WEEKLY MARKET COMMENTS - NOVEMBER 24, 2025

The market ended its worst week since March, with the Dow off by 1.9%, the S&P lower by 2% and the Nasdaq negative by 2.7% for its third down week in a row, as investors expressed skepticism about what the true valuations of the formerly high-flying technology stocks came into question. In last week's edition of the comments, it was listed how high the price/earnings ratio was for the large tech stocks and many were well above the multiple for the S&P itself, which was around 27 to 1.

The week finally ended on Friday with a strong day after four consecutive lower days for the S&P. After going in both directions early in the session. With questions about whether stocks like NVDA and bitcoin have gone too far and the second issue is whether the Federal Reserve done for the time being with its cuts to interest rates.

The second issue was helped by the comments from the president of the Federal Reserve Bank of New York, John Williams, that he would signal for another round of rate cuts at the December 10th meeting. He said that he was more concerned about the labor market weakening than rising inflation because the President's tariffs would become a more persistent problem, noting that "My assessment is that the downside risks to employment have increased as the labor market has cooled while the upside risks to inflation have lessened somewhat."

He mentioned that he believes that interest rates at current levels are still "restrictive" and believes that the Fed needs to get to a more "neutral" stance that neither improves nor slows down growth.

On the other side, officials worry that by reducing interest rates further, the Fed could increase price pressures while the labor market is relatively stable.

The jobs report, released more than a month later showed that the U.S. economy added 119,000 jobs, it also said that the unemployment rate rose to 4.4%, the highest rate in nearly four years.

William's comments got the market up over 100 points before it ended with a 64 point advance to 6603, while the Nasdaq was higher by more than 300 before finishing at a gain of 195 to 22,273 while the Dow gained by more than 400 to 46,425 after being over 600 at its high.

The reason for the comedown from best intraday levels was that the U. of Michigan Consumer Sentiment Survey released later in the day showed a 2.6% decrease as consumers remain frustrated by the persistence of high prices and weakening incomes. Buying conditions for durables plunged by more than 1 percent. And consumers with the largest stock holdings lost the joys seen earlier because of equity declines seen the past couple of weeks.

On Friday, several retailers did better on earnings reports such as GPS, and ROST while homebuilders also gained on the prospect of lower interest rates.

NVDA, which stalled out once again, saw over one million out of the money calls expire worthless on the old "Max Pain" theory along with most of the other technology leaders which fell again for the second week.

In Treasuries, yields eased on the prospect of Fed action next month with a 72% probability of a December cut, up sharply from 39% the day before. This sent the 10-year yield down to 4.06% from 4.10% the day before.

This week the third-quarter earnings season winds down with around 95% S&P companies having reported with over 80% having topped estimates and 75% beating sales expectations. We will hear from A and ZM today, followed by ADI, ADSK, DELL, HPQ, WDAY and ZS on Tuesday and DE on Wednesday.

On economic reports, there will not be another jobs report or C.P.I issuance before the next rate announcement on December 10th .

There should be releases of September P.P.I., November Consumer Confidence on Tuesday, Wednesday – October durable goods, third-quarter G.D.P., October new home sales, October personal income, August retail sales.

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