GUGGENHEIM INVESTMENTS

Weekly Viewpoint

Nov. 9, 2026

Tech Stocks Stumble as Election Jitters Rattle the Markets

Performance for Week Ending 11.6.2026

The Dow Jones Industrial Average (Dow) lost 0.9 percent, the Standard & Poor's 500 Index (S&P 500) fell 2.7 percent, and the Nasdaq Composite Index (Nasdaq) shed 3.4 percent for the week ending Nov. 6. Sector breadth was mixed, with five of the S&P sector groups closing higher and six closing lower. The consumer discretionary sector (2.7 percent) was the strongest performer while the energy sector (-11.9 percent) was the weakest.

Index*	Closing Price 11.6.2026	Percentage Change for Week Ending 11.6.2026	Year-to-Date Percentage Change Through 11.6.2026
Dow	51285.73	-0.9%	+6.7%
S&P 500	7376.86	-2.7%	+7.8%
Nasdaq	24579.42	-3.4%	+5.8%

Market Observations: 11.2.2026–11.6.2026

The S&P 500 finished lower for a fourth straight week and has now retreated 5.7 percent from its all-time high reached on Oct. 6. The tech-heavy Nasdaq Composite has fared even worse, falling 10.9 percent from its all-time high and meeting the technical definition of a correction. Driving the weakness has been worries over the AI buildout and when companies will begin showing profits on the billions of dollars they have already spent to build the required infrastructure. The outcome to the midterm elections exacerbated these worries as the slowing of the buildout of data centers, the backbone of AI infrastructure, was a major focus in many areas of the country. States with major planned capacity, including Texas, Georgia, and Ohio, elected governors who campaigned on placing moratoriums on new data centers builds. Suppliers to data centers and AI infrastructure stocks came under significant pressure due to worries over how a potential slowdown will impact earnings growth.

While Democrats fared well in the election, they still lack a large enough majority to overturn veto power from the executive branch. However, history shows that midterm elections have a solid track record of being a pivot point to better market performance in the 12 months that follow the election: going back to 1938 every 12 month period

after the election delivered positive performance, with an average annualized gain of 14.8 percent. Away from the political uncertainty, the fundamental driver of stock prices—earnings growth—is expected to remain supportive in the quarters ahead.

Fed Speak: Cleveland Federal Reserve (Fed) President Hammack said interest rates need to be restrictive to bring inflation to the central bank's target, adding that more frequent moves can reduce the risk that policy falls behind. Hammack was one of two Fed officials who dissented at the recent Fed meeting when policymakers voted to hold the benchmark rate steady on the heels of strong inflation data. Other Fed officials speaking since the meeting have also advocated for a gradual pace of tightening to limit the effects on financial markets and the economy. In a separate meeting, New York Fed President Williams endorsed the U.S. central bank's statement saying that this is the time to collect information on the risks to prices. Speaking at an event at the European Central Bank in Frankfurt, he said that inflation is "absolutely too high," though other indicators so far aren't signaling concern. Monetary policy "does have a critical role in making sure that these relative price shocks don't translate into broader or more persistent inflation," Williams said. "Inflation expectations remain well anchored. We're seeing wage growth be consistent with our 2 percent goal. Our Federal Open Market Committee statement last meeting, I think, captures correctly that this is an appropriate time to accumulate more information to help us determine what the appropriate stance of policy is to make sure we achieve a timely return to our 2 percent target."

Q3 Earnings: Through Friday Nov. 6, 440 companies in the S&P 500 have released third quarter results, with over 83 percent beating expectations. Aggregate earnings for this group are up 27 percent from a year ago, and modestly ahead of the roughly 25 percent projected growth rate at the end of September. On the sector level, nine of the 11 S&P sector groups have posted better than expected results, with healthcare and utilities posting the biggest upside surprises. In terms of year-over-year growth, energy delivered the biggest gain followed by technology and industrials. According to Bloomberg, all 11 of the S&P sector groups are expected to report year-over-year growth, with seven of these forecast to deliver double-digit gains. Full-year expectations call for S&P 500 earnings to grow by 29.9 percent this year, followed by 20.3 percent in 2027, and 16.6 percent in 2028.

Economic Roundup: The Institute for Supply Management's (ISM) manufacturing index rose 1 point to 55.5 in October, above consensus expectations. The underlying composition of the index was mixed to strong, as the forward looking new orders and production components increased, while the employment component edged lower. According to the accompanying press release, survey respondents in the machinery industry characterized business conditions as "strong" thanks to the boost from the AI buildout and defense spending. Meanwhile, the ISM services index fell to a reading of 54.5 in October from 54.9 in September, compared with expectations for a smaller decrease to a reading of 54.8, indicating a slower pace of expansion. The data also showed decreases in the readings for business activity/production, new orders, inventories, and prices, but the employment reading increased. In a separate report, S&P reported that its Global Services Purchasing Managers Index (PMI) slipped to 56.1 from a previous reading of 58.8. While a PMI reading above 50 continues to indicate expansion in activity, the decline suggests some moderation in the growth momentum of the U.S. services industry. On the labor front, initial jobless claims declined by 6,000 to 189,000 in the week ended Oct. 31, below the consensus estimate of 196,000 as claims remained well below the 228,000 reading a year earlier. On Friday, the Labor Department reported that October nonfarm payrolls expanded by 165,000, more than double expectations, while the unemployment rate dipped to 4.1 percent from 4.2 percent. Overall, the payroll and claims data signaled that the labor markets remain stable.

The Week Ahead: Inflation data will take center stage this week, with the October Consumer Price Index released on Tuesday and the Producer Price Index on Friday. Aside from economic data, there is plenty of Fed commentary throughout the week with nineteen different speeches scattered throughout the week. Bond markets will be closed on Wednesday in observance of Veterans' Day. Turning to geopolitics, U.S.-mediated talks between Russia and Ukraine are expected for Tuesday and Wednesday. Rounding out with corporate earnings, it will be a much quieter week as almost 90 percent of the S&P 500 members have already reported. Amongst the highlights will be Cisco, Applied Materials, CoreWeave, and Cerebras.

Definitions

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

Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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 Feb. 5, 1971.

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