



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

November 21, 2025

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	46,245.41	-902.07 / -1.91%	8.70%
S&P 500 [®]	6,602.99	-131.12 / -1.95%	12.26%
Nasdaq	22,273.08	-627.51 / -2.74%	15.34%
Russell 2000 [®]	2,369.59	-18.64 / -0.78%	6.25%

	11/21/25 CLOSE	11/21/24 CLOSE
10-Year U.S. Treasury	4.07%	4.43%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The Nasdaq posted significant losses this week on concerns over the amount of debt taken on by technology companies to finance data centers. The Russell 2000[®] Index (-0.78%) led the major indices followed by the Dow Jones Industrial Average (-1.91%), the S&P 500[®] Index (-1.95%) with Nasdaq declining 2.75%. The yield on the 10-Year U.S. Treasury Note decreased to 4.07% from 4.15% last Friday.

Expectations that **AI** would both revolutionize business operations and lower costs have dominated investor sentiment this year. Major technology companies have announced multibillion plans to build data centers in order to advance **AI** initiatives. Several, though, are financing these projects with debt that may challenge the companies' returns on investment. This week, *Nvidia* sold off despite reporting strong revenues and earnings and increasing its growth forecast. *Microsoft* (-7.4%) and *Amazon* (-6.0%) also sold off, yet *Alphabet* (8.4%) gained following the announcement of *Berkshire Hathaway's* significant position in the company. *Alphabet's* CEO Pichai commented this week that he sees "elements of irrationality" in the **AI** boom, adding that no company would emerge unscathed if the **AI** spending boom collapses.

Several retailers including *Lowes*, *GAP*, *Walmart*, *TJX Companies* and *Ross Stores* reported strong sales and earnings as consumer spending has remained strong. Following earnings season, many companies, including *O'Reilly Automotive*, announced significant stock buybacks; the recent selloff has provided the opportunity to repurchase shares at significant discounts.

Mixed comments by various Federal Reserve officials this week included concerns that inflationary pressures may not have sufficiently eased as well as concerns about the weakening labor market. Such divided opinions seem consistent with Chair Powell's October post-meeting comments. The delayed September jobs report (119,000 new jobs) far exceeded estimates of 50,000; new jobs were primarily in the healthcare and hospitality industries. The unemployment rate rose to 4.4%, higher than projections of 4.3%. Initial jobless claims (220,000) were better than consensus (225,000); continuing claims (1.974 million) surpassed estimates (1.936 million). One dilemma in the job market is the mismatch between strong demand in areas with few

qualified applicants. For example, *Ford* Chair Farley commented last week about the challenges in finding enough skilled mechanics to run the company's auto plants; specifically, *Ford* has vacancies for 5,000 mechanic jobs that pay \$120,000 a year.

The selloff in AI-related companies may provide a healthy reset as investors see opportunities to diversify into other market sectors such as Russell 2000® stocks. Recent tax legislation may provide substantial refunds for many taxpayers next year; the added cash could provide a significant boost to the economy in 2026. Investment momentum near-term will likely focus on expectations for the Fed to lower interest rates next month.

Due to next week's holiday-shortened schedule, we will not publish a Weekly Recap.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

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