21 NOVEMBER 2025

Weekly Market Snapshot
Cooling of investors over-optimism

Weekly Recap

- The longest US government shutdown came to an end last Week signalling the release of figures related to the US employment and economy.
- Nvidia published its earning results on Wednesday evening which were above expected.
- The US market experienced a wild ride last night, with traders initially excited on Nvidia's (NVDA) strong results. However, the momentum faded sharply upon the announcement of September's Non-Farm Payroll (actual of +119k jobs vs consensus' +53k jobs) but September's Unemployment Rate increased to 4.4% (from 4.3% in August).

Snapshot

Following the strong momentum led by technology stocks in the US and in Asia, concerns rose over the elevated valuations that tech stocks had reached.

Over the last week, a mini correction was seen, sending among others bitcoin down by 29% and tech giant Oracle by 34% from its September highs. This setback of global and US stocks should not worry investors as the Nasdaq 100 index has merely returned to the level it had reached in early October.

However, while more speculative names and the tech sector stumble, other sectors are taking over leadership of the global stock market. Pharmaceutical & biotech sectors are lately outperforming the Nasdaq Index. Another more surprising outperforming industry in November is Oil & Gas.

We maintain our positive 12-month view on global stocks and would suggest that now is a good time to look at sectors and stocks displaying relative strength outside of technology.

Market	18 November Level	% Chg 1 Wk	Return Trend 1 Month	Return Trend 1 Year
Stocks				
S&P 500	6617	-3,3%	↘	↗
Euro STOXX 50	5535	-3,3%	↘	↗
FTSE 100	9552	-3,5%	↗	↗
Nikkei 225	48538	-4,9%	↗	↗
MSCI EM	1362	-3,3%	→	↗
Bonds	***Yield***			
US 10Y	4,1	+1,1%	↘	↗
Gm 10Y	2,7	+2,2%	↘	↗
UK 10Y	4,6	+3,8%	↗	↗
Jp 10Y	1,8	+4,7%	↘	↘
IG Credit	***Yield***			
US	5,1	+0,6%	↘	↗
EU	3,2	+2,1%	↘	↗
UK	5,3	+3,4%	↗	↗
Alternatives				
Gold	4088	-2,6%	↘	↗
Copper	5,0	-2,4%	↗	↗
S&P Global Infra	3498	-1,6%	↘	↗
EU REITs	1615	-1,7%	↘	↗
BBG Hedge Fds	1788	+0,0%	↗	↗

SMALL-CAP INDICES SURPASS PREVIOUS HIGHS

Source: BNP Paribas, Bloomberg

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Correcting over-optimism can prolong a bull market

Since April, global stocks have shown strong momentum, led once again by Technology stocks both in the US and in Asia. There have been rising concerns expressed over the elevated valuations that tech stocks like Palantir have reached, not to mention the outperformance of non-profitable stocks in emerging themes such as quantum computing, space and crypto treasury companies.

The mini-correction that has unfolded over the last week in these momentum stocks is perhaps then reassuring. The classic measure of liquidity and investor optimism, bitcoin, has fallen 33% from peak to under USD 85,000 at present. The bitcoin treasury company Strategy (formerly Microstrategy) even anticipated this fall in bitcoin, tumbling 61% from its July peak. Among US technology giants, Oracle has corrected 36% from its September high, as investors begin to question the ultimate profitability to result from its projected massive debt-fuelled investment in data centres.

But we should not get too concerned at this stage by this small setback for US and global stocks. So far, the Nasdaq 100 index has merely returned to the level it reached in early October and shows no obvious signs of breaking the current uptrend.

A change of stock market leadership

However, while more speculative names and the tech sector stumble, other sectors are taking over leadership of the global stock market. Pharmaceuticals are a case in point – the US pharmaceutical sector has outperformed the Nasdaq by 14% so far in November, breaking out to a new historic high in the process.

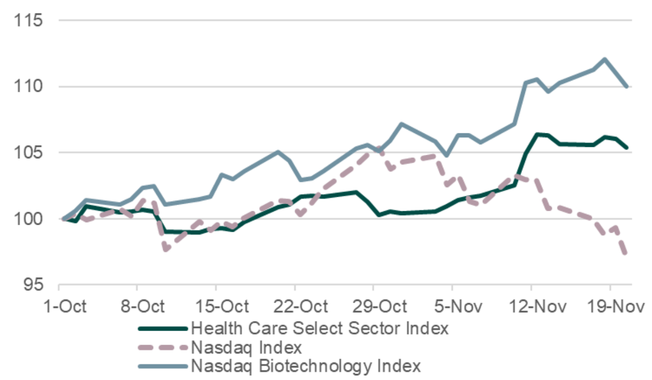
Similar can be said for the Biotech sector, which has outperformed the Nasdaq index since August. Boosted by the electricity infrastructure investment theme and rising US electricity prices, Utilities have been another sector to lead in November. A more surprising outperforming industry in November is Oil & Gas. While crude oil prices languish close to year lows (WTI crude oil under USD 60/barrel), this is to ignore the steady rise in US natural gas prices from USD 3/mm BTU in late October to USD 4.30 today. Oil refiners have equally profited from a sizeable jump in refining margins (the profit made from refining crude oil into finished products like petrol and diesel), leading US refiners to new year highs. The STOXX Europe Oil & Gas sector has returned to its highest level since 2009, when crude oil prices were as high as USD 140/barrel.

Correcting investor exuberance is good for long-term stock market health

Valuations remain high versus history for the US S&P 500 and Nasdaq 100 indices. The debate over whether we are in an AI stock bubble rages on. Even if we are in the creation of an investment bubble, we do not know how far developed the bubble is today. Elsewhere, whether looking to US mid/Small-caps or to the rest of the world, it is difficult to say that these markets are also over-valued. They are reasonably valued, while some stock markets like the UK and many emerging markets remain cheap by historical standards.

We maintain our positive 12-month view on global stocks and would suggest that now is a good time to look at sectors and stocks displaying relative strength outside of technology. Commodity and energy producers, healthcare, and utilities are interesting places to look, as are European banks.

PHARMACEUTICAL AND BIOTECH SECTORS ARE OUTPERFORMING THE NASDAQ



Source: BNP Paribas, Bloomberg

STOXX EUROPE OIL & GAS SECTOR HAS RETURNED TO ITS HIGHEST LEVEL SINCE 2009

Source: BNP Paribas, Bloomberg

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