FSI Snapshot November 9, 2025

Stocks Turn Negative to Start November

Hardika Singh

ECONOMIC STRATEGIST, MARKET INTELLIGENCE

Investors' unwavering exuberance for stocks over the past three straight weeks **showed signs of cooling down this week**.

The S&P 500 declined 1.6%, with **four out of 11 sectors finishing in the red**. The Nasdaq Composite lost 3%, wrapping up its worst week since April.

But the **S&P 500 remains 2.4% off its all-time highs**, while the Nasdaq is 4% away, even as the economy gears up for day 40 of the longest-ever shutdown in history.

"It's a testament to the stock market that we have this shutdown, and **we've been pretty resilient**," Fundstrat Head of Technical Strategy Mark Newton said during our weekly huddle. "When that's resolved, **we will have some money that will be thrown in a lot** of different areas that will be helpful."

The **declines were primarily led by shares of highflying tech stocks** coming back down to earth. Palantir's performance was perhaps the most notable, with its shares sliding 7.9% a day after its earnings on Monday showed that **revenue climbed to another record**, and it even has robust commercial contracts.

But its **extremely expensive valuations have drawn skepticism from investors**. Among the most prominent of the skeptics was Michael Burry, the investor of the book and movie "The Big Short," who disclosed that he is **betting on Palantir's declines**, likely fueling even more declines.

Burry's far from the only one cautious about this rally. Goldman Sachs Chief Executive David Solomon and Morgan Stanley Chief Executive Ted Pick said they **expect drawdowns of more than 10% in the next year**. That may have also contributed to spooking investors, as it just validated their fears that AI enthusiasm might be a bubble.

Even with the recent declines, Head of Research Tom Lee expects that **November will be an up month for stocks**, especially once investors are **done climbing this wall of worry** that includes everything from the government shutdown to the result of the New York City mayoral race and private credit stress.

"Keep in mind that worries, especially walls of worries, **eventually get resolved, and then they become tailwinds**," Lee said.

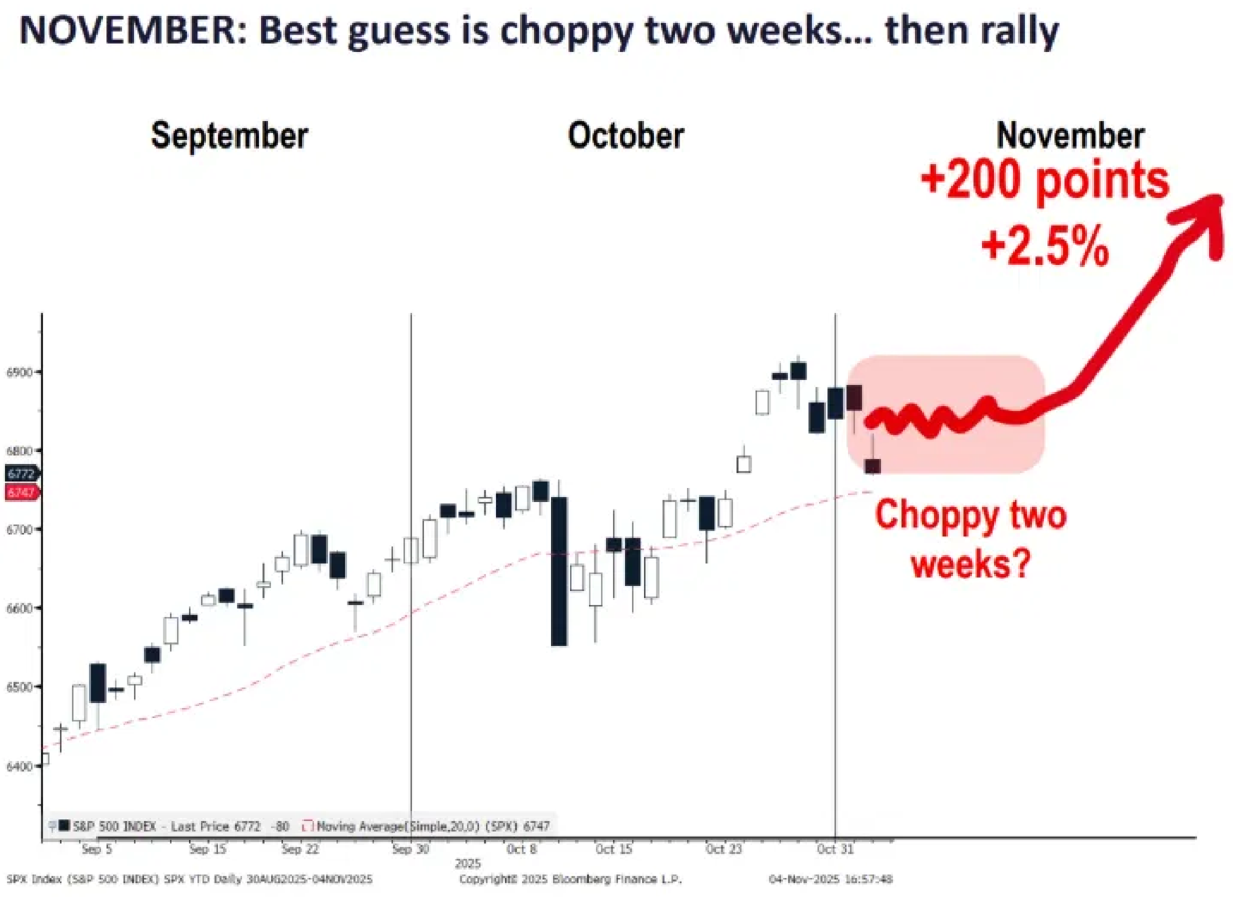
He expects that there will be **a couple choppy weeks in the beginning** but then a rally later in the month.

He likes that **third-quarter earnings show that margins are expanding** for seven out of 11 sectors, a welcome surprise for those who had thought that margins would collapse by this quarter because of tariffs.

He also said this week that the **AI supercycle remains alive and well**.

Newton's in agreement with Lee there. "For those worried about a larger correction, you need to see evidence of that in stocks like Nvidia, Apple, Alphabet, and Tesla, and **they all still look very, very good,**" he said. "So **it's tough to make too bearish a case**."

Chart of the Week

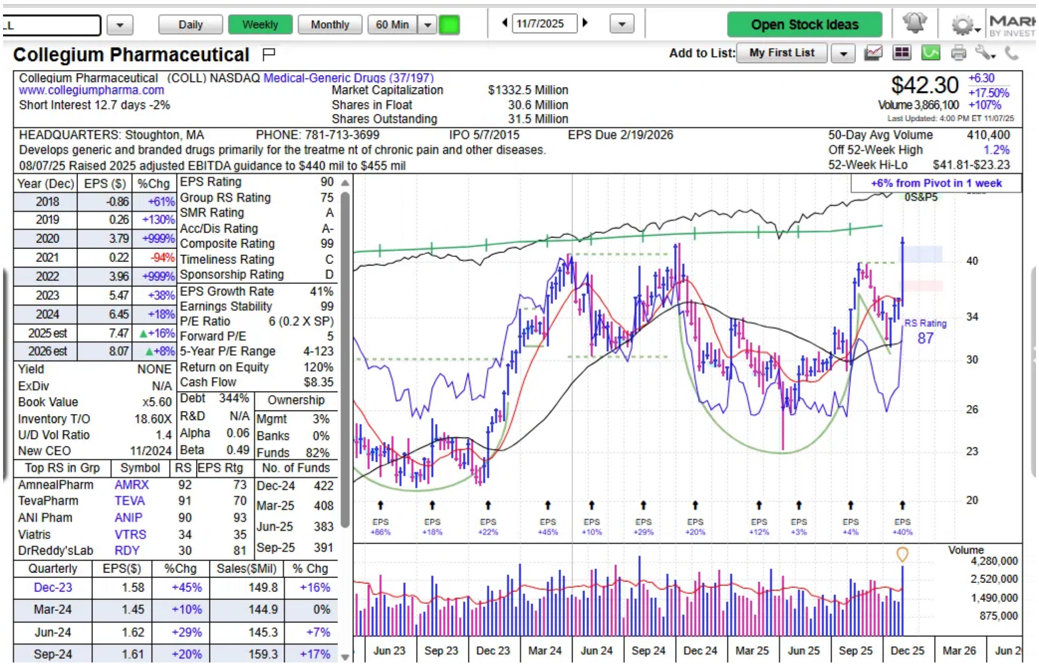


"In our view, equities will be up this month," Fundstrat Head of Research Tom Lee said. "How many times in the last 100 years, has the market been up six months in a row through October? It's been six times. And if you look at November, only 1942 was flat, so every other month was positive. I'd say the odds are good." The median gain in those six cases was 2.5%. That's why Lee thinks that in November, the S&P 500 is likely to go up another 200 points.

Recent ⚡ Flash *Insights*

Mark L. Newton, CMT AC
Head of Technical Strategy

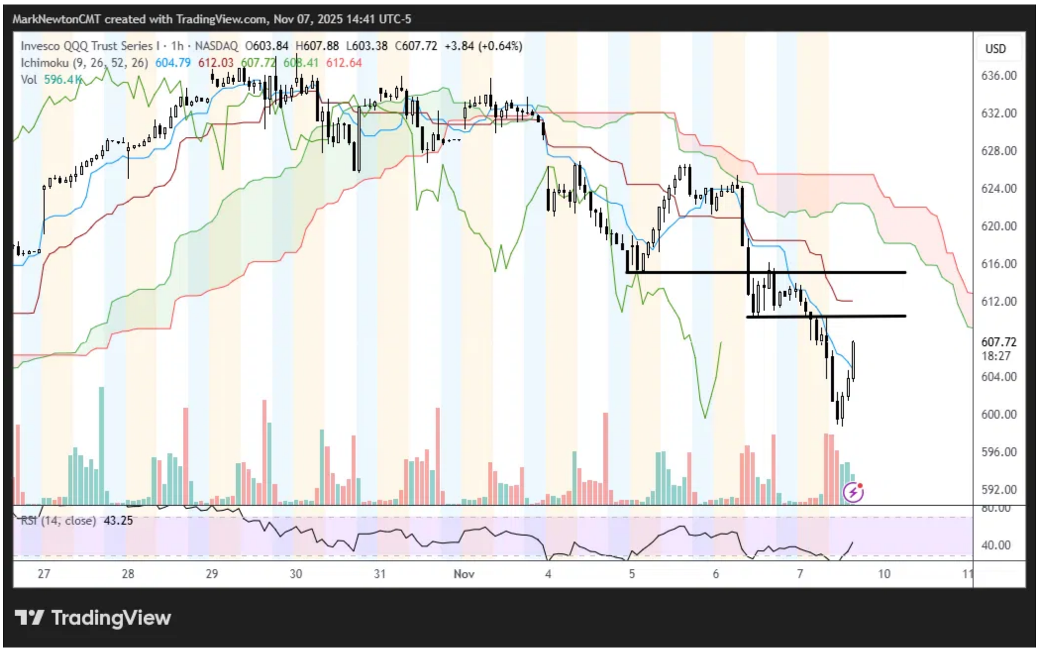
In combing through various Healthcare and Energy charts (given the recent strength) i stumbled across Collegium Pharmaceuticals (COLL ▲4.03%) (Generic Drugs) which is found on William O'Neill's screen in MarketSurge software (of Investors Business daily fame) COLL popped this week out of a tight Cup and Handle pattern this week formed back in early 2024 and one to certainly keep an eye on going forward. I expect any minor consolidation should be attractive to buy dips in this, and expect a push up to the mid-$50's into year end possibly. Note this giant Cup and Handle pattern actually sits on a base from 2017 (not shown) and is quite attractive technically, specifically following this week's high volume breakout



[Nov 7 • 5:07 PM]()

Mark L. Newton, CMT AC
[Head of Technical Strategy]()

With about 75 min til the bell, this three-hour bounce will need to do a bit more to be convincing of a market bottom, but it's easier to support that view structurally in QQQ than in ^SPX based on intra-day charts. Regardless if Monday brings about a retest, or if prices regain the prior areas that were broken, a trading low looks near. Key areas for QQQ lie at 610 initially, then 615, while SPX has resistance at 6707 and then 6716. These levels lie near prior swing lows, so the ability to climb back above will provide much needed proof that a bottoming process is underway. Specifically for QQQ a strong rally into the close would help Technology (I posted XLK chart last night) hold the prior support of its larger trendline and would be more convincing. Bottom line, i don't like trying to call bottoms in a sharp decline until proof of prior lows being recouped. I suspect we'll have our answer early next week. (Chart shown below is the 60-min QQQ ▼-0.17% chart)



Nov 7 • 2:56 PM

Mark L. Newton, CMT AC
Head of Technical Strategy

As seen with QQQ, there are two separate areas of Support directly below, but even on a mild bounce into end of day (which i increasingly feel could happen) QQQ would need to get back above 610 to change the wave structure and i do not suspect this occurs. The key support for QQQ based on DeMark indicators looks to materialize between 590-595 & for daily exhaustion (TD Buy Setup) this would require another three trading days (SPY actually shows two more required) So given this volatility and huge high-to-low range from yesterday and now today, this normally requires some stabilization as short-term trends have turned down sharply. I anticipate this can happen next week. However, as discussed, in absence of Govt shutdown progress today, i would be skeptical that markets reverse right away and this might take another couple days. In the bigger scheme of things, however, this is a good risk/reward in my view for now into end of year to buy dips.

[Nov 7 • 12:37 PM]

FS Insight Video: Weekly Highlight

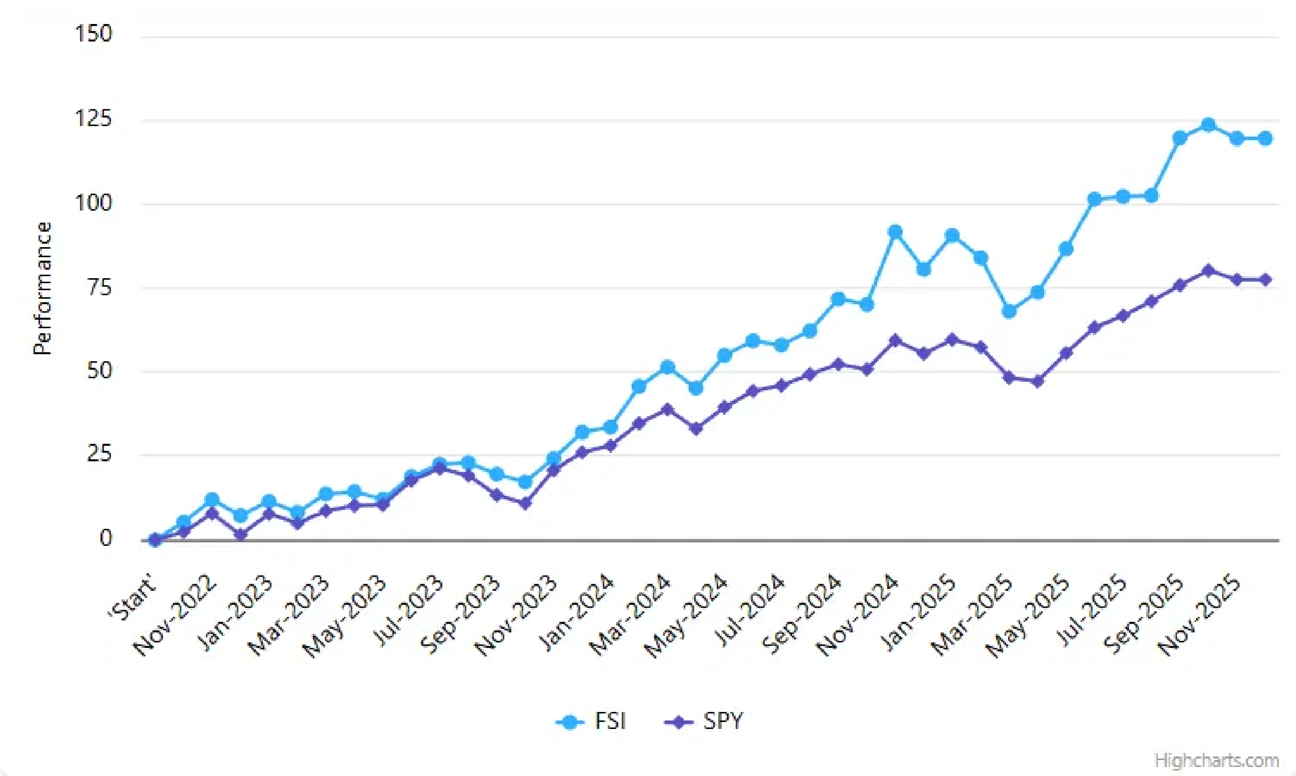
Key incoming data

- ~~11/3 9:45 AM ET: Oct F S&P Global Manufacturing PMI~~ **Tame**
- ~~11/3 10:00 AM ET: Oct ISM Manufacturing PMI~~ **Tame**
- ~~11/4 8:30 AM ET: Sep Trade Balance~~ **Delayed due to Shutdown**
- ~~11/4 10:00 AM ET: Sep F Durable Goods Orders MoM~~ **Delayed due to Shutdown**
- ~~11/4 10:00 AM ET: Sep JOLTS Job Openings~~ **Delayed due to Shutdown**
- ~~11/5 9:45 AM ET: Oct F S&P Global Services PMI~~ **Tame**
- ~~11/5 10:00 AM ET: Oct ISM Services PMI~~ **Tame**
- ~~11/6 8:30 AM ET: 3Q P Unit Labor Costs~~ **Delayed due to Shutdown**
- ~~11/6 8:30 AM ET: 3Q P Nonfarm Productivity QoQ~~ **Delayed due to Shutdown**
- ~~11/7 8:30 AM ET: Oct Non-farm Payrolls~~ **Delayed due to Shutdown**
- ~~11/7 9:00 AM ET: Oct F Manheim Used Vehicle Index~~ **Tame**

- ~~11/7 10:00 AM ET: Nov P U. Mich. 1yr Inf Exp~~ **Tame**
- ~~11/7 11:00 AM ET: Oct NYFed 1yr Inf Exp~~ **Tame**
- 11/11 6:00 AM ET: Oct Small Business Optimism Survey
- 11/13 8:30 AM ET: Oct Core CPI MoM
- 11/14 8:30 AM ET: Oct Core PPI MoM
- 11/14 8:30 AM ET: Oct Retail Sales

Stock List Performance

Upticks vs SPY (Inception to Date)



Performance period: October 5, 2022 through November 07, 2025

In the News

Margins are improving despite tariffs, says Fundstrat's Tom Lee

Oct 31, 2025

CNBC

I think you're going to see a crypto rally into year end, says Fundstrat's Tom Lee

Oct 24, 2025

Tom Lee: Private credit concerns don't change market's long list of tailwinds

Oct 17, 2025

Start Your 30-Day Free Trial Now! More News Appearances

Disclosures

This research is for the clients of FS Insight only. FSI Subscription entitles the subscriber to 1 user, research cannot be shared or redistributed. For additional information, please contact your sales representative or FS Insight at fsinsight.com.

Conflicts of Interest

This research contains the views, opinions and recommendations of FS Insight. At the time of publication of this report, FS Insight does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

FS Insight is an independent research company and is not a registered investment advisor and is not acting as a broker dealer under any federal or state securities laws.

FS Insight is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of FS Insight (i.e. Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by FS Insight clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of FS Insight, which is available to select institutional clients that have engaged FS Insight.

As registered representatives of IRC Securities our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

FS Insight does not have the same conflicts that traditional sell-side research organizations have because FS Insight (1) does not conduct any investment banking activities, and (2) does not manage any investment funds.

This communication is issued by FS Insight and/or affiliates of FS Insight. This is not a personal recommendation, nor an offer to buy or sell nor a solicitation to buy or sell any securities, investment products or other financial instruments or services. This material is distributed for general informational and educational purposes only and is not intended to constitute legal, tax, accounting or investment advice. The statements in this document shall not be considered as an objective or independent explanation of the matters. Please note that this document (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject