LIBELLA

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MONTHLY INSIGHTS

Monthly Market Outlook

WEDNESDAY 25 NOVEMBER 2026 · LONDON 10:00

FOR PROFESSIONAL INVESTORS ONLY

US EQUITIES / MONTHLY OUTLOOK

We lower our range as credit spreads remain wide

We lower our S&P 500 range to 6,850–7,650 through late January. The index closed below our previous range on 5 November, and closed at 7,201 on 24 November, −6.3% since 4 November. High-yield spreads eased to 363bp from 376bp but remain 31bp wider than on 4 November. Since our 5 November Outlook, sentiment has moved most: Fear / Greed fell from 32.0 to 10.8 since 4 November (3rd percentile, one year), leverage is at its 7th percentile since 2009, and equal weight has beaten the S&P 500 by 2.1 percentage points.

Libella Insights • 4-minute read • Full report: 2 pages

SINCE THE 5 NOVEMBER OUTLOOK · 4–24 NOVEMBER

−6.3%	26.4	10.8	363bp	6,850–7,650
S&P 500 since 4 Nov (7,201)	VIX +9.8 pts since 4 Nov	Fear / Greed 3rd pct, one year	High-yield spread +31bp since 4 Nov	S&P 500 range to late January

KEY TAKEAWAYS

Our range broke on day one. The S&P 500 closed at 7,354 on 5 November, below our 7,550 floor, and was 7,201 on 24 November.

Fear is extreme and leverage is light. Fear / Greed hit 0.5 on 20 November, its lowest since the series began in December 2025; leverage is at its 7th percentile since 2009.

Credit spreads remain wide. The US high-yield spread was 363bp on 23 November, +31bp since 4 November and its 99th percentile over a year.

Libella view: we lower the range. Our S&P 500 range to late January is **6,850–7,650**, from 7,550–8,100; we keep equity risk below normal and prefer equal-weight, quality and low-volatility stocks.

The month ahead: US payrolls on 4 December, the Fed on 9 December (25bp hike 94.3% priced on 25 November), US CPI on 10 December, the Bank of England and ECB on 17 December.

AI selling spread to the whole market

Nvidia's leadership crisis broke on 12 November, the US tightened limits on China's access to advanced AI chips on 16 November, and Nvidia's 17 November results beat without lifting its shares. Anthropic closed its first day 17.1% above its $83 offer price on 19 November, yet every S&P 500 sector fell. Nvidia reinstated Jensen Huang on 23 November; chipmakers gave back 64% of that day's gain on 24 November.

History after panic selling

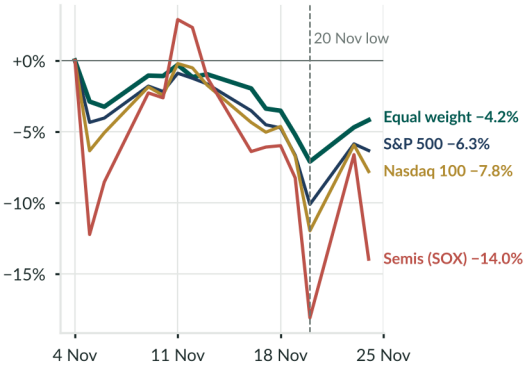
In 11 panic-selling episodes since 2015 (method in the notes), the median S&P 500 return was −3.4% one month after the signal and +2.4% three months after, with a median worst loss of −8.3% from the signal-day close over the next 63 sessions. A small sample, not a forecast.

Positioning remains light

Our Crowding Monitor (−5.2%) and momentum (−10.1% over 21 sessions) are both at their 2nd percentile over three years; asset managers' E-mini net long, 42.7% of open interest, is at its 26th (CFTC, 17 November). **Street v Libella:** five published end-2026 targets have a median of 8,000, 11.1% above the 24 November close; our range runs only to late January.

EQUAL WEIGHT HELD UP • % FROM 4 NOV CLOSE

The average stock fell less than the index; chipmakers fell most, and Monday's rebound faded



Source: S&P 500, equal-weighted S&P 500 (RSP), Nasdaq 100 and PHLX Semiconductor daily closes (Yahoo Finance), 4–24 Nov 2026 · Libella

Options, Rates and Credit: What Changed This Month

LIBELLA VIEW

We lower the Libella range and drop our call for gains into January. Our central S&P 500 range to late January is **6,850–7,650** (4.9% below to 6.2% above the 24 Nov close), from 7,550–8,100 on 5 November. We keep equity risk below normal for one to three months without turning bearish on the cycle, and prefer equal-weight, quality and low-volatility stocks to AI leaders. Our leverage and positioning measures remain subdued; we would want tighter spreads and broader participation before adding risk. A close below 6,850 with spreads widening again would point to a deeper correction; a high-yield spread below 320bp and a VIX below 25, with breadth recovering, would move us to neutral. Sectors: overweight consumer staples and health care; neutral mid caps (from positive), small caps, financials and utilities; underweight AI hardware and energy.

Options price more risk; skew stays steep

The VIX (Cboe's 30-day S&P 500 implied volatility) was 26.4 on 24 November, +9.8 points since 4 November; near-term options are priced slightly above three-month ones (VIX / VIX3M 1.03). SPY one-month 25-delta skew (call IV − put IV) was −10.2 vol points, so put IV was 10.2 points above call IV, close to −9.9 on 20 November even as one-month at-the-money implied volatility fell to 21.3% from 32.8%. The put ÷ call IV ratio is 1.57 (1.37 on 20 November). One-month ATM implied volatility of 21.3% gives a one-standard-deviation, one-month move of ±6.1% (6,759–7,643), as an illustration only.

Rates: a December hike is close to fully priced

Fed funds futures price a 94.3% probability of a 25bp hike on 9 December (CME futures, Libella), from 82% on 4 November, after October core CPI of +0.3% on the month. The 2-year yield is 4.63% (+5bp since 4 November), the 10-year 4.91% (+1bp); the 28bp 2s10s spread is at its 5th percentile over a year.

Credit spreads remain wider since 4 November

The high-yield spread was 363bp on 23 November, its 99th percentile over a year. Our CCC−B estimate is 10.08%, its widest level of the past year, after +70bp over four weeks.

Oil lower, dollar firmer, gold weaker

Since 4 November January Brent is −3.4% at $91.40, the dollar index (DXY) +2.3% at 103.81 and gold futures −12.5% at $3,562.

Our Macro Score softened

The Libella Macro Score is −0.6, from +1 a month ago, with a 13% 12-month recession chance. The BEA said today real GDP grew +4.3% annualised in the third quarter, revised up from +3.4%, and that core PCE prices were +3.3% on the year in October.

AI: the leaders carried the losses

Nvidia was −22.4% since 4 November at $155.38. Our AI relative preference led by 12.1 percentage points over the month to 20 November, then trailed by 4.5 points to 24 November.

Earnings beat, but growth is slowing

Of 462 S&P 500 companies reported, 83.5% beat estimates (LSEG I/B/E/S, 19 November), but the aggregate surprise of +3.5% is below its five-year average of +7.5% (FactSet, 20 November). LSEG's blended year-on-year growth rate is 34.0% for the third quarter, after 53.7% in the second; analysts expect 30.1% for the fourth and 20.9% for the first quarter of 2027.

Sectors and size: defensives fell least

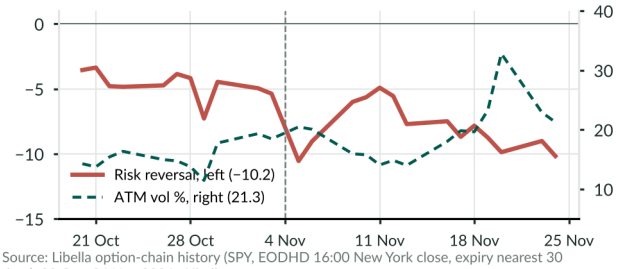
Since 4 November staples are −0.1% and health care −2.6%, against −11.0% for technology. The S&P MidCap 400 (−5.2%) and Russell 2000 (−6.0%) trail equal weight (−4.2%), so mid caps move to neutral.

Libella Midterm L/S Basket

+9.5% since 4 November (hypothetical), led by its digital-asset and defence shorts.

PUTS DEARER THAN CALLS • VOL POINTS

SPY one-month 25-delta risk reversal (call minus put implied volatility) and at-the-money implied volatility



Source: Libella option-chain history (SPY, EODHD 16:00 New York close, expiry nearest 30 days), 20 Oct–24 Nov 2026 · Libella

BEFORE / AFTER	4 NOV	20 NOV	24 NOV	4–24 NOV
S&P 500	7,689	6,910	7,201	−6.3%
Equal weight (RSP)	223.33	207.44	213.96	−4.2%
VIX (30-day)	16.6	35.9	26.4	+9.8 pts
SPY ATM vol, %	14.9	32.8	21.3	+6.4 vol pts
SPY 25Δ skew (C−P)†	–	−9.9	−10.2	–
SPY put ÷ call IV ratio†	–	1.37	1.57	–
US HY spread, bp	332	376	363 (23 Nov)	+31 bp
Brent (Jan fut.), $	94.62	92.57	91.40	−3.4%
10y − 2y, bp	32	29	28	−4 bp
DXY	101.51	103.81	103.81	+2.3%
MOVE (rates vol)	94	106	99	+5 pts

Notes. Panic-selling study: Libella; signal = S&P 500 −2% or more in a day with the Libella positioning composite at −0.75 standard deviations or lower; a new episode needs 21 sessions without a signal; 11 completed episodes 2015–2025; price returns from the signal-day close; worst point = lowest close within 63 sessions; history, not a forecast. Leverage: CFTC-based proxy (z −0.50). CCC−B: Libella ETF-based estimate scaled to ICE BofA spreads (±35bp typical error). SPY options: Libella quotes skew as the 25-delta risk reversal, call IV minus put IV (C−P; negative = puts priced above calls), with the put ÷ call IV ratio as a second measure; one month = the monthly expiry nearest 30 days (not constant maturity), EODHD 16:00 New York close; some older rows came from delayed snapshots. †4 Nov SPY reading left out: out of line with adjacent sessions (risk reversal −2.6 in our file, −4.4 in an earlier snapshot). Options illustration: SPY one-month at-the-money implied volatility × √(21/252) on the S&P 500 close; one standard deviation, normal returns, risk-neutral; not the Libella range. Brent: January futures; gold: front-month COMEX futures; equal weight: RSP, price return. Earnings: all growth rates year on year. LSEG I/B/E/S scorecard, 19 Nov; FactSet Earnings Insight, 20 Nov. Libella count (not in text): Q3 growth 27.2%, of which Micron and Nvidia 10.0 points; 496 members, reported EPS (480) or consensus v the same quarter a year earlier (Yahoo), current share counts (buybacks ignored); differs from LSEG's blended rate. Street v Libella: five published end-2026 targets, Libella tracker, 21 Nov. Range and sectors: Libella judgement. **Sources:** Libella Market Monitor; Yahoo Finance (indices, ETFs, Cboe VIX, VIX3M, SKEW, MOVE); CME fed funds futures, Libella calculation, 25 Nov; CFTC TFF, 17 Nov positions; BLS; BEA (Q3 GDP second estimate, October PCE, 25 Nov); FRED (ICE BofA US High Yield OAS, real yield); Nvidia, Anthropic: company announcements, Reuters; Street targets: Barclays (Reuters), Goldman Sachs (The Motley Fool), JPMorgan (JournalArta), Morgan Stanley (The Wealth Advisor), HSBC (BeInCrypto); calendar: Federal Reserve, BLS, Bank of England, ECB.

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