

Weekly Market Commentary



Calling The Top? Two Contrarian Chart About Last Week's Sell-Off

By Michael Crook, CAIA, Chief Investment Officer

Equity markets took a breather last week against the backdrop of an above-average year. The sell-off was mainly concentrated in US growth and technology stocks, which includes AI-exposed firms like NVIDIA, Microsoft, and Alphabet. Media coverage, in our opinion (e.g. "[Dow plunges 613 points as AI bubble fears explode](#)"), was overblown:

1. Last week's declines were completely *normal* in a statistical sense. Growth and technology stocks, which are more volatile than the broader equity market, experience frequent 5-10% declines (Fig. 1).
2. Last week's decline was not significant enough to signal the start of a long-term bear market. If certain technical indicators, like the 10-month moving average, are breached we would be much more cautious (Fig. 2).

Why does this matter for investors?

We are entering a complicated period for investors, who must balance late-cycle high equity valuations with early-cycle stimulative monetary and fiscal policy. Risks worth watching include higher bond yields, a hawkish Fed, and concrete messaging from the Magnificent 7 that AI revenue targets will not be achieved. Until then, we remain comfortable with a modest pro-growth tilt, with the continued awareness that we're closer to the end of the cycle than the beginning.

Fig. 1: Peak-to-trough drawdowns for the Nasdaq Index



Source: Bloomberg, Mill Creek. As of November 21, 2025.

Fig. 2: The decline hasn't been substantial enough to indicate a market top



Source: Bloomberg, Mill Creek. As of November 21, 2025.

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