ENR Market Outlook

November 2026

Global Macro News & Views

- **Rotation Shuffle in October as AI Jitters Slam U.S. Tech Stocks**. Do the 'Wall Street Shuffle.' Since the start of the bull market in October 2022 and the subsequent euphoria surrounding AI, equities have aggressively rotated around investor sentiment. For the third time this year, technology stocks posted their worst month in October since March 2025, dropping 5.3% as per NASDAQ. The cost of the AI buildout, rising credit spreads tied to the largest spenders and the general liquidation of a crowded trade triggered violent selling as the month concluded. Consumer staples, health care, utilities, energy and bonds saw investor inflows amid a 'safe haven' buying spree;
- **Earnings Concentration Risk**. According to *FactSet* and *Dow Jones Market Data*, analysts expect companies in the S&P 500 to report a 30% increase in Q3 earnings versus a year ago. But just two companies – **Nvidia** and **Micron Technology** – account for 34% of that growth. And only 10 companies – including **Broadcom** and **Meta Platforms** – account for roughly two-thirds of the profit growth. Others include oil and gas companies, benefiting from the Iran conflict and the surge in oil and other distillates since late February;



- **Best Outcome for Markets in Midterms**. A divided Congress with Democrats controlling the House and Republicans retaining control over the Senate, would likely produce legislative gridlock. That could reassure investors by limiting major policy changes, although fiscal confrontations could remain at risk. Stocks have historically performed strongly following U.S. midterm elections. Midterm elections typically create Congressional gridlock -- a powerful positive for stocks. This may not be welcome news for whichever party runs Washington, but looking at history as a guide, stocks have had the most consistently positive nine-month run following midterms. Not since 1938 have U.S. equities declined 12 months after midterms; the average return is 19.8% during this period with a 92% positivity rate, according to Ken Fisher of *Fisher Investments*. And according to *The Wall Street Journal,* the fourth quarter of the midterm election year has been among the best times for the S&P 500. The average return for those quarters since 1950 has been 6.6%;
- **UBS Mulls Exiting Switzerland**. The Swiss government thinks **UBS** is too big for its own good. If Swiss legislators proceed with tougher capital requirements under the country's too-big-to-fail banking laws, UBS might leave the country and seek easier financial pastures abroad. UBS carries a $146 billion market cap. Options include buying a U.S.-based financial institution and relocating, merging with a European rival or selling itself to an American firm. The Swiss government seeks significantly higher new capital requirements against UBS' large foreign operations; UBS believes the added cost is about $16 billion. UBS was founded back in 1862 and briefly became the world's second largest bank when Union Bank of Switzerland and Swiss Bank Corp. merged to form UBS in 1998;
- **Deflation Persists in China. Auto Sales Crash 28%.** The only bond market in the world where yields are declining explains the big picture why: deflation. Since the Covid pandemic, China has been stuck in a consumption rut, marred by a deflationary bust in real estate where most Chinese have their personal wealth invested. Local stock

markets have been worse, down considerably over the past five years. Until this year, gold remained the only popular asset for the masses still in a bull market. China's monthly auto sales declined again in September with retail sales of passenger cars falling 28% from a year earlier to 1.62 million units, the China Passenger Car Association reported last month. Sales rose 5% compared with August. Sales of NEVs or new-energy vehicles, which include EVs and plug-in hybrids, accounted for a record 67% of total car sales in September;

- **Dutch Scrap Tax Plan.** The Netherlands withdrew plans to tax savings, equities and bonds at a 36% rate on paper profits or unrealized gains. A backlash by wealthy Dutch investors and institutions forced the government to back down. Holland would have been the only advanced economy to enact such a tax at a time of renewed global debate over how to tax the rich;
- **German State Spending Spurs Fastest Growth in Four Years.** Europe's largest economy is heading for its fastest growth in four years as exports and government debt-funded stimulus end years of stagnation. GDP is expected to increase 1.3% in 2026, more than twice the 0.5% advance projected by the government in April. Chancellor Merz's coalition last year embarked on a massive spending program totaling €1 trillion targeting infrastructure and defense spending.

Global Equities

- **Pre-Halloween Tech Stock Massacre**. The week's Big Tech earnings were the main source of the scares. After reporting Q3 earnings, **Alphabet** plunged 12.6%, **Amazon** 3.1%, **Meta** 4.3%, and **Microsoft** also declined 0.5%. **Intel** tanked 24.4% following disappointing guidance, while **ServiceNow** crashed 34% in response to its results. Even **Nvidia**, which did not report earnings, was not safe from the bloodbath. It declined 3.0%;
- **Volkswagen Tossed Out of Stoxx 30 Index.** The German automaker has seen its stock prices collapse a cumulative 72% from all-time highs in 2015 to a 16-year low. The widely tracked Euro Stoxx 50 ejected **Volkswagen** last month and joins other automaker Stellantis (Fiat, Dodge, Jeep, Maserati and Peugeot). VW recently announced a massive restructuring where 100,000 jobs will be cut. VW became the world's largest car company in 2008. It joined the Euro Stoxx 50 in 2000;
- **DWS in Germany Gates Redemptions in Real Estate.** Deutsche Bank's asset management arm, DWS, announced it would only honor 10% of redemption requests from its flagship real estate fund as falling property values put pressure on the $112 billion German real estate fund industry. The $4.8 billion *Grundbesitz Europa Fund*, the biggest of the three DWS open-ended property funds, will cancel 90% of each investor's redemption requests, according to DWS last week. German real estate funds have suffered $20 billion in outflows since the beginning of 2024;
- **Insider Buying Plunges to Lowest in 23 Years**. The number of financial executives buying their own stock fell to the lowest in almost 23 years during the third quarter, according to *Verity-Data*. The sector with the lowest ratio of sales to buy is consumer staples. Some of the biggest sellers are in financials, energy and technology stocks. The bottom three sectors with the lowest ratio of sales to buys are consumer staples, materials and utilities. Recent purchases from **Altria**, **Tyson Foods** and **Celsius Holdings** stand out;
- **Steepest EM Valuation Discount on Record**: According to *Rosenberg Research* in Toronto, Emerging Market (EM) earnings revisions are on the uptrend (year-ahead EPS projections have surged by +70% this year). This means that with the recent pullback in equity prices, the forward P/E multiple in the EM space has compressed to single-digits — 9x to be exact. This is where the S&P 500 sat in the summer of 1982, just ahead of what turned out to be a near-two-decade bull market. With the S&P 500 now trading at a 19x multiple, this 53% discount on EM equities is now the widest on record.

Fixed Income & Credit

- **Credit Losses Hit Hedge Funds, Other Investors**. Results for the month of October haven't been released to the public yet, but *The Financial Times* (FT) reports some big losses for credit-focused hedge funds. Most credit-based hedge funds use leverage to augment returns. The rout in credit markets over the past several weeks has hit the lowest tranches of CCC debt or junk, and the French government bond market. According to the FT, *Arini Capital Management*, one of Europe's fastest growing credit hedge funds, has seen its flagship fund plummet 26% in 2026. Some of the biggest losses are tied to fixed-income securities tied to Virgin Media, Aston Martin, VodafoneZiggo and Brightspeed;
- **Data Center Debt Dented**. Also, prices of corporate bonds issued to fund data centers where Meta, Nvidia, Oracle and others will become tenants, have fallen below face value recently; investors are dumping debt issued by neocloud companies – of which the best known is Nvidia-backed CoreWeave. From its close before releasing Q3 earnings last month, CRWV's stock is down 41% and now off 61% from its all-time high (see chart). The AI-buildout poses another wild card because investment booms built on new technologies often end with overbuilding. The AI investment boom remains a powerful tailwind. Data center construction spending surged 8.6% month over month and 90% year-over-year in September, reaching a record $96.5 billion annual rate;



- **World Faces €30 Trillion Financing Gap.** According to *Reuters*, Spain's **Banco Santander** claims the world faces a financing gap of around €30 trillion ($33.6 trillion) over the next five years, mainly in investment needs linked to the energy transition but also to AI and defense. It said in a report that preliminary estimates for the period between 2026 and 2030 suggested the world needed to invest around €50 trillion in total and, given the financing sources and expected growth rate, the resulting financing gap would reach around €30 trillion.

Currencies

- **USD Index at Highest Levels since April 2025.** The U.S. dollar soared in October and remains strong as we progress into early November as interest rate expectations call for another rate hike in December. Strong GDP growth powered by the AI buildout, buoyant consumer spending and low unemployment are pushing the dollar higher. The EUR continues to struggle in 2026, down over 5%. The Swiss franc is off 4%;
- The **ENR Global Currency Sandwich** continues to consolidate, weighed down by plunging gold and silver prices and weak foreign currencies. The Equally weighted sandwich sank 5% since our last update and is now

off a cumulative 9.7% in 2026. That's its worst year since 2014. Gold is down 9%, silver has plummeted 29% and the Polish zloty is off 10%, despite harboring the best-managed economy in Europe;



- **The ENR Global Currency Sandwich** includes six securities: gold (or IAU/GLD), silver (or SLV/PSLV), the Swedish krona, the Swiss franc, the Polish zloty and the Singapore dollar equally weighted.

Commodities

- **Precious Metals Plunge**: The price action for both gold and silver is reminiscent of 2008 and 2022 – ugly periods for precious metals investors that were short-lived and resolved by dramatic gains months later. We are likely to see the same endgame later this fall or in 2027. Gold recently sagged to $3,887 per ounce to close the week and set a new low for the year (back to where it was twelve months ago) -- coming off its worst October since 2008. Gold needs to hold around $4,000 an ounce or we will test $3,500 next. Silver has basically crashed and touched under $50 ounce this morning.



- **Buy Gold and Silver**. I remain bullish on both metals with a strong bias towards gold because of massive Chinese central bank accumulation; China spent $158.8 billion on gold in the first eight months of this year compare with $96.5 billion last year or 886 tons. China should stabilize the gold price. Despite soaring energy costs, rising inflation and global conflicts, gold is down. These are frustrating times for gold-bugs after a spectacular 2025. I remain bullish and for many reasons previously outlined. My biggest concern is the accelerating threat to sovereign debt prices (higher yields), soaring interest payments and the growing threat of more currency debasement. Governments have historically chosen to inflate their way out of debt. The alternative, deflation, means the destruction of credit and possibly, the end of the financial system. We saw

a glimpse of deflation in 2008. Historically, inflation is the preferred outcome for governments and a disaster for bondholders;



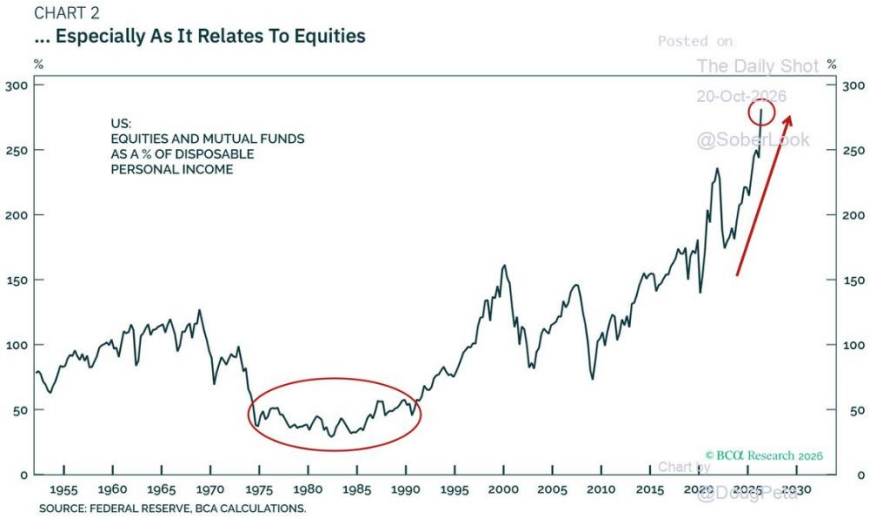
- **Oil Majors Make a Killing in 2026.** It has been a bonanza for the world's largest oil companies. Refiners, too. The two largest oil majors in the United have earned a windfall since the onset of the Iran War and soaring oil prices and skyrocketing distillates. **ExxonMobil** climbed to $15.4 billion, up 104% year-over-year and the highest since 2022. XOM also delivered $9.4 billion to investors via dividend and share buybacks. **Chevron's** profits climbed to $9.9 billion, almost tripling its results from a year earlier. Chevron's refineries in the United States processed a record 1.1 million barrels of day of crude. Its refining earnings in the U.S. jumped to $3.6 billion, a fivefold increase vs. last year. Management intends to maintain quarterly share repurchases between $2.5 billion and $3 billion. The quarterly dividend at $1.78 per share represents its 39th consecutive annual increase to shareholders. In Europe, oil majors have been reaping a similar windfall. **TotalEnegies**, **Shell PLC**, **ENI SpA** and **BP PLC** have all earned huge profits from record refining results and high oil prices.

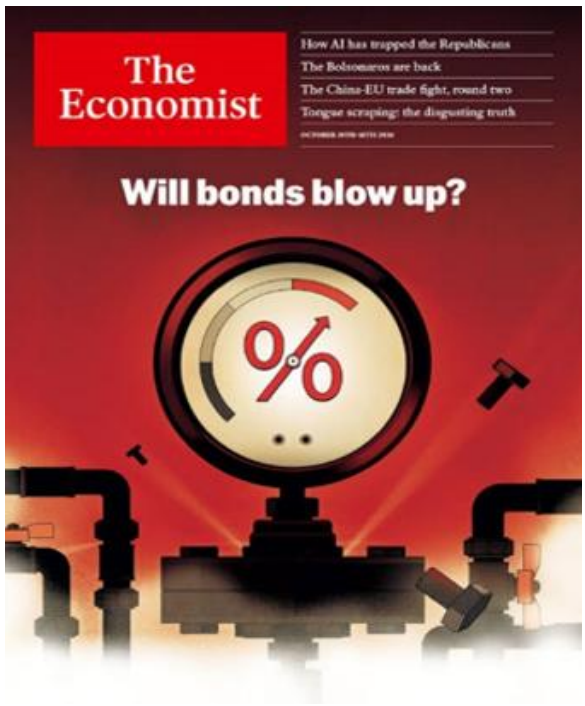
Model Portfolio

- The **ENR Market Outlook Portfolio** gained 1.43% in October versus a loss of 0.82% for the MSCI World Index. October was the worst month for Big Tech since June, but the best month for consumer staples, energy, utilities, and health care. Almost everything ex-technology saw a rush of investor inflows as another great sector rotation occurred amid AI mania angst and data center capital spending. Top performers included AbbVie (+17%), Southern Co. (+13.4%), Nestlé (+11.9%), Berkshire Hathaway Cl. B (+10.7%), and Northrop-Grumman Corporation (+10%). The biggest losses were Alphabet-Google (-18%), Cameco Corp. (-15.5%), HSBC Holdings PLC (-14%), Rio Tinto Group (-12%), and Wheaton Precious Metals (-12%).



- **U.S. Households at Record Levels in Stocks and Funds**. The chart below from *BCA Research* in Montreal, depicts one of the most bearish indicators flashing 'red' in late 2026. Talk about contrarian! As a percent of disposable personal income, equities and mutual funds are now at all-time highs compared to barely 50% at the 1982 bear market low;
- At the other end of the spectrum, *The Economist* cover story last month suggests that maybe bonds have hit a bear market low… Historically, market events published on popular magazine covers mark a bottom in the market. Could this be the case now? Apart from bond prices rallying recently after weeks of getting trashed, I don't think the bear market for bonds is over. We're due for a relief rally, but not a secular bottom. Nothing has fundamentally changed as deficit spending, persistent inflation, conflicts and political abandonment of fiscal responsibility make owning long-term bonds a bad deal;





- This month, I'm placing bombed-out **Alphabet, Inc.** back on the BUY list after a nearly 20% swoon in October. GOOGL might be facing pressure from weaker ad revenues and Meta's Muse, but it still has more than $250 billion in cash and a strong balance-sheet. Plus, it's AI Cloud is a winner. I think it's a mistake to punish the stock this hard. It's also finally cheap (14.6x trailing) at a 52-week low and down 31% from its all-time high;



- With the American dollar now near a 20-month high and AI euphoria fading or at least temporarily challenged by build out concerns, non-U.S. equities offer good value for dollar-based investors. From a valuation's perspective, the MSCI EAFE Value Index trades at 15.2x trailing 12-month earnings compared to about 18.7x for the S&P 500. Stocks are attractive in Japan (non-AI market) and Europe (little AI exposure). The latter region only has a few AI champions, mainly Holland's ASML. The long-term trend for the **iShares MSCI EAFE Value ETF** (NYSE-EFV) is excellent. The recent correction offers a good entry point. Keep in mind this ETF will perform better when the dollar stalls again. Top geographic countries are Japan (23.7%), UK (16.3%), Switzerland (10%), France (9.7%), and Germany (8.7%). Annual operating expenses are 0.31%;



- Best Buys in November are the **iShares MSCI EAFE Value ETF, Alphabet-GOOGL, BMW**, **iShares MSCI China A ETF** and **WisdomTree India Earnings Fund.**

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November 3, 2026

Security	Listed	Symbol	Entry Price	Date	Current Yield	Current Price	Gain/ Loss	Advice
iShares MSCI EAFE Value ETF	CBOE	EFV	$79.49	Nov 2/26	4.61%	$79.49	NEW	BUY
Bayerische Motoren Werke AG ADR	OTC	BMWKY	$24.68	Sep 8/26	7.79%	$21.82	-11.59%	BUY
Northrop Grumman Corporation	NYSE	NOC	$548.67	Jun 9/26	1.72%	$555.32	1.66%	BUY
iShares MSCI China A ETF	CBOE	CNYA	$34.42	Dec 29/25	2.12%	$30.51	-11.07%	BUY
Alphabet Inc.*	NASDAQ	GOOGL	$104.65	May 5/23	0.31%	$278.99	168.39%	BUY
WisdomTree India Earnings Fund	NYSE	EPI	$32.42	Mar 3/23	0.00%	$41.69	29.15%	BUY
Lazard Global Listed Infrastructure Portfolio	NASDAQ	GLIFX	$14.04	Aug 4/20	3.49%	$19.14	56.65%	BUY
Apple Inc*	NASDAQ	AAPL	$23.20	May 9/16	0.31%	$338.32	1394.02%	HOLD
Newmont Corporation*	NYSE	NEM	$17.99	Dec 31/15	0.94%	$109.09	572.79%	HOLD
Wheaton Precious Metals	NYSE	WPM	$22.78	Jun 5/19	0.63%	$119.15	438.85%	HOLD
HSBC Holdings plc	LSE	HSBA	£4.74	Nov 9/22	4.36%	£12.83	288.24%	HOLD
Berkshire Hathaway*	NYSE	BRK.B	$197.73	Aug 5/19	0.00%	$556.11	181.25%	HOLD
Hochtief AG	XETRA	HOT	€ 154.30	Apr 1/25	1.75%	€ 378.00	161.57%	HOLD
iShares Russell Top 200 Value Index	NYSE	IWX	$52.46	Jan 2/18	1.35%	$113.77	140.94%	HOLD
ConocoPhillips*	NYSE	COP	$67.56	Sep 29/21	2.29%	$146.84	138.14%	HOLD
AbbVie Inc.	NYSE	ABBV	$140.24	Nov 30/23	2.40%	$288.84	119.99%	HOLD
Zurich Insurance Group	VTX	ZURN	CHF 411.20	Oct 4/22	4.81%	CHF 623.60	111.26%	HOLD
Microsoft Corporation*	NYSE	MSFT	$256.72	Jul 5/22	0.72%	$507.12	102.04%	HOLD
Nestlé SA*	VTX	NESN	CHF 65.15	Dec 7/16	3.66%	CHF 84.61	91.71%	HOLD
Cameco Corporation	NYSE	CCJ	$38.55	Sep 5/24	0.24%	$73.38	91.08%	HOLD
Energy Select Sector SPDR	NYSE	XLE	$43.37	Feb 7/23	2.18%	$67.25	75.38%	HOLD
Vanguard Small Cap Value Index Fund	NYSE	VBR	$157.50	Oct 2/23	1.82%	$246.05	63.42%	HOLD
The Southern Company	NYSE	SO	$66.47	Dec 7/21	3.17%	$94.61	61.62%	HOLD
Invesco DB Commodity Index Tracking Fund	AMEX	DBC	$23.00	Dec 9/25	2.20%	$32.46	44.37%	HOLD
The Health Care Select Sector SPDR Fund	AMEX	XLV	$131.65	Jun 2/25	1.38%	$184.60	43.11%	HOLD
iShares Global Clean Energy ETF	NASDAQ	ICLN	$11.37	Apr 1/25	1.20%	$15.73	41.20%	HOLD
Rio Tinto Group	NYSE	RIO	$64.71	Apr 2/24	5.62%	$82.73	40.06%	HOLD
iShares MSCI Hong Kong ETF	NYSE	EWH	$18.35	Nov 5/24	4.63%	$22.55	32.72%	HOLD
SLB N.V.	NYSE	SLB	$49.59	Aug 3/26	2.24%	$52.31	6.08%	HOLD

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