

Philip Blancato, Chief Market Strategist, Osaic

November 20, 2026

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%
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]

Economic Definitions

Building Permits: This concept tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

GDP: Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

Housing Starts: Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii) Sample Size: please see CONSCASE Index DES<Go> Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)
USE AS A FINANCIAL BENCHMARK MAY BE RESTRICTED. SEE {DOCS #2084680<GO>}.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

CBOE Volatility Index (VIX): Commonly referred to as Wall Street's "fear gauge" measures the market's expectation of S&P 500 volatility over the next 30 days based on options prices. Higher readings indicate greater anticipated market fluctuations and heightened investor uncertainty.

Disclosures

The statements provided herein are based solely on the opinions of the Osaic Research Team and are being provided for general information purposes only. Neither the information nor any opinion expressed constitutes an offer or a solicitation to buy or sell any securities or other financial instruments. Any opinions provided herein should not be relied upon for investment decisions and may differ from those of other departments or divisions of Osaic Wealth, Inc. ("Osaic") or its affiliates.

Certain information may be based on information received from sources the Osaic Research Team considers reliable; however, the accuracy and completeness of such information cannot be guaranteed. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial information. Any opinions, projections, forecasts and forward-looking statements presented herein reflect the judgment of the Osaic Research Team only as of the date of this document and are subject to change without notice. Osaic has no obligation to provide updates or changes to these opinions, projections, forecasts and forward-looking statements. Osaic is not soliciting or recommending any action based on any information in this document.

Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

Securities and investment advisory services are offered through the firms: Osaic Wealth, Inc. and Osaic Institutions, Inc., broker-dealers, registered investment advisers, and members of FINRA and SIPC. Securities are offered through Osaic Services, Inc. and Ladenburg Thalmann & Co., broker-dealers and members of FINRA and SIPC. Advisory services are offered through Ladenburg Thalmann Asset Management, Inc., Osaic Advisory Services, LLC. and CW Advisors, LLC., registered investment advisers. Advisory programs offered by Osaic Wealth, Inc. are sponsored by VISION2020 Wealth Management Corp., an affiliated registered investment adviser 9250175.

---

[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



(800) 766-5162

Securities offered through Osaic Wealth, Inc., Member FINRA/SIPC. Investment advisory services offered through Midwest Heritage Financial Advisors. Osaic Wealth is separately owned and other entities and/or marketing names, products or services referenced here are independent of Osaic Wealth. Midwest Heritage and Hy-Vee are not affiliated with Osaic Wealth, Inc. NOT FDIC INSURED • NOT A BANK DEPOSIT • MAY LOSE VALUE • NO BANK GUARANTEE • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY