Weekly Investment Insights

23 November 2026

Key Market Highlights

- The MSCI All Country World Index fell for seven consecutive days as of 20 November 2026, its longest losing streak since September 2023, amid continued concerns over artificial intelligence (AI) monetisation, new United States (US) restrictions on advanced semiconductor chip sales, and the prospect of higher interest rates.
- The October Federal Open Market Committee (FOMC) minutes showed broad support for further interest rate hikes. Recent public comments from Federal Reserve (Fed) officials reinforced expectations of further policy tightening, with some even warning that delayed action could necessitate larger rate hikes if inflation remains elevated.
- Market pricing reveals that investors expect a 25 basis points (bps) Fed rate hike in December.
- Meanwhile, the third bilateral meeting of 2026 between US President Trump and Chinese President Xi struck a constructive tone, supporting near-term stability in US-China relations, although no concreate breakthroughs were reached on trade or technology issues.

Topics of the Week:

AI's next phase puts the investment cycle to the test

- New United States (US) restrictions on advanced semiconductor exports to five countries have added regulatory and supply-chain uncertainty.
- Stronger-than-expected earnings and upbeat revenue guidance from a leading AI chipmaker reaffirmed resilient AI demand, but uncertainty over the company's leadership, potentially greater discipline in future infrastructure investment and suspended chip shipments to China tempered optimism.
- A record-breaking initial public offering (IPO) by a major AI developer, priced above its marketed range, failed to lift broader market sentiment.
- Notably, these positive catalysts have not restored investor confidence, with stretched valuations, uncertainty over investment returns and greater regulatory scrutiny weighing on broader AI sentiment.
- Robust graphics processing unit (GPU) rental prices and continued data-centre investment signal sustained demand for AI computing capacity, but policy and regulatory scrutiny of early-stage US infrastructure projects could constrain the pace of AI spending.
- Meanwhile, a series of unrelated technology outages, with no evidence of coordinated cyberattacks, added to existing market anxiety and scrutiny of technology reliability and operational resilience.
- Rapid AI adoption and infrastructure investment supports the industry's structural growth, but strong demand alone does not guarantee attractive investment returns.
    - While declining costs of AI model usage improve affordability and support adoption, it remains to be seen if AI usage can increase at a pace that offsets falling token prices.
    - Price-to-Earnings (P/E) ratios have moderated, but stock valuations relative to free-cash-flow remain elevated, reflecting the substantial investment required to sustain AI growth.

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- The key test is whether rising capital expenditure can translate into sufficient revenue growth, stronger profitability and sustainable free cash flow.

Diversification matters as scrutiny of AI stocks intensifies

- While recent market weakness has broadened beyond AI-related stocks, healthcare and dividend-paying stocks have demonstrated relative resilience since early October.
- Recent technology disruptions further highlight the risks of excessive reliance on an increasingly interconnected technology ecosystem.
- The correction does not mean AI has lost its long-term investment potential, but we continue to favour quality market leaders with strong competitive positions and sustainable earnings.
- Maintaining exposure across different sectors and sources of returns remains important, rather than relying excessively on a narrow group of AI-related stocks.

Investment Strategy

- Review and rebalance investment portfolios to avoid an over-concentration in companies reliant on the AI infrastructure build-out.
- Stay invested and diversified, maintaining exposure to different sources of returns rather than reacting to short-term volatility or concentrating excessively on a narrow group of market leaders.
- Within equities, retain selective exposure to structural AI growth, favouring select Magnificent Seven companies and quality market leaders with strong competitive positions, sustainable cash flows and clear monetisation pathways.
- Maintain a preference for financials, particularly large, well-capitalised banks with diversified revenue streams, strong balance sheets and the capacity to absorb potential credit losses.
- Complement growth-oriented holdings with healthcare and quality dividend stocks, which offer relatively predictable earnings and recurring income.
- Within fixed income, favour investment grade bonds with an average duration of four to five years for their stronger credit quality and attractive income.

Asset Class Performance

Equities	Current	Performance (%)			
		1 Week	1 Month	3 Months	Year-To-Date
S&P 500 (USD)	6910.39	-8.61	-10.92	-9.95	0.95
Dow Jones (USD)	48147.33	-8.02	-8.91	-9.63	0.17
NASDAQ 100 (USD)	25028.98	-10.43	-16.07	-14.60	-0.87
FTSE 100 (GBP)	10346.34	-5.10	-3.78	-4.35	4.18
S&P/ASX 200 (AUD)	8592.647	-5.39	-2.70	-5.15	-1.40
DAX (EUR)	24802.78	-7.28	-3.28	-5.10	1.28
Swiss Market Index (CHF)	14572.14	-3.53	0.14	0.80	9.83
HSCEI Index (HKD)	7554.37	-4.83	-4.90	-12.51	-15.25
Hang Seng Index (HKD)	22410.8	-5.19	-5.25	-13.84	-12.56
Nikkei 225 (JPY)	56436.65	-7.70	-12.67	-14.51	12.11
Commodities & Currencies	**Current**	**1 Week**	**1 Month**	**3 Months**	**Year-To-Date**
Brent Crude (USD)	92.57	-3.41	-11.90	5.59	53.69
Gold (USD)	3538.49	-8.91	-14.54	-23.13	-18.08
EURUSD	1.0968	-0.50	-2.35	-6.09	-6.62
GBPUSD	1.3084	-0.98	-2.31	-4.10	-2.90
USDJPY	158.57	-0.71	0.27	-0.24	1.19
Bonds	Current (%)	Basis points Change			
		1 Week	1 Month	3 Months	Year-To-Date
US 10-year Treasury yield	4.944	-0.191	-0.175	0.210	0.777
German 10-year Bund yield	3.304	-0.073	-0.117	0.046	0.449
UK 10-year Gilts yield	5.238	-0.097	-0.140	0.178	0.759
Japan 10-year bond yield	2.800	-0.071	-0.082	-0.088	0.734

1 week for the period 13-Nov-2026 to 20-Nov-2026
1 month for the period 21-Oct-2026 to 20-Nov-2026
3 months for the period 21-Aug-2026 to 20-Nov-2026
Year-to-date for the period 31-Dec-2025 to 20-Nov-2026
Source: Bloomberg (last update: Sat, 21 November 2026 9:31 AM SGT)

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