

Equity Weekly



Syz Equity Research – week from 3 to 7 November 2025

Markets Hit Pause on the AI Trade

Global equity markets turned lower as investors shifted to a risk-off stance, ending a recent winning streak. The MSCI ACWI fell 1.4%, driven by declines in the US (S&P 500 –1.6%) and Europe (STOXX 600 –1.2%), while small and mid-caps held up better. The Nasdaq dropped sharply and the “Mag 7” lost around 4%, with the VIX back above 20.

Profit-taking after strong gains dominated sentiment. Earnings reactions were harsh, as even small misses triggered double-digit declines. Despite solid Q3 results (S&P 500 EPS up 11.8% YoY vs 10% expected), investors de-risked across high-beta names.

Two themes dominated: rising scepticism toward AI capex and renewed scrutiny of consumer demand. Several AI-linked names fell sharply, and comments from OpenAI's CFO about possible government support further tempered sentiment. The ongoing US government shutdown weighed on confidence, limiting access to official data and tightening liquidity. Economic signals were mixed: ADP data showed modest job gains, but consumer confidence fell and announced job cuts rose. Reports from Chipotle, Shake Shack, and Kraft Heinz underscored pressure on the US consumer, while youth unemployment reached 10.5%.

Bitcoin entered a bear market, down over 20% from its highs, while gold corrected 10%. Treasury yields were little changed as speculation over potential tariff reversals was offset by slowing growth concerns. The Bank of England held rates steady, bolstering expectations of a December cut and supporting UK equities.

Despite the turbulence, several lagging and defensive areas showed relative strength as investors rotated out of crowded trades. Historically, early November favours such catch-up dynamics, and this pattern began to re-emerge.

Overall, it was a volatile and corrective week, marked by profit-taking and reduced positioning rather than panic, as markets digested stretched valuations and a narrowing leadership backdrop.

Regions (Total Return Gross, local currency)	Last	5D	MTD	1M	3M	YTD	12M	3Y
MSCI AC World	1,189	-1.4%	-1.4%	0.4%	6.9%	17.5%	16.2%	76.1%
MSCI AC World ex USA	557	-0.9%	-0.9%	0.6%	7.8%	21.1%	19.9%	60.7%
S&P 500	6,729	-1.6%	-1.6%	0.3%	6.5%	15.6%	14.1%	84.7%
STOXX Europe 600	565	-1.2%	-1.2%	-0.7%	3.8%	14.8%	14.5%	49.0%
FTSE 100	9,683	-0.3%	-0.3%	2.3%	7.2%	22.2%	23.1%	48.4%
Switzerland SPI	768	0.0%	0.0%	-1.7%	2.4%	9.7%	7.0%	23.6%
MSCI EM (Emerging Markets)	85,901	-1.0%	-1.0%	1.4%	11.5%	29.5%	24.9%	69.5%
MSCI China	87	0.4%	0.4%	-4.0%	8.4%	36.5%	28.4%	71.9%
TOPIX 100	2,266	-0.3%	-1.3%	2.6%	13.7%	20.3%	22.8%	89.0%

Source: Factset

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