

Market Whiplash: When Good News Cannot Catch a Bid

Equities endured a jarring week as upbeat headlines collided with souring price action, leaving investors scratching their heads. Despite a stream of developments that normally ignite rallies, major indexes sank—Dow down 1.9%, S&P 500 off 2%, and the Nasdaq sliding 2.7%. The divergence between fundamentals and flows was striking.

Thursday marked the emotional apex. Nvidia posted another blockbuster quarter, pairing strong results with confident guidance that initially lifted both its own shares and broader markets. At the same time, delayed September employment data showed just enough softening to revive hopes for a friendlier Federal Reserve—yet still topped expectations. By midday, the major averages were green on the week, hinting that the market's multi-month climb might extend further.

Then, without a clear catalyst, momentum flipped. The afternoon selloff defied a single explanation, spawning theories instead: Bitcoin's 32% slide from its October high spooked risk markets; Nvidia's strength unintentionally spotlighted growing concerns over AI-related spending; or perhaps investors simply defaulted to a classic "sell the news" rhythm, with profit-taking overwhelming buyers.

Whatever the reason, anxiety now centers on deteriorating technicals. The S&P 500 slipped beneath its 50-day moving average, with Thursday's low of 6,521.92 cutting below the 6,552.51-level set on Oct. 10, when tariff tensions escalated. A meaningful break under that shelf could open the door to deeper losses.

All major benchmarks have now undercut their 50-day trend lines, and Thursday's sharp Nvidia-linked reversal left notable chart damage. A modest Friday rebound—helped by revived rate-cut chatter—softened the weekly blow but did not repair the technical picture. As a result, IBD slashed recommended equity exposure to a cautious 0–20%. While certain medical and discount retail names continue to act well, weaknesses are widespread. Crypto's slump added pressure to speculative pockets, though Treasury yields eased, especially late in the week.

Friday offered a glimmer of relief. The Dow led a broad rebound, adding 500 points (1.1%), yet all indexes still closed the week in the red. The shortened Thanksgiving week ahead brings delayed retail spending data and earnings from Chinese e-commerce giant Alibaba. The Nasdaq rose 0.9% Friday, though that barely chipped away at its 2.7% weekly drop—its third straight decline. It ended well below its 50-day line, trimming its year-to-date gain to 15.3%. The S&P 500 climbed 1% on the day but also stayed underwater relative to its 50-day average after a 2% weekly fall, maintaining a 12.3% YTD advance.

Market breadth was solid on Friday, favoring advancers 4-to-1 on the NYSE and 3-to-1 on Nasdaq. NYSE volume rose from Thursday while Nasdaq turnover faded. Within the Dow, Home Depot and Merck led the charge, whereas Walmart and Microsoft lagged.

Small caps staged a surprisingly powerful rally: Russell 2000 jumped 2.8%, and growth focused IBD 50 ETF gained 1.7%. Even so, both remain trapped below their 50-day moving averages—echoing a market that, for now, is strong only in flashes.

But the great question is whether markets have seen a recent bottom or not yet? The bullish trend persists despite current market noise. Although highly anticipated rate cuts may not occur in December, they are expected to take place in due course. Overwhelming majority (80%+) of the S&P 500 companies have beaten their earnings estimates. Sentiment is moving towards bearish extremes as VIX has increased to 20+ values, historically increasing fear has a history of marking market bottoms which gives benefit of doubt to bulls. Clearly there are bearish patterns in play now such as every major average finishing below its 50-day line, and hence discipline is essential. Investors should keep exposure light and avoid opening new positions. Still, defense does not mean dormancy—continue curating watchlists focused on stocks showing strong relative performance and continuous accumulation. From a short-term perspective, further downside cannot be ruled out but we remain bullish long-term while we wait for the right time to increase exposure.

Market Scorecard

Index	Friday Close	Weekly	Monthly	YTD	1-Year
S&P 500	+0.98%	-1.95%	-1.97%	+12.26%	+11.00%
Dow Jones	+1.08%	-1.91%	-1.45%	+8.70%	+5.41%
Nasdaq 100	+0.77%	-3.07%	-3.53%	+15.36%	+16.87%
Nasdaq Composite	+0.88%	-2.74%	-2.97%	+15.34%	+17.40%
Russell 2000	+2.83%	-0.79%	-4.61%	+7.46%	+1.59%

Sector Pulse

Sector	Weekly Change	One-Month Trend
Health Care (XLV)	+1.83%	+6.53%
Materials (XLB)	-0.48%	+3.15%
Industrials (XLI)	-1.57%	-3.39%
Real Estate (XLRE)	-0.12%	-3.42%
Financials (XLF)	-1.49%	-2.01%
Communications (XLC)	+0.51%	-4.07%
Energy (XLE)	-2.83%	+3.15%
Discretionary (XLY)	-2.33%	-4.07%
Utilities (XLU)	-0.69%	-2.71%
Staples (XLP)	+0.83%	-1.75%
Technology (XLK)	-5.19%	-5.25%

Healthcare (XLV) and Staples (XLP) continue to outperform the broader market as major pharma and biotech companies like Eli Lilly (LLY), Johnson and Johnson (J&J), Abbvie (ABBV) continue to attract

capital flowing out of aggressive areas like Technology (XLK) and Discretionary (XLY). Communication sector (XLC), however, was held up due to strength in Google which is continuously outperforming market after recent Warren Buffet's Berkshire Hathaway investment in it. Discretionary continues to underperform as capital is being rotated from aggressive areas and moving to Staples and Healthcare. Real Estate (XLRE) sector was almost flat as capital inflows were balanced with increased possibility of interest rates not being cut by Fed in December which also impacted Financials sector. Energy (XLE) gave back some of its recent gains although still positive for the last one month. Materials (XLB), Industrials (XLI) came down with the broader market selloff while Utilities (XLU) which although is a defensive sector but recently has close sync with AI data centers growth also felt pressure due to wider sell-off in AI tech stocks.

Important Economic events next week:

Not many economic events are scheduled for next week:

Monday (11/24): Zoom (ZM), Atour LifeStyles (ATAT)

Tuesday (11/25): Zscaler (ZS), Burlington Stores (BURL), Urban Outfitters (URBN), Ali Baba (BABA), Analog Devices (ADI), Autodesk (ADSK), Kohl's (KSS), Dick's Sporting Goods (DKS), Dell Technologies (DELL), Best Buy (BBY)

Wednesday (11/26): Deere (DE)

Important Earnings this week:

Shortened trading week due to Thanksgiving holiday in US.

Tuesday, November 25, 2025: Retail Sales (MoM), PPI (MoM) and (YoY), Consumer Confidence (Nov)

Wednesday, November 26, 2025: Durable Goods Orders (Sep), Initial Jobless Claims, Chicago PMI (Nov), PCE Price Index (MoM) and (YoY), Crude Oil Inventories

Long-Term Stock Picks:

Our long-term stocks are those in which we have the conviction that they have strong business fundamentals and enjoy moats in their respective industries; hence the chances of long-term profits are high.

NVDA	<p>Nvidia earnings boost could not last longer as "Buy the rumor, sell the news" acronym fits on recent price action after earnings. If Nvidia holds the lows of Friday at 172.93 then it has a chance to consolidate or move back, otherwise a test of 165 is possible.</p> <p>Technically, Nvidia flashed a sell signal on Thursday and some profits if not taken yet should be made from existing positions. However, Nvidia is a long-term player and is always likely to get investors support at supports but a deeper pullback is also a distinct possibility.</p> <p>On the downside any decisive break below 165 could push the stock further down to 154 level. Nvidia is still a long-term player and enjoys support from investors on every pullback.</p>
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AAPL	Apple was flat last week (-0.34% loss) and continued to outperform broader market as its relative strength line also gained. It is maintaining its recent highs as it consolidates near this level. Apple is still in a buy range at current levels with a stop loss below the 50-day EMA at 258. However, given the current market conditions, any entry should be smaller in size and proper risk management should be deployed.
AVGO	Broadcom regained much of its Thursday losses but still trading below its 50-day EMA line. We still think that this pullback offers a decent entry into this long-term semiconductor stock with a stop loss below 326. However, just like Apple, size should be small with adequate stop loss to avoid sharp pullbacks.
GOOGL	<p>Google continued to show its momentum and increased by 8.41% last week endorsing our decision to upgrade it as a long-term stock.</p> <p>We think Google is a great mega cap company from a long-term point of view and its stock could remain supported on any dips and if we take 5-10 years view, Google remains on top of the list, however, stock seems to be a bit extended at these levels. Any pullback/test of rising 20-day EMA will be an entry for Alphabet. Meanwhile, some profits should be secured if profits are above 15-20% threshold.</p>

Interesting new picks:

Because of current market conditions, it is wise to be careful when selecting new stocks.

BABA: Alibaba started a nice run when the company reported results for the end of July quarter on August 29. AI-related revenue continued to grow in triple digits and cloud computing unit growth also accelerated. Keep an eye on its post results price action for a suitable entry.

Medium- and Short-Term Picks:

VLO	This position was selected for swing traders only. Unfortunately, current market environment is not very conducive for Swing Trading and hence this position is also closed.
AMZN	Amazon lost another 6% last week and flashed a sell signal. Existing positions should be closed if it falls below 210. Given the present market situation, making new investments is discouraged at this time.
XPO	XPO found support at its 50-week EMA line and performed better than overall market. Although we expect it to come out of current consolidation but now new entries for the time being in this stock.
FTI	TechnipFMC gained another 1.15% last week, justifying its selection four weeks ago. It is now out of the buy zone, and some profits should be made when it reaches 15-20% range.

IBM	<p>IBM remained strong during a down week but still lost 2.7% with the broader market. IBM is positioned as an IT/AI leader that is well positioned to benefit from several tailwinds, including enterprise AI adoption, and Quantum differentiation etc.</p> <p>Given IBM's last two years' performance, it could be given even wider stoploss amid market enthusiasm behind its recent move. A fresh entry is also possible at current prices although reduced position size is</p>
ZS	<p>Our decision to close ZS last week was prudent as it lost another 8.16% last week. No new entries till the situation improves.</p>
WDC	<p>WDC lost 11.74% last week and flashed a sell signal on Thursday. It was suggested last week that it was due for a pullback, and some profits should have been made.</p> <p>Given the current market conditions, no new entries now but we will continue to monitor the stock performance for a new buy signal.</p>
ATAT	<p>ATAT suffered a breakdown on Tuesday and flashed a sell signal. Any further pullback below the 20-week EMA will be an exit signal. ATAT results are due on Tuesday before open. Keep an eye on its results as post earning price action could also provide an opportunity in this Chinese Hotel chain operator.</p>
AMD	<p>It was mentioned last week that AMD was due for a breather, and some profits should be secured. This came true as AMD lost 17.43% last week and flashed a sell signal at 230 level. We think that exposure should be reduced as AMD is likely to consolidate at these levels and break the 200 level before making another move higher.</p>
PWR	<p>Quanta Services was flat last week. As mentioned earlier, this pullback to its 50-day EMA is an opportunity and provides a fresh entry with stop loss below 400.</p>
GEV	<p>GEV lost 3.89% last week as it continued to find support at current levels. Any close above 600 will signal strength and a possible new entry in the stock. Till then no new entry.</p>
FIX	<p>Comfort Systems lost 1.71% last week as it came down from recent highs. The 10-week support holds despite AI volatility. If some profits are not made yet, then position size should be reduced to secure some profits while letting the rest run. No new entries as the stock is extended currently.</p>
MU	<p>MU flashed a sell signal on Thursday, and accordingly profitable positions should have been closed to protect capital. MU will remain in our watchlist for future entries.</p>
TSLA	<p>Tesla is at an interesting level. Multiple attempts after the breach of 50-day EMA line last week failed and a test of prior support from 360-382 level is on cards. No fresh entries now.</p>

MPLX	MPLX gained another 1.6% this week as it reached another new high. This pipeline operator has increased its dividend yield recently and still offers 7.97% yield at current prices. Ideal for dividend seekers although seem a bit extended at current prices.
GLDM	<p>Besides a broader market sell-off, gold held on to its recent gains and remained strong besides a 0.46% weekly loss. We think gold rally is still not over yet and if it holds its 50-day rising EMA line then an incremental entry is possible at current prices with stop loss below 359.</p> <p>Long term indicators still fully support a continuation of the trend in gold.</p>

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