# Weekly Investment Insights

16 November 2026

## Key Market Highlights

- United States (US) equities recovered from the prior week's selloff, with the S&P 500 rebounding 2.51% last week as investor sentiment improved after several artificial intelligence (AI)-related companies reported improved outlooks.
- A leading AI chipmaker, however, shed approximately 12.8% last week, its worst weekly loss since April 2025, after its board ousted its founder-CEO following revelations of extramarital affairs.
- The Stoxx Europe 600 Index hit a fresh all-time high last Thursday, supported by the region's lower exposure to technology stocks as investors trimmed AI-related investments by rotating into healthcare and consumer names.
- Brent crude oil prices dipped to a weekly low of USD 89.16 per barrel last Tuesday as ceasefire optimism in the Middle East eased supply risk concerns, before recovering to close at USD 95.84 per barrel by Friday after President Donald Trump commented that the US does not need a deal with Iran, reviving fears of prolonged supply disruption.

## Topics of the Week:

### Select Magnificent Seven Companies

- Recent investor focus has centered on free cash flow (FCF) generation and the sustainability of AI-related capital expenditure (capex), weighing on the valuations of certain US mega-cap technology companies.
- Investors expect 2027 to mark the FCF trough for US mega-cap technology companies as AI capex peaks, with resilient core businesses supporting the longer-term outlook.
- However, the balance sheets of these companies remain healthy, while market-implied default risk remains within historical norms.
- More discipline around AI capex spending could help restore investor sentiment, serving as a potential re-rating catalyst.
- That said, selectivity remains important, as valuations and core business strength vary widely amongst these companies.
- **Key Takeaway:** Recent share price weakness due to near-term FCF headwinds and AI capex concerns have created opportunities to selectively accumulate high-quality US mega-cap technology businesses at more reasonable valuations, with resilient core businesses and healthy balance sheets supporting the longer-term outlook.

### Fixed Income as a Portfolio Anchor

- The stronger-than-expected US inflation report and policy tightening hints from Federal Reserve (Fed) officials prompted investors to price in three additional rate hikes, one more than at the start of last week.

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- However, declining crude oil and distillate prices could help moderate future price pressures.
- Over the past month, broader concerns over AI stocks provided a reprieve for US Treasury bonds, with 10-year yields declining from a peak of 5.36% to a low of 4.81%, as risk-off sentiment drove demand for safe-haven assets.
- That said, US Treasuries have since come under renewed selling pressure due to higher-than-expected inflation, with 10-year yields rebounding to 5.17% last Friday.
- Investment Grade (IG) bond yields have generally tracked the volatile moves in US Treasury yields, and remain close to multi-year highs.
- **Key Takeaway:** Despite concerns around inflation and potential Fed rate hikes, IG bond yields hovering near multi-year highs present an attractive entry point for long-term investors to lock in income and anchor portfolio resilience.

## Investment Strategy

- Stay invested and use periods of market weakness to gradually accumulate high-quality assets, with an emphasis on selectivity and enhancing portfolio resilience.
- Within equities, we favour healthcare, select Magnificent Seven companies, high-quality market leaders, large banks and quality dividend stocks.
- Within AI, we prefer companies that can translate AI investments and adoption into sustainable earnings and cash-flow growth, rather than relying solely on continued infrastructure spending.
- Long-short equity strategies may also help diversify portfolios by reducing sensitivity to broad market movements.
- High-quality IG bonds with an average duration of four to five years remain an attractive portfolio anchor, offering income and greater downside resilience while equity volatility remains elevated.

## Asset Class Performance

| Equities | Current | Performance (%) | | | |
|---|---|---|---|---|---|
| | | 1 Week | 1 Month | 3 Months | Year-To-Date |
| S&P 500 (USD) | 7561.67 | 2.51 | -2.04 | -2.88 | 10.46 |
| Dow Jones (USD) | 52347.55 | 2.07 | 1.41 | -2.58 | 8.91 |
| NASDAQ 100 (USD) | 27943.74 | 3.53 | -6.70 | -7.00 | 10.67 |
| FTSE 100 (GBP) | 10902.56 | 2.14 | 1.66 | 1.42 | 9.78 |
| S&P/ASX 200 (AUD) | 9082.25 | 0.68 | 4.06 | -0.36 | 4.22 |
| DAX (EUR) | 26749.95 | 3.60 | 5.74 | 1.17 | 9.23 |
| Swiss Market Index (CHF) | 15106.12 | 2.09 | 6.91 | 4.97 | 13.86 |
| HSCEI Index (HKD) | 7937.53 | -4.07 | -3.00 | -4.84 | -10.95 |
| Hang Seng Index (HKD) | 23637.6 | -3.45 | -2.78 | -5.89 | -7.78 |
| Nikkei 225 (JPY) | 61142.35 | 6.46 | -9.75 | -11.02 | 21.46 |
| **Commodities & Currencies** | **Current** | **1 Week** | **1 Month** | **3 Months** | **Year-To-Date** |
| Brent Crude (USD) | 95.84 | -2.52 | -7.31 | 15.97 | 59.12 |
| Gold (USD) | 3884.49 | -4.58 | -5.38 | -11.24 | -10.07 |
| EURUSD | 1.1023 | -1.08 | -1.20 | -4.73 | -6.16 |
| GBPUSD | 1.3214 | -1.03 | 0.16 | -2.39 | -1.94 |
| USDJPY | 159.71 | 0.78 | 0.87 | 0.24 | 1.91 |
| **Bonds** | **Current (%)** | **Basis points Change** | | | |
| | | **1 Week** | **1 Month** | **3 Months** | **Year-To-Date** |
| US 10-year Treasury yield | 5.135 | 0.278 | -0.050 | 0.443 | 0.968 |
| German 10-year Bund yield | 3.377 | 0.123 | -0.089 | 0.173 | 0.522 |
| UK 10-year Gilts yield | 5.335 | 0.181 | -0.089 | 0.298 | 0.856 |
| Japan 10-year bond yield | 2.871 | 0.217 | -0.131 | -0.021 | 0.805 |

1 week for the period 06-Nov-2026 to 13-Nov-2026
1 month for the period 14-Oct-2026 to 13-Nov-2026
3 months for the period 14-Aug-2026 to 13-Nov-2026
Year-to-date for the period 31-Dec-2025 to 13-Nov-2026
*Source: Bloomberg (last update: Sat, 14 November 2026 8:23 PM SGT)*

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