ON THE EDGE – NOVEMBER 2026

Market Review

Buying in big cap technology stocks at the start of the fourth quarter (Q4) pushed the S&P 500, NASDAQ and NASDAQ 100 (NDX) to new all-time highs. However, disappointing earnings reports and growing concerns about the sustainability of AI-related cash flows triggered a late-month technology selloff, leaving the major averages mixed. The rally was supported by a pullback in the 10-year Treasury yield from its 24-year high, along with initial jobless claims ticking down to their lowest level since mid-July. The technology-led rally was short-lived as Iran ramped up attacks on tankers transiting the Strait of Hormuz, pushing oil prices back toward $90-per barrel. Hotter-than-expected inflation reports in the CPI and PPI sent yields higher mid-month, with the yield on the 10-year Treasury trading as high as 5.329%, while crude oil prices continued to climb. Debt concerns on AI infrastructure build outs pressured AI-related and semiconductor stocks, sending the Technology (XLK) sector sharply lower and breaking key support at its 50-day MA and ending a four-week win streak for the NASDAQ. The Philadelphia Semiconductor Index (SOX) followed with a nine-session losing streak, its longest since May 2006, and entered bear market territory after falling -23% from its June record high. By mid-month, the DJIA, S&P 500 and NASDAQ had all fallen below their respective 50 and 100-day moving averages.

With the 10-year Treasury yield slipping below 5%, investors once again scooped up beaten down semiconductor and AI related stocks later in the month. The advance was led by SpaceX (SPCX), Advanced Micro Devices (AMD), and Nvidia (NVDA), which helped offset losses in Meta Platforms (META) and Netflix (NFLX). Although corporate earnings generally exceeded expectations during the period, disappointing forward guidance and weakening economic data limited the market's advance. The Federal Reserve left rates unchanged at the October FOMC meeting, as expected, but Fed Chair Kevin Warsh noted that inflation remained elevated, leaving the door open to a potential December rate hike. During the final week of the period, disappointing earnings from Alphabet (GOOGL), Intel (INTC) and Amazon (AMZN) triggered another sharp selloff in the major averages. The tech-heavy NASDAQ fell -2.86% on the final trading day of the month, marking its worst single-day performance since June. The unwinding of the AI trade weighed heavily on Technology (XLK) and Communication Services (XLC), with both sectors declining more than -8% during the period. Conversely, continued rotation into defensive sectors helped Energy (XLE), Consumer Staples (XLP) and Utilities (XLU) each gain more than 10% for the month.



For the month, the DJIA gained 864.26 points (1.70%) and settled at 51770.31. The S&P 500 was lower by 71.47 points (-0.93%) for the month, closing at 7580.07 while the NASDAQ tumbled by 1514.06 points (-5.64%) and finished at 25347.00. Finally, the small cap Russell 2000 was higher by 14.98 points (0.54%) and settled at 2811.84.

Market Outlook

The technical condition of the market deteriorated in October as the selloff in large-cap technology stocks weighed on the broader market. The technical indicators weakened, with MACD, a short-term trend gauge, in bearish ground and momentum, as measured by the 14-day RSI, in negative territory for both the S&P 500 and NASDAQ. As October was coming to a close, the major averages lost support at key moving average (MA) levels after successfully bouncing off those levels over the past several weeks. By the end of the period, the major averages had fallen below their respective 50 and 100-day MAs, which is a negative for the intermediate-term. VIX reached an intraday high of 23.93 on the final trading day of the month before retreating to close at 19.42. While this level does not suggest panic selling, the elevated intraday reading indicates that investors remain concerned and further near-term weakness is possible. Historically, a selloff of this magnitude can push the VIX into the 25-30 range or higher, before signaling that the selling is getting overdone, and traders begin to wade back into the water. Also, according to FINRA, September margin debt was again near record levels, which could trigger margin calls and add to more selling pressure in technology stocks as we roll into November.

In addition, the S&P 500 and NASDAQ have bearish chart patterns characterized by lower highs and lower lows since the beginning of October. Showing positive divergence however was the Equal-Weight S&P 500 (RSP) which remains in an uptrend and continues to trade above key MA support levels. This resilience suggests that despite weakness in technology stocks, investors are rotating funds into defensive positions. Lastly, two of the secondary indexes, which include the DJ Transportation Index and small cap Russell 2000, also showed positive divergence finishing the period in the plus column. The Market Edge Market Posture, which has been Bearish since October 23, remains Bearish at this juncture. Given the deterioration in the

major averages and the ongoing weakness in technology stocks, investors may want to maintain a defensive posture.

Cyclical Trend Index (CTI): Negative

The CTI is Negative at -2, down nine notches from the previous month. The counts for Cycles A, B, and E are bearish while Cycles C and D are bullish. The CTI is projected to remain in a negative configuration through November.

Cycle	Average # Of Weeks In The Cycle	# Of Weeks Since Previous Bottom	Bullish Or Bearish Connotation
A	6 + or -1 Week	Weeks	Bearish
B	18 + or -2 Weeks	Weeks	Bearish
C	36 + or -4 Weeks	Weeks	Bullish
D	72 + or -7 Weeks	Weeks	Bullish
E	216 + or -20 Weeks	Weeks	Bearish

The following are projected CTI readings through the week ending 11/27/26.

Week Ending	CTI	Connotation
10/30/26 (Actual)	-2	Bearish
11/06/26 (Projected)	-2	Bearish
11/13/26 (Projected)	-4	Bearish
11/20/26 (Projected)	-4	Bearish
11/27/26 (Projected)	-4	Bearish

** The CTI is the total of the plus and minus values assigned to each cycle based on the number of weeks that have passed since their previous cyclical bottom. For a detailed explanation of the market timing models, click "Market Letter Help" at the top of the 'Market Letter.'

Momentum Index: Negative

As of the close on 10/30/26, the Momentum Index is Negative at -4, unchanged from the previous month. The Momentum Index is a gauge of bullish or bearish divergence in the market. Readings of +4 and higher are regarded as bullish signaling stronger performance from the majority of the broader indexes vs. the DJIA. Conversely, readings of -4 or lower are regarded as bearish. Below is a chart of the performance of seven of the major broad market indexes included in the Momentum Index vs. the DJIA since the last major cyclical highs.

Prev Highs	DJIA	DJTA	S&P 500	NYSE	R-2000	NASDAQ	UTIL	A/D LINE
Oct 2026	54349.12	22826.60	7818.83	24821.68	3068.42	27599.89	1123.39	586969
10/31/2026	51770.31	20329.33	7580.07	24993.09	2811.84	25347.00	1111.50	576445
%Change	**-4.7%**	**-10.9%**	**-3.1%**	**0.7%**	**-8.4%**	**-8.2%**	**-1.1%**	**-1.8%**

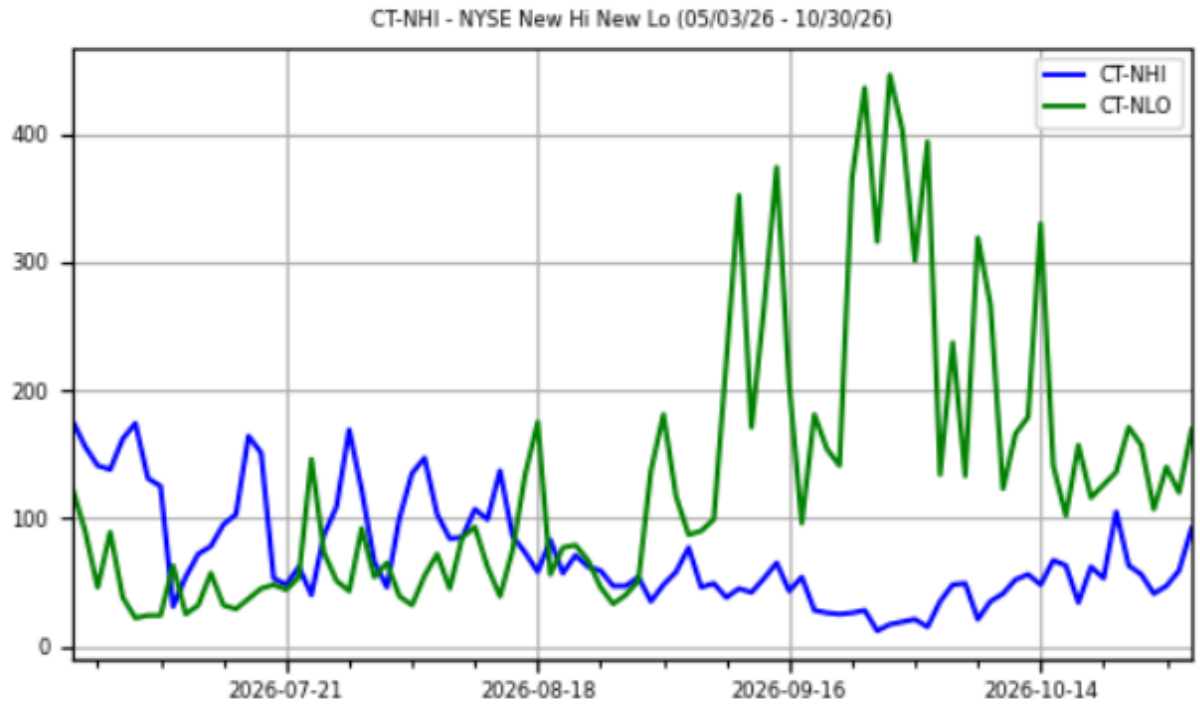
Average % Change of the Broad Market Indices: -5.2%

The broader market indexes are down on average -5.2% from their Oct 2026 closing highs vs. -4.7% loss for the DJIA resulting in a Negative -4 reading. Breadth was mixed for the month at the NYSE as the Advance/Decline Line

gained 1373 units vs. a loss of 9261 units in September while the number of new 52-week lows exceeded the number of new highs on all 22 sessions. Breadth was negative at the NASDAQ as the A/D line fell by 5721 units vs. a loss of 11869 units in September.

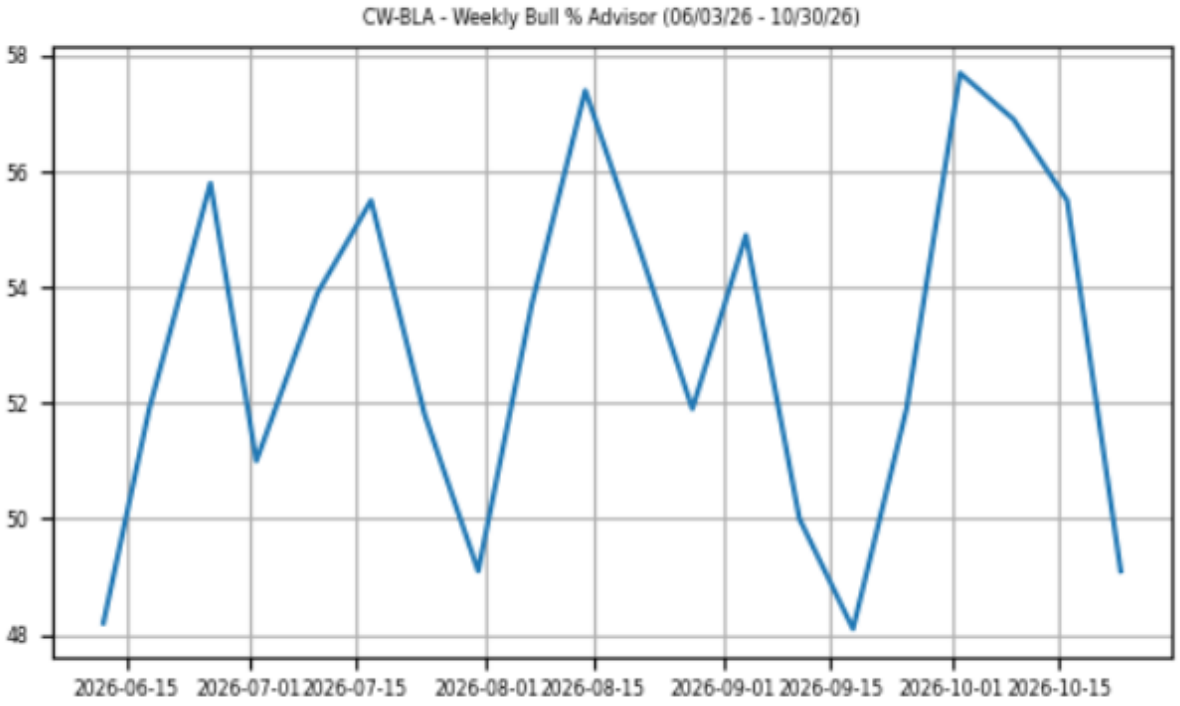


The number of new 52-week lows exceeded the number of new highs at the NASDAQ on all 22 sessions. Finally, the percentage of stocks above their 50-day moving average jumped to 44.3% vs. 29.4% from the previous month while those above their 200-day moving average fell to 44.3% vs. 46.8%. Readings above 70.0% denote an overbought condition.



Sentiment Index: Negative
The Sentiment Index ended the period at a Negative -3, unchanged from the previous month. The Sentiment Index tracks thirteen market indicators that measure excessive bullish or bearish conditions prevalent in the market. Whenever the crowd becomes overly optimistic (a bearish condition), the readings from the Sentiment Index will drop into negative ground. Conversely, when fear is rampant (a bullish condition), the index will be in the +3 to +8 area.

NYSE short interest was up +1.2% and 2.6 days of average volume for the period ending 10/15/26 vs. being up +2.8% and 3.4 days of average volume to cover at the end of September. Short interest at the NASDAQ was up +2.1% and 2.9 days of average volume to cover mid-October vs. a +1.0% increase and 2.5 days average volume to cover on 9/30/26. The AAII Bull-Bear Ratio (0.9 vs. 0.7), the Fear and Greed Index (30.4 vs. 33.6), the VIX, a measurement of fear in the market (19.42 vs. 14.87), the National Association of Active Investment Advisors (NAAIM) Exposure Index (76.8 vs. 88.1), the Percentage of Bullish Investment Advisors (45.4% vs. 51.9%), the Bullish-Bearish Investment Advisors Ratio (2.8 vs. 3.4) are Neutral. The Percentage of Bearish Investment Advisors (16.4% vs. 15.4%), the Dividend Yield Spread (-3.80 vs. -3.66), and the Total Put/Call Ratio (0.95 vs. 0.88) are Bearish. VIX readings under 13.00 are regarded as bearish while those above 30.0 are bullish.



**To view the charts and graphs of the major market indexes and pertinent technical indicators that are incorporated in the Momentum and Sentiment indexes, go to the Market-At-A-Glance section located under Market Recap on the Market Edge home page.

Market Posture: Bearish
Based on the status of the Market Edge, market timing models, the 'Market Posture' is Bearish as of the week ending 10/23/2026 (DJIA – 52215.16).

Market Posture Performance 2023-2026

The following is the performance record of the Market Edge 'Market Posture' for 2023 - 2026.

Projected Strong Periods:		Actual Results – DJIA
03/24/23 - 05/05/23 (32237.53 – 33674.38)	DJIA Gain/Loss	+1436.85
07/21/23 - 08/18/23 (35227.69 – 34500.66)	DJIA Gain/Loss	-727.03
10/13/23 - 12/01/23 (33670.29 – 36245.50)	DJIA Gain/Loss	+2575.21
05/03/24 - 07/12/24 (38675.68 – 40000.90)	DJIA Gain/Loss	+1325.22
08/23/24 - 11/01/24 (41175.08 – 42052.19)	DJIA Gain/Loss	+877.11
12/06/24 - 02/28/25 (44642.52 – 43840.91)	DJIA Gain/Loss	-801.61
04/18/25 - 07/11/25 (39142.23 – 44371.51)	DJIA Gain/Loss	+5229.28
08/22/25 - 10/10/25 (45631.74 – 45479.60)	DJIA Gain/Loss	+152.14
11/28/25 - 02/13/26 (47716.42 – 49500.93)	DJIA Gain/Loss	+1784.51
08/07/26 - 10/16/26 (54036.93 – 52002.41)	DJIA Gain/Loss	-2034.52

Projected Weak Periods:		Actual Results – DJIA
05/26/23 - 07/14/23 (33093.34 – 34509.03)	DJIA Gain/Loss	+1415.69
08/18/23 - 10/13/23 (34500.66 – 33670.29)	DJIA Gain/Loss	-830.37
01/05/24 - 03/28/24 (37466.11 – 39475.90)	DJIA Gain/Loss	+2009.79
07/19/24 - 08/23/24 (40287.53 – 41175.08)	DJIA Gain/Loss	+887.55
11/01/24 - 12/06/24 (42052.19 – 44642.52)	DJIA Gain/Loss	+2590.33
02/28/25 - 04/18/25 (43840.91 – 39142.23)	DJIA Gain/Loss	-4698.68
08/01/25 - 08/22/25 (43588.58 – 45631.74)	DJIA Gain/Loss	+2043.16
10/24/25 - 11/28/25 (47207.12 – 47716.42)	DJIA Gain/Loss	+509.30
02/27/26 - 04/10/26 (48977.92 – 47916.57)	DJIA Gain/Loss	-1061.35
05/15/26 - 08/07/26 (49526.17 – 54036.93)	DJIA Gain/Loss	+4510.76
10/23/26 - ??? (52215.16 – ???)	DJIA Gain/Loss	???

While the CTI is typically regarded as either a Bullish or Bearish connotation, at times mixed readings from several indicators related to the CTI will result in a Neutral - Market Posture. The dates not presented in the above tables were periods where the Market Posture was Neutral. For a closer look at the technical indicators and studies that make up the market timing models, check out the 'Market Letter (Weekly)' located on the Market Edge home page. (www.marketedge.com).

ETF Center:
The top performing ETF categories for the period ending 10/29/26 were: Specialty Technology, Sector-Energy, Growth-Small Cap, Blend-Small Cap and Sector-Industrial. The weakest categories were: Specialty Financial, Sector-Basic Materials, Specialty Utilities, Bond-Government Long Term and Sector-Alternative Energy. To review all the categories in the Market Edge universe, click on the ETFs tab.

Industry Group Segment Rankings: What's Hot (33) – What's Not (139)
The following are the strongest and weakest Industry Group Segments for the period ending 10/29/26. Strongest: Toys & games, Security Software & Systems, Medical Equipment Distributors and Home Healthcare. Weakest: Pulp & Paper Products, Other Transportation, Parcel Delivery and Other Metals & Mining. To review all the Industry Group Segment rankings, click on the Industries tab, then click on the Segment section.