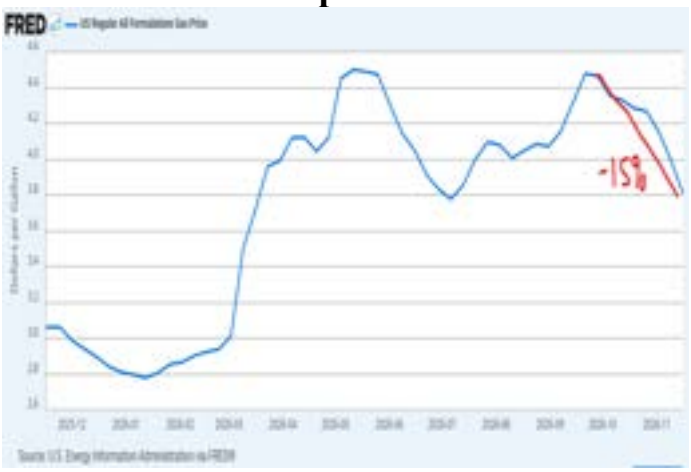
Margin Debt $1.448 in October vs $1.480 trillion in September



- The other major issue for the market that we mentioned is the rise in yields in the bond market, which impacts the economy and the valuations of stocks.
- There are a number of interlinking issues, first it is primarily the war in Iran causing oil prices to rise and as the war has not been resolved yet, the length of time with high oil prices has caused a potential inflationary cycle the Federal Reserve is determined to stop. We believe oil price-driven inflation is moderating quickly.

Economic Events Last Week	
Nov 17	Retail Sales Up 0.2% in October, Ex-Auto Up 0.6%; Industrial Production Falls 0.4%
Nov 18	Housing Starts Jump 9.9% to 1.309M; Permits Fall to 1.295M; Pending Home Sales Drop 4.7%
Nov 20	Michigan Sentiment Revised Up to 51.5 in November

All Gasoline Prices Down -15% Since End of September



- We hope to see the Federal Reserve to significantly temper their aggressive rate hiking view. This is a tricky issue, but it is never wise to raise interest rates due to a supply shock as it has unintended consequences, like crushing the housing market, or causing liquidity in the financial system to dry up.
- Further rate increases are going to cause problems, but the market may have already done the job with bond yields up way ahead of the Fed.

2-Year Treasury and Federal Funds Rate



- The other cause of higher bond yields is the borrowing needs of AI, but the market is naturally shutting off capital to the marginal companies. It surprises us with the extent the higher dividend stocks have reacted negatively and the decline of these stocks is not consistent with their fundamentals.

- **It does not appear a recession is likely for now, so the market should bottom with the technology sector.**
- We are monitoring a number of issues, including oil prices, inflation, federal reserve policy, liquidity in the financial system, fundamental trends of many companies and valuations of the market and individual stocks.
- **We believe we are in an oversold market that has reset expectations and now has meaningful upside. It would not be prudent to not expect more volatility.**

S&P 500 Index



- As always, please contact us if you have questions or concerns.

We wish you and your family a very Happy Thanksgiving!

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