

Stocks Seek Backstop During "November Chop"

Stocks are in the midst of the "November chop" that Fundstrat Head of Research Tom Lee had anticipated as a possibility at the beginning of the month. Some of this choppiness is arguably the result of various news stories perpetuating worries about a possible AI bubble.

Across Fundstrat, there is a fairly consistent view on the matter. Is there an AI bubble? Here's how Fundstrat Head of Data Science Ken Xuan responded at our weekly research huddle: "I don't think so." He posted a rhetorical question to frame his argument: "Over the past few years, how many times have we heard this kind of bubble talk, this chatter about bubbles?" In his view, it's been "too many." Xuan added, "our base case about AI hasn't really changed, and neither have our views on its likely impact on the economy and the labor force."

Head of Technical Strategy Mark Newton has a similar view. "I don't really agree with the bubble narrative," he chimed in. From a long-term perspective, "trends are intact."

It wasn't just speculation about an AI bubble that weighed on investors' minds, however. Fundstrat Head of Research Tom Lee sees a wall of worries contributing to recent market choppiness. All of this has caused AAI sentiment to plunge, falling to one of the lowest levels of the year – net bears of -17.5. From a contrarian perspective, this is arguably a positive signal. As Lee recalled, "the last time readings were this bad, it was actually a decent entry point."

Although the recent choppiness has not caused Newton to panic, continued breadth deterioration continues to concern him. "The market has some work to do in broadening out the percentage of stocks within 20% of 12-month highs," he said, pointing out that this number has been rolling over in the last few months. "I think it is important that we start to regain this very quickly if we hope to have this big rally in December."



Nevertheless, Lee sees the likelihood of active-fund managers boosting the market as they try to make up for their YTD underperformance, with only about 20% of active fund managers beating their benchmarks as of Sept. 30. (Our Chart of the Week below illustrates this point more clearly.)

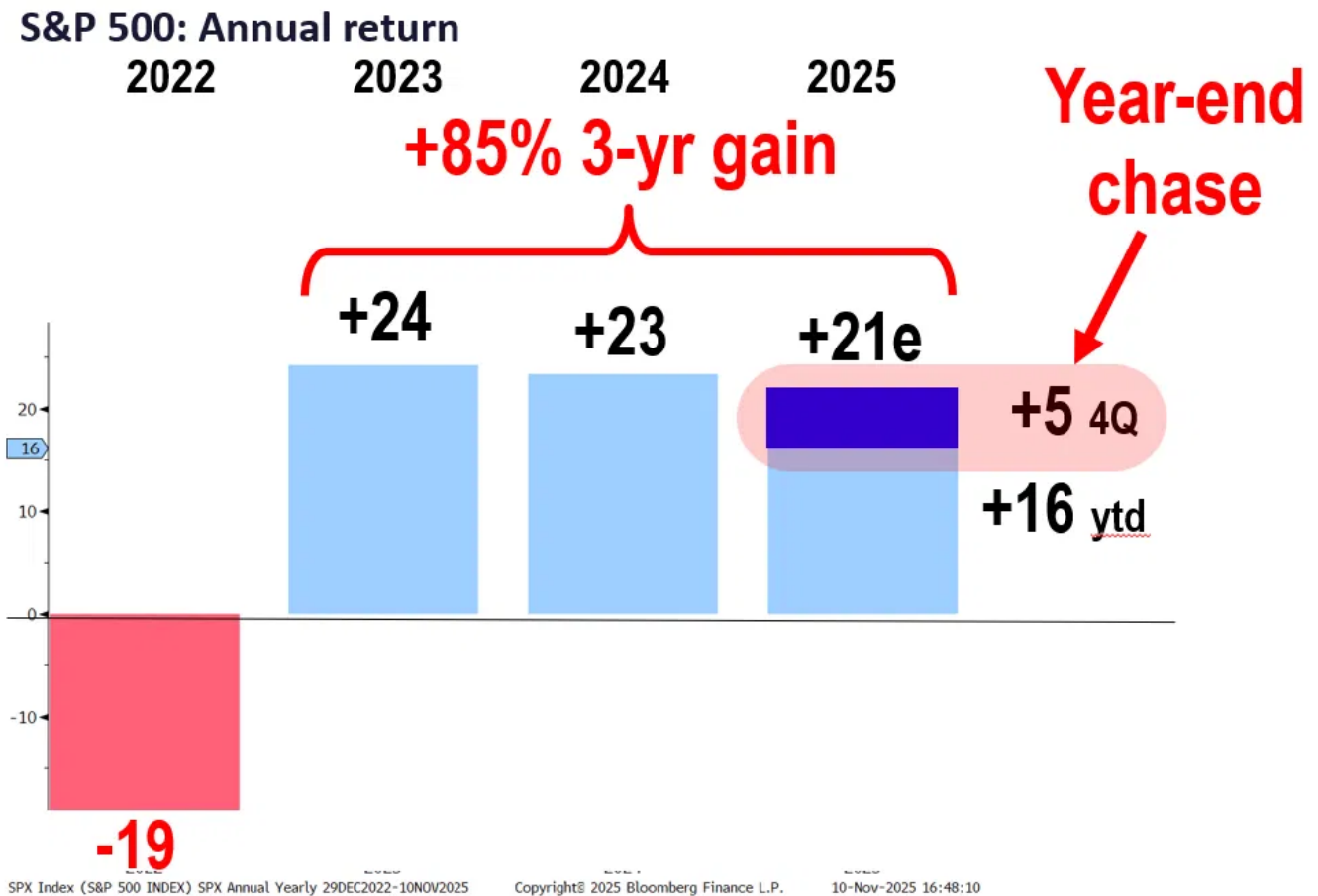
Live Webinar and Q&A

Mark Newton's Live Technical Analysis

November 18 at 2pm ET

Mark Newton, CMT
Head of Technical Strategy

Chart of the Week



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As Fundstrat's Tom Lee notes, "We are on track to have three years of back-to-back 20%-plus gains," he pointed out. "As you know, many institutional funds are measured on three-year gains. Are fund managers properly positioned to show those kinds of returns over this time period?" Lee suspects not, and "in my opinion, that means there's going to be a year-end chase," he said. This is illustrated in our Chart of the Week.

Recent ⚡ FlashInsights



Mark L. Newton, CMT^{AC}

Head of Technical Strategy

The early morning **~SPX** weakness held where it needed to and as both Ichimoku Cloud support and the ongoing uptrend line show on this SPX chart below, this looks to be a strong area of support. I am expecting a bounce to get underway and NVDA earnings could serve as a positive catalyst for SPX after this minor pullback. Note, trends have not been violated and while market breadth early on remains negative, we've seen some good recovery off the lows of many key Technology names and my view is that closing at near the highs after early weakness should be a positive following a few days of weakness. Note that today's SPX reversal is not unlike what happened also on Nov 7, last Friday, and i expect that this minor pullback over the last couple weeks likely should start to stabilize and push higher. The key message here is that until/unless trends start to be violated (and this has not happened in Equities, in SPX, QQQ and/or RSP), this uptick of fear in the last couple weeks should turn out to be a normal minor correction in what has been a choppy November so far.



Nov 14 • 11:00 AM

**Mark L. Newton, CMT_{AC}**Head of Technical Strategy

Given NVDA's 8% weighting in **~SPX** the largest of any of the constituents,, it's important to watch this stock carefully. My recent notes had discussed a backing off in the Semiconductor area which might allow NVDA to retreat after the strength early in the week, and its now getting closer to areas of support that likely should hold. I am not expecting a decline under \$178.91 and ideally should be close to support which could materialize at \$183.50-\$184 over the next 1-2 days. Thereafter, i am expecting this bottoms and turns back higher. On the upside \$191.31 is the first area of importance and above that would give confidence about a larger rally getting underway.



Nov 13 • 12:23 PM

**L. Thomas Block**Washington Policy Strategist

All reports I am getting tonight point towards a Senate deal. However, as I will write in my note tomorrow the deal must be approved by the House before heading to the President. Assuming Trump supports it should pass the House, my guess Tuesday or Wednesday.



Nov 9 • 10:01 PM

FS Insight Video: Weekly Highlight



Key incoming data

- ~~11/11 6:00 AM ET: Oct Small Business Optimism Survey~~ **Tame**
- ~~11/13 8:30 AM ET: Oct Core CPI MoM~~ **Delayed due to Shutdown**
- ~~11/14 8:30 AM ET: Oct Core PPI MoM~~ **Delayed due to Shutdown**
- ~~11/14 8:30 AM ET: Oct Retail Sales~~ **Delayed due to Shutdown**
- 11/17 8:30 AM ET: Nov Empire Manufacturing Survey
- 11/18 10:00 AM ET: Nov NAHB Housing Market Index
- 11/18 4:00 PM ET: Sep Net TIC Flows



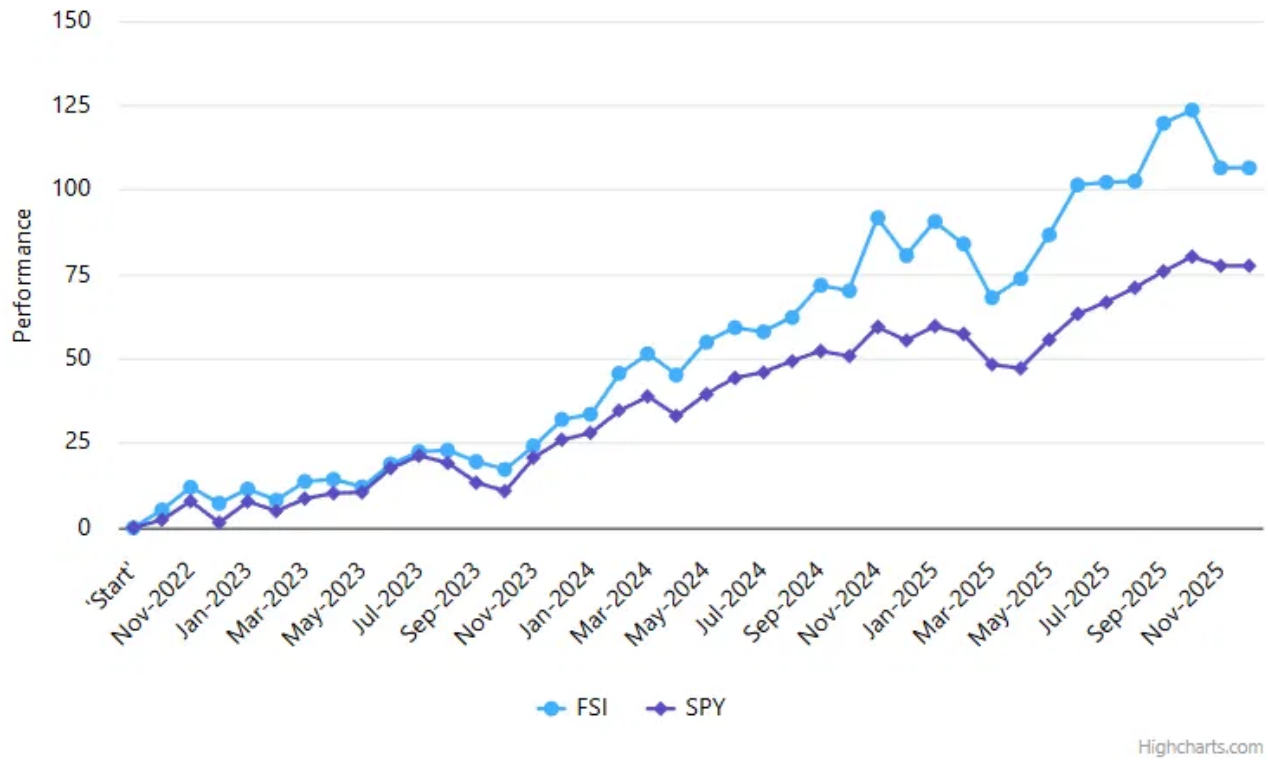
- 11/19 9:00 AM ET: Nov M Manheim Used Vehicle Index
- 11/19 2:00 PM ET: Oct FOMC Meeting Minutes
- 11/20 8:30 AM ET: Nov Philly Fed Business Outlook
- 11/20 10:00 AM ET: Oct Existing Home Sales
- 11/20 11:00 AM ET: Nov Kansas City Fed Manufacturing Survey
- 11/21 9:45 AM ET: Nov P S&P Global Services PMI
- 11/21 9:45 AM ET: Nov P S&P Global Manufacturing PMI
- 11/21 10:00 AM ET: Nov F U. Mich. 1yr Inf Exp



Stock List Performance



Upticks vs SPY (Inception to Date)



Performance period: October 5, 2022 through November 14, 2025

In the News

Tech pullback is normal but AI's productivity boom still drives the rally

Nov 14, 2025

Next couple months will be negative for crude oil and energy stocks, says Fundstrat's Mark Newton



Nov 13, 2025



The S&P 500 could reach 7,500 by year-end, says Fundstrat's Tom Lee

Nov 3, 2025



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