The week in seven charts



Source: AI generated

Wall Street's biggest one-day loss of value on record

Meanwhile, earnings forecasts are rising as semiconductor valuations fall, and more. Each week, the Syz investment team takes you through the last seven days in seven charts.

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Syz PRIVATE BANKING

Chart #1

Wall Street suffers its heaviest one-session loss of value on record

Thursday, 5 November, ranked among the roughest trading days of the year for American stocks. The S&P 500 slid 4.4% and finished at 7,354. The Nasdaq 100 shed about 6.4%, and the Philadelphia Semiconductor Index (SOX) plunged 12.3%, leaving chipmakers close to 38% under their June high. The weakness was not confined to a handful of companies: falling stocks outnumbered rising ones by more than five to one, and 84% of the day's turnover occurred in names that were losing ground.

Roughly $2.8tn of market value vanished in a single day. That is the largest daily destruction of value ever measured, topping the earlier high of about $2.69tn reached during the pandemic-driven sell-off.

Politics lit the fuse. Wednesday's post-election bounce had been fuelled by relief that the vote was behind us and by hopes of a split Congress, yet it faded within 24 hours. Participants turned to the implications of a stronger Democratic showing, especially in state capitals, for the AI build-out. Their worries are practical: power and water demand, planning approvals, and the climbing price of constructing data centres. A weak earnings outlook from Qualcomm further weighed on the chip sector.



Source: Litest; heatmap format: TradingView

Chart #2

How has the Nasdaq behaved after earlier falls of 5%?

The Nasdaq Composite's 5.52% drop on Thursday is its eighth fall of more than 5% since 2015. Looking back at the seven earlier cases:

- On the following session, 6 of the 7 bounced.
- Seven days on, 5 of the 7 stood lower.
- Three months on, 6 of the 7 were higher, gaining 23% on average.

The dataset is thin, and three of the seven cases come from March 2020. Still, it illustrates that a first bounce does not guarantee the sell-off has run its course. Historical patterns offer no assurance about what happens next.

After a 5% Nasdaq drop

Every occurrence since 2015 — and what followed

Thursday 11/5
Nasdaq −5.52% to 24,315
8th time since 2015

DROP DAY	DROP	NEXT DAY	1 WEEK	1 MONTH	3 MONTHS
Mar 9, 2020	−7.3%	+5.0%	−13.2%	−0.8%	+24.8%
Mar 12, 2020	−9.4%	+9.3%	−0.7%	+13.8%	+31.8%
Mar 16, 2020	−12.3%	+6.2%	−0.6%	+21.6%	+40.9%
Jun 11, 2020	−5.3%	+1.0%	+4.7%	+9.5%	+15.0%
Sep 13, 2022	−5.2%	+0.7%	−1.8%	−10.5%	−4.2%
Apr 3, 2025	−6.0%	−5.8%	−1.0%	+7.8%	+23.3%
Apr 4, 2025	−5.8%	+0.1%	+7.3%	+13.5%	+31.0%
Average		+2.4%	−0.7%	+7.8%	+23.2%
Higher		6 of 7	2 of 7	5 of 7	6 of 7

Bounce first: 6 of 7 rose the next day. Then 5 of 7 were lower a week later.

Then a retest: 6 of 7 closed below the drop-day close within a month.

The one that kept falling: Sep 2022, with the Fed raising rates.

The 2022 echo:
After the 10/28 meeting, futures priced about 85% odds of a 12/9 Fed hike.

Nasdaq Composite closes. 3 of 7 were March 2020. History, not a prediction.

Source: Donald Dean (X), using Nasdaq Composite closing prices

Chart #3

Share prices are sliding even though profit forecasts keep rising

The faster analysts lifted their forecasts, the more valuations shrank. Since 30 June, expected earnings per share (EPS) over the coming twelve months have climbed 32% for memory makers, 31% for AI infrastructure companies and 30% for semiconductors overall. Over that same stretch, the forward price-to-earnings (P/E) ratios of those groups dropped 50%, 36% and 35%, in that order. Every one of the 20 chip companies in the S&P 500 now trades on a lower multiple.

Earnings Estimates Have Risen as Valuations Have Fallen

Change in Forward EPS Estimates vs. Forward P/E, June 30 - November 3, 2026

Since June 30	Forward P/E Jun 30	Forward P/E Nov 3	Δ Forward P/E	Δ Forward EPS Ests	Δ Market Cap	% Names EPS Up	% Names De-rated
Materials	17.3x	17.4x	+1%	+2%	+2%	61%	57%
Cons Staples	22.9x	24.3x	+6%	+3%	+9%	75%	28%
Utilities	18.1x	16.8x	-7%	+3%	-4%	94%	84%
Cons Discretionary	25.7x	24.7x	-4%	+5%	+1%	64%	40%
Financials	14.9x	14.6x	-2%	+5%	+4%	85%	44%
Comm Services	31.6x	25.5x	-19%	+5%	-15%	81%	52%
Industrials	26.6x	22.9x	-14%	+7%	-8%	82%	59%
Health Care	18.2x	19.4x	+7%	+7%	+15%	86%	19%
Real Estate	35.2x	33.4x	-5%	+9%	+3%	66%	69%
Software	21.0x	24.4x	+16%	+10%	+28%	91%	36%
S&P 500 ex Mag 7	19.4x	17.2x	-11%	+11%	-2%	82%	50%
S&P 500	22.0x	19.5x	-11%	+12%	-1%	82%	50%
Mag 7	28.4x	25.1x	-12%	+15%	+1%	75%	62%
Nasdaq 100	25.1x	20.7x	-17%	+16%	-4%	89%	59%
Info Tech	22.6x	18.3x	-19%	+21%	-2%	95%	65%
Energy	12.4x	12.6x	+2%	+22%	+24%	86%	38%
Semiconductors	21.1x	13.8x	-35%	+30%	-15%	95%	100%
AI Infrastructure	21.8x	13.9x	-36%	+31%	-17%	97%	100%
Memory	10.5x	5.3x	-50%	+32%	-33%	100%	100%

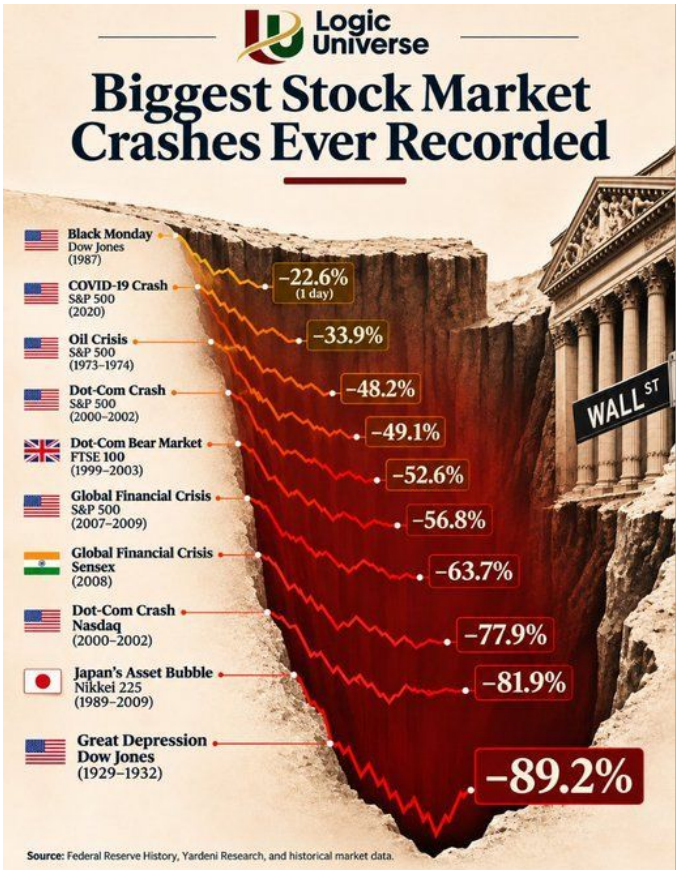
Source: Bloomberg as compiled by Citadel Securities, Global Market Intelligence, as of November 2, 2026

Source: Zero Hedge, Citadel Securities

Chart #4

The deepest equity market collapses on record

A graphic ranking the most severe stock market crashes in history, which helps put Thursday's drop into perspective.



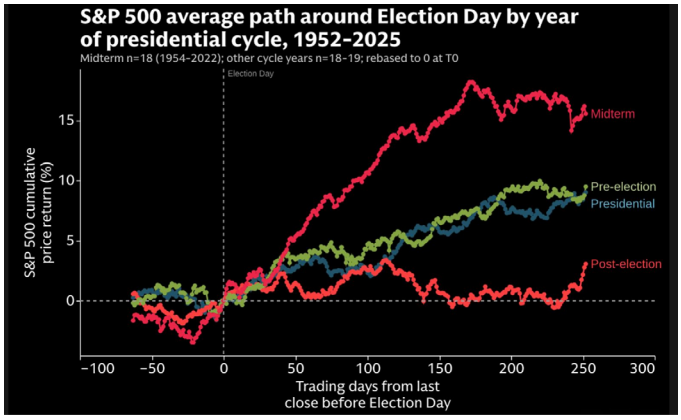
Source: Logic Universe

Chart #5

Might the midterm elections give US stocks a lift?

Market Intelligence, J.P. Morgan's research group, argues that past patterns point to a supportive effect from US midterm elections on share prices. Dating back to 1990, the S&P 500 has returned an average of 5.4% after three months, 11.4% after six, 12.5% after nine and 14.7% after twelve. At the six, nine and twelve-month marks, the index has never ended lower.

The bank adds that the latest round of risk reduction falls short of a full capitulation, with systematic selling and crowded technology positions still looming as threats. Even so, heavy deleveraging and a momentum exposure that has sunk to only 30% of its high suggest conditions could be ripe for an alpha recovery.

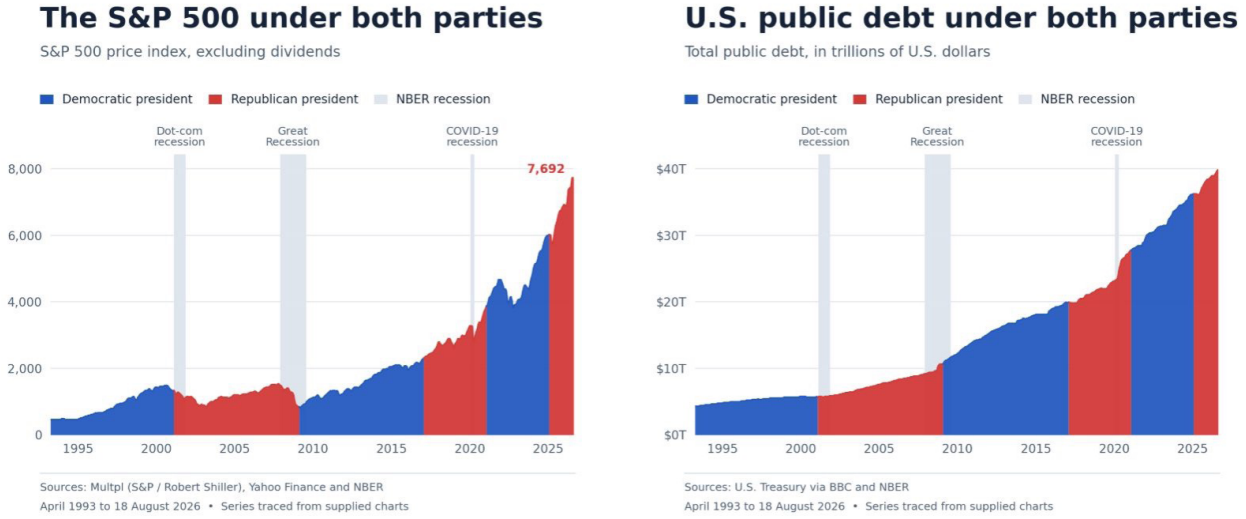


Source: J.P. Morgan, TME

Chart #6

Regardless of who governs, equities and government debt tend to climb over time

Across several decades, both the S&P 500 and US federal debt have moved upward under presidents from each party. Public borrowing looks set to carry on, and nominal economic growth should stay robust enough to support share prices. Judging by the record, the broad outcome has been much the same whichever party occupies the White House.



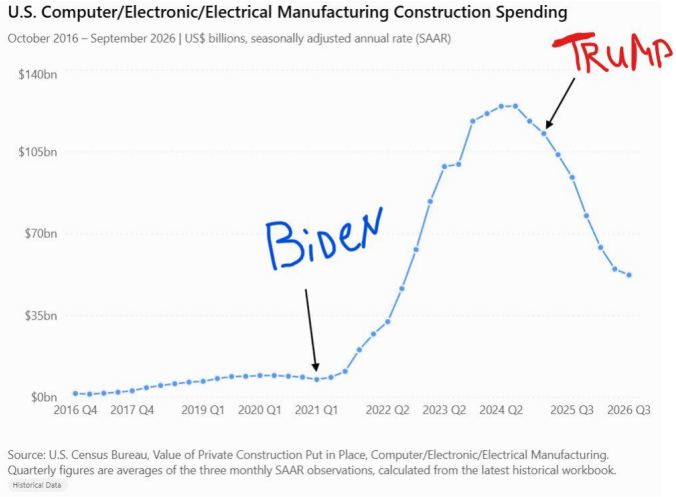
Source: Multpl (S&P / Robert Shiller), Yahoo Finance, U.S. Treasury via BBC, NBER

Chart #7

The AI and data centre investment wave shows no sign of fading

Those predicting a crash in American data centre outlays after the Democratic advance tend to forget that the CHIPS Act, signed during Joe Biden's presidency, rebuilt the country's chipmaking base. That same administration also set off a race for computing power against China by imposing sweeping export restrictions on cutting-edge chip-making tools.

Artificial intelligence and data centres are now treated as questions of national security and economic strength. We therefore see no reason for this investment cycle to wind down in the near term.



Source: U.S. Census Bureau (Value of Private Construction Put in Place), via Monolith_Cap

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