PACIFIC GLOBAL
Investment Management Company

Weekly*Recap*

November 6, 2026

Market*Returns*

INDEX[1]	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	51,285.73	-484.58 / -0.94%	6.70%
S&P 500®	7,376.86	-203.21 / -2.68%	7.76%
Nasdaq	24,579.42	-857.58 / -3.37%	5.75%
Russell 2000®	2,754.11	-57.73 / -2.05%	10.97%

	11/06/26 CLOSE	11/06/25 CLOSE
10-Year U.S. Treasury	4.87%	4.11%

Data: The Wall Street Journal, Federal Reserve

The*Bottom*Line

Post-election fears that the incoming Democratic-controlled Congress might impede **AI** initiatives triggered an equity market sell off; many investors fled equities to the safety of Treasuries. Thursday's sell off, Nasdaq's worst in more than 18 months, sent the Index into correction territory with a greater-than-10% decline from its early October high. For the week, the Dow Jones Industrial Average (-0.94%) posted the smallest loss followed by the Russell 2000® Index (-2.05%), the S&P 500® Index (-2.68%) and the Nasdaq (-3.37%). The yield on the 10-Year U.S. Treasury declined to 4.87% from 4.93% last Friday.

Companies tied with **AI** led Thursday's decline over concerns that new legislation might constrain the **AI** infrastructure buildout. Various commentaries this week indicate that industry leaders are imposing restrictions on **AI** use: *Apple* announced a reduction in employee usage of **AI** to control costs. *Microsoft* also commented on changes in its data center development. And yet, *Solaris* (power generation) stated that the demand for its services in powering data centers is gaining strength; the company commented that there is *no shortage of possible sites in the U.S. for data centers,* adding that construction provides tax income, new jobs and economic growth for the local communities.

In October, the addition of **165,000 non-payroll jobs** far exceeded consensus of 65,000. The **unemployment** rate declined to 4.1% from 4.2% in September. The **JOLTS job openings** report unexpectedly rose in September from 7.19 million in August to 7.52. **Initial Jobless Claims** fell to 189,000, below projections (196,000), and **Continuing Claims** rose to 1.718 million, above estimates of 1.710 million. **October ISM Manufacturing Index** rose from 54.5 to 55.5. **October ISM Services Index** declined modestly to 54.5, the lowest in three months, from 54.9. The preliminary **November US Michigan Consumer Sentiment** rose to 51.0. higher than estimates and October's 48.00.

In recent weeks, market activities suggested growing concerns over **AI**-company valuations. This week's election results may have triggered a rebalancing; such a transition to a broader diversification may support economic growth across a variety of sectors. Historians note that companies typically favor divided governments as

gridlock conditions often prevail. Meanwhile, earnings season continues with positive results. Over 88% of companies in the S&P 500® have reported; average earnings results are 2.7% above expectations with 31.5% exceeding growth estimates. Over the short-term, investors will closely monitor the post-election transition of power, inflation, and the wars in Ukraine and the Middle East.

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[1]The 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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