Your Weekly Investment
Insights
November 16, 2026

VERDENCE CAPITAL ADVISORS

Key **Takeaways:**

- Major scandal at second largest company in the world.
- Understanding Nvidia's role in the AI trade.
- The AI trade is bigger than any single company.
- Expect additional scrutiny and headline news.
- Highlights the importance of diversification.

Answering Key Questions Around the Nvidia Scandal

Last week, Jensen Huang, the CEO of Nvidia, resigned after admitting to an affair with an executive who the U.S. Government suspects to be a Chinese spy and reports of separate affairs with employees. Normally we refrain from commenting on stocks but in this Weekly Insights we wanted to address some key questions that have materialized as a result of the ousting of the CEO of the second largest company in the world, especially given Nvidia's significance in the broader AI trade.

- **Why does Nvidia matter so much to the AI trade?** Nvidia is the primary provider of the GPU (graphics processing unit) chips that power artificial intelligence. According to the International Data Corporation, Nvidia holds ~80% of the market share in the AI data center chip market. They supply the chips that have fueled the AI capex spending that has supported economic growth. In addition, Nvidia is the second largest company in the S&P 500, and has been one of the biggest contributors to the S&P 500 return in this bull market (started in 2022). When one company sits at the center of both an economic and market growth story, it is understandable that a scandal can move the market.
- **Is there an Nvidia alternative?** Yes, but a quick shift away from Nvidia chips is unlikely in the short term. AMD sells a competing chip, and Google, Microsoft, and Amazon have all designed chips to power their own data centers. The challenge is the software where many developers have relied on Nvidia. Every AI chip needs code that tells it what to do, and most AI developers write that code using CUDA, a programming platform Nvidia created to run on its own chips. Moving to another chipmaker means rewriting and retesting years of work, which takes time and money.
- **Was there a crime committed?** At this point there is no evidence that a crime was committed. However, the FBI and federal prosecutors are investigating the relationship between Jensen Huang and the alleged Chinese spy, Alice Huang. As of 2022, the U.S. placed export bans on select chips to China and in 2023 it was broadened to other countries. There were some exceptions outlined in early 2026 but the restrictions are still very robust. Investigators are trying to decide if Huang violated any export regulations with Alice Huang's previous company, MegaSpeed.

The Bottom Line:

We do not think the events that unfolded last week will derail the AI buildout. Nvidia's contracts and chip orders have been placed and supply is already tight. Since Nvidia represents such a large portion of the S&P 500 the ongoing fallout will likely keep volatility elevated. This event highlights the importance not only from an asset allocation perspective but from a business perspective to be diversified in the AI trade. The broader threats we are monitoring is the importance of Jensen Huang to Nvidia's growth, sentiment among employees, Nvidia's reliance on export licenses with China and their direct investments in those companies that buy their chips. Given the situation is highly fluid we will monitor the developments. However, we have a highly diversifed portfolio that is not reliant on any one company.

Megan Horneman | Chief Investment Officer
mhorneman@verdence.com
Past performance is not indicative of future returns.

Weekly Economic Recap –

Inflation Moving the Wrong Way at Many Levels

Small business optimism as measured by the NFIB Small Business Optimism Index was relatively unchanged in October. While hiring plans moved slightly higher, job openings improved and sentiment around expanding was better, business owners that are expecting to raise prices reached the highest level in four months.

Inflation as measured by the Consumer Price Index rose more than expected at the headline (+0.4% vs. 0.3% est. MoM) and the core level (+0.3% vs. 0.2% est. MoM) in October. While energy prices continue to push headline inflation higher, the rise in prices was broad based. Electricity services rose 0.9% (MoM), hospital services rose 0.8% (MoM), and cable and streaming services rose 0.7% (MoM). In addition, food prices rose 0.5% (MoM), motor vehicle insurance rose 0.7% (MoM) and public transportation rose 2.0% (MoM).

Existing home sales fell more than expected in October (-5.5% vs -3.5% MoM estimate). Sales are running at a 3.75 million annual rate which is the lowest level since August 2010 which was in the depth of the housing crisis. Sales fell the most in the west, south and midwest and were flat in the northeast. As a result, the months' supply of existing homes rose to the highest level seen since 2015. The median price of an existing home fell for the fourth consecutive month.

Inflation as measured by the Producer Price Index rose at the fastest year over year pace (+6.5%) since November 2022. While energy drove the headline reading higher, prices rose in other areas. Food prices rose 1.3% (MoM) while transportation and warehousing rose 2.0% (MoM). The middle east conflict, the Russia/Ukraine war, tariffs and high diesel prices all contributed to higher prices. At the core level (ex food, energy and trade) prices are rising 4.9% (YoY).

Key Takeaways:

- Small businesses looking to raise prices.
- Inflation is broad based and rising.
- Housing market downturn deepens.
- Global equities rally despite tech volatility.
- Bond yields rise as more rate hikes priced in.
- Commodities fall on gold and energy.

Weekly Market Recap –

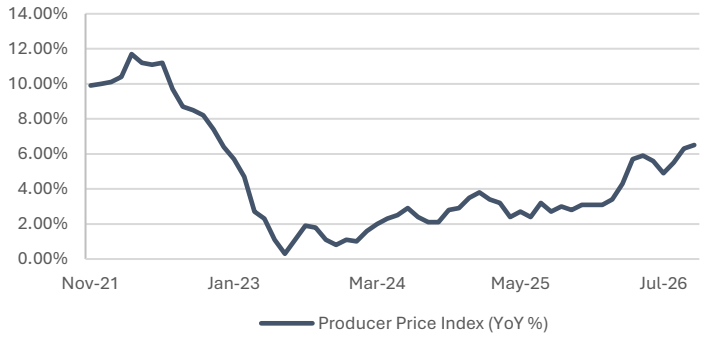
Global Equities Rally Despite Tech Volatility

Equities: Last week, the MSCI AC World Index rose for the first time in the past five weeks and by the most in three months. Equities rallied around the world despite the late week volatility in tech due to Nvidia's CEO stepping down. Japan and the Asian emerging markets led the gains, especially in Korea and Taiwan due to better tech earnings. Within the U.S., growth and tech rebounded from the prior week's tech decline.

Fixed Income: The Bloomberg Aggregate Index posted its worst weekly decline since the tariff fueled weakness in April 2025. Hotter than expected inflation data and hawkish central bank speeches led to investors pricing in more rate hikes. Long term Treasuries and investment grade bonds led the weakness.

Commodities/FX: The Bloomberg Commodity Index fell for the fourth consecutive week led by weakness in gold, copper and crude oil. Gold prices fell the most in five months as higher real yields attracted investors out of gold and into Treasuries. Oil prices fell on the potential for easing tensions between the U.S. and Iran and the IEA announcing their forecasts for higher oil supply.

Inflation Continues to be Persistent Problem



Footnotes: Data is as of October 2026.
Data Source: Bloomberg Finance LP, Verdence Capital Advisors.

Megan Horneman | Chief Investment Officer
mhorneman@verdence.com
Past performance is not indicative of future returns.

VERDENCE CAPITAL ADVISORS

Stocks Rebound Despite Tech Volatility

U.S. Equities	Current	1WK	1MO	3MO	1YR	YTD
Dow Jones Industrial Average	52,348	2.1%	1.4%	-2.4%	12.1%	10.4%
S&P 500	7,562	2.5%	-3.1%	-2.8%	13.5%	11.5%
Russell 1000 Growth	4,626	2.8%	-9.6%	-8.4%	-1.7%	-2.5%
Russell 1000 Value	2,586	2.3%	3.5%	2.2%	30.3%	26.7%
Russell 2500	5,015	1.8%	1.1%	-6.5%	21.2%	16.6%
Russell 2000	2,790	1.4%	0.3%	-8.3%	18.7%	13.7%
Nasdaq	25,136	2.3%	-7.6%	-6.1%	10.6%	8.7%

International Equities	Current	1WK	1MO	3MO	1YR	YTD
MSCI AC World (USD)	1,112	2.5%	-2.7%	-3.9%	12.7%	10.9%
MSCI EAFE (USD)	3,104	2.1%	0.6%	-4.2%	11.4%	9.7%
MSCI Europe ex UK (USD)	3,423	1.4%	3.5%	-4.2%	9.9%	7.1%
MSCI Japan (USD)	5,400	5.2%	-5.8%	-6.5%	12.9%	14.4%
MSCI UK (USD)	1,712	1.2%	2.4%	-0.4%	15.0%	11.3%
MSCI EM (USD)	1,550	3.2%	-6.6%	-8.1%	12.2%	12.3%
MSCI Asia ex Japan (USD)	1,020	3.5%	-6.4%	-9.0%	12.6%	13.5%

Fixed Income	Current Yield	1WK	1MO	3MO	1YR	YTD
U.S. Aggregate	5.5%	-1.5%	0.7%	-1.7%	-1.1%	-1.6%
U.S. Govt/Credit	5.4%	-1.4%	0.6%	-1.5%	-1.3%	-1.7%
U.S. 10 Year Treasury	5.2%	-2.1%	0.9%	-2.7%	-3.6%	-3.8%
U.S. TIPS (1-10YR)	5.1%	-1.2%	0.2%	-1.8%	-0.2%	-0.4%
U.S. High Yield	8.3%	-0.3%	0.3%	-2.0%	1.9%	0.5%
EM Bonds (USD)	6.9%	-0.8%	0.3%	-2.3%	0.0%	-0.7%
Municipal Bonds	4.2%	-0.8%	2.8%	-1.6%	-0.2%	-0.4%

Commodities	Current	1WK	1MO	3MO	1YR	YTD
Bloomberg Commodity Index	347	-0.9%	-7.6%	0.3%	25.7%	25.7%
Crude Oil (USD/bbl)	$95.8	-2.5%	-9.8%	8.8%	32.8%	35.0%
Gold ($/oz)	$3,884.5	-4.6%	-6.6%	-10.7%	-6.9%	-10.1%
Copper	$13,399.0	-2.7%	-8.1%	-5.3%	22.3%	7.9%
Wheat	$230.5	3.4%	-6.6%	-1.7%	8.1%	12.7%
U.S. Dollar	103	1.1%	1.2%	3.4%	4.3%	5.2%
VIX Index	19.3	-24.7%	26.4%	31.9%	-3.5%	29.1%

Footnotes: Data is as of November 13, 2026.
Source: Bloomberg Finance LP, Verdence Capital Advisors.

Megan Horneman | Chief Investment Officer
mhorneman@verdence.com
Past performance is not indicative of future returns.

VERDENCE CAPITAL ADVISORS

Disclaimer:

© 2026 Authored by Megan Horneman, Chief Investment Officer, Verdence Capital Advisors, LLC. Reproduction without permission is not permitted. The indexes presented are unmanaged portfolios of specified securities and do not reflect any initial or ongoing expenses nor can it be invested in directly. An investment's portfolio may differ significantly from the securities in the index.

This material was prepared by Verdence Capital Advisors, LLC ("VCA" or "we", "our", "us"). VCA believes the information and data in this document were obtained from sources considered reliable and correct and cannot guarantee either their accuracy or completeness. VCA has not independently verified third-party sourced information and data. Any projections, outlooks or assumptions should not be construed to be indicative of the actual events which will occur. These projections, market outlooks or estimates are subject to change without notice. This material is being provided for informational purposes only and is not intended to provide, and should not be relied upon for, investment, accounting, legal, or tax advice. Past performance is not a guarantee of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product or any non-investment related content, made reference to directly or indirectly in these materials will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. You should not assume that any discussion or information contained in this report serves as the receipt of, or as a substitute for, personalized investment advice from VCA. Alternative investments are designed only for sophisticated investors who are able to bear the risk of the loss of their entire investment. Investing in alternative investments should be viewed as illiquid and generally not readily marketable or transferable. Investors should be prepared to bear the financial risks of investing in an alternative investment for an indefinite period of time. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. All indexes are unmanaged, and you cannot invest directly in an index. Index returns do not include fees or expenses. Sector Watch Use of this website is intended for U.S. residents only. Any recommendation, opinion or advice regarding securities or markets contained in such material does not reflect the views of Verdence Capital, and Verdence Capital does not verify any information included in such material. Verdence Capital assumes no responsibility for any fact, recommendation, opinion, or advice contained in any such research material and expressly disclaims any responsibility for any decisions or for the suitability of any security or transaction based on it. Any decisions you may make to buy, sell, or hold a security based on this research will be entirely your own and not in any way deemed to be endorsed or influenced by or attributed to Verdence Capital. It is understood that, without exception, any order based on such research that is placed for execution is and will be treated as an UNRECOMMENDED AND UNSOLICITED ORDER. Further, Verdence Capital assumes no responsibility for the accuracy, completeness, or timeliness of any such research or for updating such research, which is subject to change without notice at any time. Verdence Capital does not provide tax, or legal advice. Under no circumstance is the information contained within this research to be used or considered as an offer to sell or a solicitation of an offer to buy any particular investment/security. Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Lower rated securities are subject to greater credit risk, default risk, and liquidity risk. Commodity-related products, including futures, carry a high level of risk and are not suitable for all investors. Commodity-related products may be extremely volatile, illiquid and can be significantly affected by underlying commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions, regardless of the length of time shares are held. Data is provided for information purposes only and is not intended for trading purposes. Verdence Capital shall not be liable for any errors or delay in the content, or for any action taken in reliance on any content.