MARKET NOTE · NOVEMBER 2026

Why tech stocks dropped and what it means

Stocks swung sharply this month. Our reading: customers did not walk away. AI grew faster than lenders, power grids and security rules could keep up.

1 Moving fast on borrowed money

WHAT HAPPENED

Data-center construction nearly doubled in a year. The largest builders are forecast to spend more cash than they bring in. Investors' margin loans stood close to their record.

WHY IT MATTERS

When many people borrow for the same bet, one surprise can force them to sell at once to raise cash.

2 Lenders, voters and defenders hit the brakes

WHAT HAPPENED

The 10-year Treasury yield passed 5%. A bank was reported to have sold a slice of a data-center loan at a discount. Voters restricted data centers in 40 of 41 local votes. New security and export controls arrived.

WHY IT MATTERS

People did not stop using AI. Our reading: lenders, communities and security teams moved to slow the pace.

3 Market fear and business demand

WHAT HAPPENED

Stocks fell sharply on Nov. 19 and 20, and gold was sold to meet margin calls. In the same week Nvidia reported sales up 103%, and 57% of businesses on one payments platform paid for AI.

WHY IT MATTERS

Selling in markets is one thing. Customers disappearing is another. Which this turns out to be is not yet settled.

4 What comes next for markets and industries

WHAT TO WATCH

The Federal Reserve decides on Dec. 9. Credit markets will show whether heavily indebted builders can refinance debt due in 2027. Company filings will show what the new oversight costs.

THREE WAYS IT COULD GO

- Rates and policy ease.
- Growth continues under more oversight, at lower valuations.
- Credit breaks.

The longer view, as we read it: supply catches up with demand and the two return to balance, which we see as a healthy outcome overall. The timing is unknown.

Sources: Census Bureau; S&P Global Ratings (forecast); FINRA; U.S. Treasury; Bloomberg; Fortune; CNBC; Nvidia (Nov. 17, 2026); Ramp AI Index; Federal Reserve. Analysis, not a forecast.

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