SEVENS REPORT

EVERYTHING YOU NEED TO KNOW ABOUT THE MARKETS
BY 7AM EACH MORNING IN SEVEN MINUTES OR LESS

November 13, 2026

Pre 7:00 Look

- Futures are slightly higher following Thursday's declines as markets attempt to stabilize after a volatile week.
- Economically, Eurozone Flash GDP rose 0.4% q/q, in line with expectations, while Employment Change was flat (0.0%) vs. (E) 0.2%.
- Econ Today: PPI (E: 0.4% m/m, 6.6% y/y), Core PPI (E: 0.3% m/m, 5.0% y/y).
- Fed Speak: Collins (9:10 a.m. ET), Logan (9:40 a.m. ET), Collins (10:35 a.m. ET), Bowman (10:50 a.m. ET), Daly (12:00 p.m. ET), Jefferson (7:00 p.m. ET).
- Earnings: No notable earnings.

Market	Level	Change	% Change
S&P 500 Futures	7,626.50	11.25	0.15%
U.S. Dollar (DXY)	103.23	0.06	0.05%
Gold	3,894.10	8.80	0.23%
WTI	88.46	-0.28	-0.32%
10 Year Yield	5.133%	0.030	0.59%

Equities

Market Recap

Stocks opened to the downside Thursday on the stunning news of the ouster of Nvidia (NVDA) CEO Jensen Huang. The shakeup at one of the most-influential tech companies in the market, and one of the most widely held stocks, put pressure on the major indices throughout the session, although the "rest of the market" managed to keep losses in check. The S&P 500 fell 0.35%.

News of Huang's resignation after revelations of an affair with a Nvidia employee (in addition to the Chinese spy affair) bashed the shares in pre-market trade, with NVDA down some 13% at the open. The selling in NVDA given its large market-cap influence on the Nasdaq Composite and S&P 500 sent both indices sharply lower early. By mid-morning, however, there was some dip buying in the stock, as NVDA came well off session lows. Shares were down about 5% for most of the session, ultimately closing with a loss of 4.34%.

The action in NVDA was the dominant force in the market Thursday and the situation has unearthed many key questions going forward. I will address those in a moment; however, NVDA wasn't the only factor moving markets Thursday.

Oil prices were higher on Thursday after President Trump declared that the U.S. no longer needs a deal with Iran. "We don't need a deal with Iran. Those days have long since passed," Trump wrote in a Truth Social post.

The remarks signaled a sharp departure from Monday, when Trump described the war as "militarily effectively over." The rise in oil prices pushed bond yields higher, and that, along with the NVDA news, caused the risk-off selling.

At the close, the Dow was off by 0.36% while the Nasdaq Composite was down 0.39%. The small-cap Russell 2000, which doesn't include NVDA, came under the most severe selling pressure, down 1.66%.

Trading Color

The widespread risk-off trade on Thursday was evidenced by the action in sectors, as 10 of the 11 S&P sector SPDRs were lower on the day. The only sector in the green was energy (XLE up 1.51%) on the rise in oil prices.

On the downside, materials (XLB down 1.28%) communication services (XLC down 0.96%), and industrials (XLI down 0.89%) led the markets lower, although only materials was down more than 1%.

The relatively modest declines in the wider market despite the NVDA woes was encouraging for the bulls, al-

Market	Level	Change	% Change
Dow	52,297.09	-189.40	-0.36%
TSX	36,137.19	-274.51	-0.75%
Stoxx 50	6,398.98	5.59	0.09%
FTSE	10,863.09	27.59	0.25%
Nikkei	61,142.35	322.99	0.53%
Hang Seng	23,637.60	-370.95	-1.55%
ASX	9,082.20	-64.60	-0.71%
Prices taken at previous day market close.			

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though the uncertainty factor on the AI trade remains firmly in the minds of investors.

Nvidia: Positive View, Negative View, My Opinion

The most important stock in the entire market has been engulfed in drama and intrigue for the entire trading week, and it culminated Thursday morning with CEO Jensen Huang's resignation. And given Nvidia is critical for the S&P 500 and general AI enthusiasm (as well as a popular topic among clients), I want to cover the both the positive and negative case, and give my opinion on which case is more compelling.

Before I get into that, I do want to stress that I am not an Nvidia analyst, so I do strongly suggest you read additional research from analysts who cover the stock.

Positive View: A Generational Company Majorly on Sale

The "buy-this-dip" thesis on Nvidia has to start with the fact that, operationally, the company is firing on all cylinders. Yet despite that, the stock has been hit, hard.

Market	Level	Change	% Change
DBC	30.92	.07	0.24%
Gold	3,886.10	-114.40	-2.86%
Silver	49.95	-1.93	-3.72%
Copper	6.189	-.085	-1.36%
WTI	88.98	2.45	2.83%
Brent	96.11	3.35	3.61%
Nat Gas	3.344	.129	4.01%
RBOB	2.6379	.0304	1.17%
DBA (Grains)	26.30	-.07	-0.25%
Prices taken at previous day market close.			

Consider this: Nvidia has fallen 31% from the Oct. 6 high and is down 11% year to date. From a valuation standpoint, it's now trading at a 13.6X forward P/E ratio, which is basically cut in half from the 23.2X forward multiple Nvidia had in January.

Yet throughout 2026, revenue and earnings have grown sharply. Quarterly revenue reported in February was $68 billion and GAAP EPS of $1.76/share. The earnings reported in August showed revenue of $96 billion and GAAP earnings of $2.46/share.

So, despite exploding earnings, the drama surrounding the company (and concerns about sustainable data center demand) have pushed the stock down more than 30% in just six weeks! So, while the stock has been hit by non-core-business problems, its core businesses remain robust.

Meanwhile, demand for Nvidia chips remains insatiable. And while Huang was an important cheerleader for the early phase of AI promotion and adoption, it's now a mainstream technology that is feeding on itself.

The reality is that more data centers will be built, and they will demand Nvidia chips. And regardless of who the CEO is, the company will be able to continue to execute, satisfy demand, and continue to grow earnings and revenue.

Put simply, this is a top-tier stock that is on sale given non-core business problems while the broader business outlook remains incredibly positive. As a result, starting to leg into longs here makes sense (we probably haven't seen the bottom yet, but starting to buy some shares comes with attractive risk reward!).

Negative View: Nvidia Lost Its Edge, Competition Is Surging and the Industry Outlook Is Challenged

The reality is that Nvidia and chip companies were facing headwinds before all of the drama surrounding Huang, and going forward, Nvidia will face new headwinds from competitors and the general industry.

Looking at semiconductor production specifically, clients and customers want stability and that will likely lead them to competent Nvidia competitors that don't have major drama, legislative risk, and uncertain leadership, e.g., AMD, AVGO, TSM, ON and others. Point being, while Nvidia is the market leader, it also faces stiff competition, and given the shortage and insatiable demand for premium semiconductors, customers will likely reallocate to more stable competitors, which could hurt earnings growth (making the cheap P/E a value trap).

More broadly, the entire chip space is facing headwinds and Nvidia just lost the cheerleader for the entire industry. Chip demand, which will stay strong for the next year, does face a more uncertain future in the years beyond that given uncertainty around data centers and the uncertain ROI on AI development.

Bottom line, the outlook for AI infrastructure was already mixed, and there were legitimate concerns about whether the "peak" in these chip stocks was already in. It's too early to declare that, but the reality is that the industry is facing uncertain future demand (at least

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compared to sky-high expectations) and that just compounds the need to effectively execute (and that favors Nvidia's more stable competitors).

Which View Is More Compelling to Me? The Negative View

To be clear, I'm not saying I'm "bearish" on Nvidia, but if I look at the bullish and bearish arguments, the negative one makes more sense to me for a few reasons.

First, the semiconductor industry is facing uncertainty. The reality is we don't know if we've seen peak semiconductor demand, but there are reasons to think so given the outlook for data centers and the lack of positive ROI on AI broadly. Its important to remember that prior to LLMs, semiconductors were a commodity, and the price rose or fell with inventory levels.

Second, while Nvidia is more than Jensen Huang, it's undeniable that he was a force behind the company's preeminent position in the industry. Without him, the company can still perform, but I'm not sure it's worth a substantial premium to its competitors (AVGO, TSM, AMD, ON and others are the "winners" from this saga).

Bottom line, I wouldn't be in a big hurry to sell Nvidia at these levels because the stock is short-term depressed and will be due for a bounce. However, I would be more hesitant to buy the stock on this dip, and instead would prefer to spread those dollars around the tech space, including AI infrastructure and hyperscalers because the reality is the AI industry is in flux near term.

Economics

Weekly Jobless Claims

• Weekly Jobless Claims rose to 200k vs. 195k (E).

• Continuing Claims fell 13K to 1.679 million.

Weekly initial jobless claims in the U.S. rose to 200,000 for the week ending Nov. 7, an increase of 9,000 from the previous week's revised level of 191,000. The metric came in modestly above consensus forecasts for 195,000 new claims. Meanwhile, continuing claims fell by 13,000 to 1,679,000, the lowest level since March 2023.

The four-week moving average of initial claims held steady at 195,250, unchanged from the previous week's revised average. The weekly claims data continues to indicate a strong and resilient labor despite elevated interest rates and high energy prices. The data also has helped buoy consumer spending and corporate profits.

Commodities

Commodities were mixed on Thursday with oil moving sharply higher while gold, silver, copper and the grains all made decided moves to the downside. The widely held commodity ETF, DBC, gained 0.23%.

Starting with oil, both Brent crude and WTI crude made decisive moves higher Thursday, and for a now-familiar reason—more disappointing chatter over progress on a resolution in the U.S./Iran war.

The key catalyst giving oil its bid was President Trump's declaration that the U.S. no longer needs a deal with Iran. “We don’t need a deal with Iran. Those days have long since passed,” Trump wrote in a Truth Social post.

That sentiment helped Brent crude spike some 3.6% on the session to above $96 per barrel, while WTIC climbed 2.8% to nearly $98 per barrel. Despite the move higher Thursday, oil has made a marked turn lower over the past month, with Brent down 9.7% and WTIC down 6.1% in the past four weeks.

Market	Level	Change	% Change
Dollar Index	103.17	.26	0.25%
EUR/USD	1.1056	-.0033	-0.33%
GBP/USD	1.3236	-.0044	-0.33%
USD/JPY	159.86	.09	0.06%
USD/CAD	1.4254	.0003	0.02%
AUD/USD	.6806	-.0040	-0.58%
USD/BRL	5.6363	.0537	0.96%
Bitcoin	71,462.01	-2,502.46	-3.38%
10 Year Yield	5.113	.124	2.49%
30 Year Yield	5.442	.093	1.74%
10's-2's	24 bp		
Prices taken at previous day market close.			

Those declines have come largely on expectations of a U.S./Iran deal, or at least no new attacks by the U.S. or Iran. If, however, deal hopes stall and we see a resumption of hostilities that threatens the current transit through the Strait of Hormuz or the Bab el-Mandeb, then oil prices will once again become a significant pressure on inflation, and on bond yields and equity prices.

Turning to metals, gold, silver and copper were down on the session, as a jump in bond yields and the U.S. dollar put pressure on the metals trade. Gold was down 2.86% while the more volatile silver fell 3.72% on the session. "Dr. Copper" also lagged in Thursday trade, down 1.36%.

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As for grains, the segment also saw some selling, with soybeans, wheat and corn all trading lower on the day. The Invesco DB Agriculture Fund (DBA), which holds a basket of soybean, corn, wheat and cattle futures, among other holdings, finished the session down 0.23%.

Currencies & Bonds

Markets were largely fixated on the Nvidia/Huang news Thursday, and rightly so. However, while most of the attention was on NVDA and its implications, Treasury bond yields continued to surge.

The aforementioned Trump post about not needing a deal with Iran, along with renewed fears of persistent inflation and future Fed rate hikes, helped push the 10-year Treasury yield to 5.125%, or an increase of 13 basis points. The 10-year yield is up sharply from Monday's close of 4.88%, and between Tuesday and Thursday (bond markets were closed Wednesday for Veterans Day) that's the largest two-day gain since April 2025.

The short-end of the yield curve also climbed Thursday, with the 2-year yield up nearly 14 basis points to 4.862%. The 2-year is sensitive to the outlook for interest rates set by the Federal Reserve, so what the bond market is telling us here is that it expects the Fed to hike at least 25 basis points at the December FOMC meeting, and possibly even 50 basis points, and/or an additional rate hike when the Fed meets in late-January.

Speaking of the Fed and its FOMC meetings, on Thursday, the central bank announced its calendar for next year, which featured an announcement that it will not vote on a potential interest-rate change at the October 2027 meeting.

The Fed will now have seven voting meetings next year, down from eight in 2026. The Fed announcement said that the October session will be used for longer-term and bigger-picture discussions. Now, Fed Chair Warsh told markets this would happen during his October FOMC presser, saying, "it's... important we reserve time and space, as an intellectually diverse group, for strategic deliberations—for thinking anew about big questions, looking out over longer time horizons, focusing, as I say, on the left side of the decimal point."

In currencies, the U.S. dollar continued its recent uptrend, with the dollar hitting a new 19-month high on the move higher oil prices and on a hawkish reassessment of the Fed's interest rate path. The Dollar Index rose 0.25%.

As you might expect with a rising dollar, international currencies largely moved in an equal-but-opposite direction. Both the euro and the pound each fell 0.33% vs. the greenback, while the yen managed to hold up slightly better, down just 0.06%.

Like we told you in Wednesday's report, the trend in the greenback is clearly higher until we get some positive news on inflation (or oil drops). The positive takeaway here is that the Dollar Index still remains a safe distance from levels that would pressure earnings (105ish), although this morning's PPI report or the Core PCE Price Index later this month could definitely change that calculus.

For now, the greenback remains in neutral territory for both stocks and bonds.

Have a good day,

Tom

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SEVENS REPORT

Fundamental Market View (Updated 11/08/2026)

Near-Term General U.S. Stock Market Outlook

This is designed to provide a snapshot of our near-term (1 month) outlook for stocks. For general equity market exposure, we use a mix of SPHB (S&P 500 High Beta) and SPLV (S&P 500 Low Volatility) to create an aggressive, neutral or defensive stance on general equity market exposure.

Near-Term Stock Market Outlook: **Positive but with managed volatility exposure.** **SPHB: 50% SPLV: 50%**	*The S&P 500 dropped sharply last week thanks to a collapse in tech stocks Thurs-day, as concerns about AI funding and credit weighed on the rest of the markets.*

Tactical Allocation Ideas:

- **What's Outperforming: Energy, health care, consumer staples.**
- **What's Underperforming: Utilities, consumer discretionary, communication services.**

Long-Term Fundamental Outlook for Other Asset Classes

	Fundamental Outlook	Market Intelligence
Commodities	**Neutral**	*Commodities fell sharply last week on a plunge in oil prices, as there was renewed hope for diplomatic progress between the U.S. and Iran.*
US Dollar	**Negative**	*The Dollar Index rose slightly last week largely due to solid economic data, and despite weaker oil prices.*
Treasuries	**Neutral/ Negative**	*Treasury yields declined again last week despite solid economic data, as AI concerns pressured the broad market and investors bought Treasuries as a safe-haven play.*

This page is meant to provide a general outlook for the path of each major asset class and is updated at the start of each week.

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