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Daily Commentary

Roller Coaster

11th November 2026

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If someone had slept from yesterday morning to this morning, looking at the futures they would think that nothing special had happened, and yet in fourteen hours we saw four different markets, one after the other.

Yesterday morning, the market was already falling before the data, because Governor **C. Waller**, speaking in London, had said that with core inflation still around **0.3**% "a 50 basis point hike should be considered in December".
Then, the October inflation data arrived, headline +**0.4**% month on month against the expected 0.3%, core +**0.3**% against 0.2%, the third consecutive disappointment.
Prices rising right where it hurts households most, food, electricity (+**0.9**%), fuel and even toys, up more than **9.0**% compared with last Christmas.
At the Wall Street open the S&P500 index was losing **0.7**% and the Nasdaq more than **1.0**%.

Then, as per the script, the dip buyers arrived and for an hour it seemed done, the index recovered almost everything.
But it did not last long.
The sellers arrived and with them more words from the Fed, even less reassuring.
The S&P500 index hit its low around one o'clock (−**0.9**%) and the Nasdaq (−**1.6**%), recovered something in the afternoon and closed at −**0.38**%, the Nasdaq at −**0.74**%.

Nvidia −**5.47**%, after having lost more than **7.0**%.

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House
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Overnight, after the close, **CoreWeave** published its results, raised its estimates and the stock soared in after-hours trading.
Asia seized the opportunity, Kospi +**1.8**%, Nikkei +**1.2**%, SK Hynix +**3.6**%, TSMC +**2.6**% and Samsung +**2.4**%.
Nasdaq 100 futures are up more than **1.0**%, those on the S&P 500 index **0.6**%.
Everything turned around, again.

The heart of yesterday was not the inflation data itself, but what the Fed built on top of it.
After C. Waller, the Dallas Fed president, **L. Logan,** said that "at least two more 25 basis point hikes" are needed and that this winter we could go faster than we did in the autumn.
J. Schmid (Kansas City FED) added that current rates support the economy more than they restrain it.
A. Goolsbee (Chicago FED) called the data "worrying".
But the sentence that stands out most is the one from Governor **M. Bowman**.
She spoke of the risk of "a sharp correction in equity valuations" linked to Artificial Intelligence returns and added that lower equity prices could weaken the resilience of consumption, that is the so-called **wealth effect**, whereby American households spend also because they feel richer thanks to the stock market.
And yet, in the same sentence, she said she was ready to raise rates in December.

It is an uncomfortable message, **the Fed will not come to the rescue if equities fall, at least as long as inflation stays like this.**

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The two-year yield rose by about **17** basis points, to **4.73**%, the largest daily jump since April 2025, while the ten-year went back above **5.0**% after a USD **42** billion auction that went badly.
The futures market now fully prices a hike in December and gives a **10-15**% probability to a **50** basis point hike, factoring in about **three hikes in total through the end of 2027**.

There is a detail that says a lot.
Yesterday, oil fell, with Brent for a few hours below USD **90** for the first time since August.
In a different phase this would have been excellent news for rates, but instead, nobody noticed.
The dollar rose to one-month highs, gold fell by more than **2.0**% towards USD 4,000, Bitcoin went back below USD **75,000**, to three-month lows.
Today, by the way, the US Treasury market is closed for Veterans Day, that is no trading in cash while the stock exchange is open.

The case involving **Jensen Huang**, co-founder of Nvidia, keeps widening.
The board has instructed a law firm to carry out an independent investigation, in the House there is talk of a subpoena for the chief executive officer, and according to the US press the case has reached Trump during the trip to China.
The stock has lost about USD **1,200** billion of market capitalization in the last ten days and almost USD **2,000** billion from its highs, slipping behind Apple.
How much does all this weigh on the

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index?
Yesterday, the S&P500 index lost **0.38**%, but its equal-weighted version, the one where every stock counts the same, closed practically flat (−**0.03**%), and the index excluding the seven big tech companies closed unchanged.
The problem is not the market, but a handful of stocks, Nvidia first among them.

Then **CoreWeave** arrives and the mood changes.
Revenues for the quarter at USD **3.66** billion against the 3.56 expected, annual guidance raised to USD **13-13.3** billion (consensus at 12.9), order book at USD **132.5** billion and, above all, management said it does not want to issue unsecured debt at current rates and counts on a new investment grade loan in the coming weeks and on customer advances.
Exactly what the market wanted to hear, after the stock had lost **32**% since the start of the year and its bonds were yielding over **15**%.
Everything solved?
Probably not.
Interest expenses remain higher than adjusted operating income, because, for now, the business **does not generate enough to repay the debt**.
The spread on CoreWeave bonds has tightened, but remains above **1,000** basis points.
Finally, tonight **SoftBank** closed the quarter with a loss of over USD **7** billion, of which USD **3.7** billion of write-downs on US data center projects.

The cracks are still there.

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This is a schizophrenic market, which tries to price every piece of news.
Discretionary managers keep selling.
Yesterday they were net sellers of technology and hedge funds had sell orders exceeding purchases by about **10** percentage points, always concentrated on technology.
Systematic funds (CTA) still have about USD **31** billion of S&P500 index futures to sell in the coming days, whatever the market does.
Retail investors, instead, try to buy on weakness and yesterday afternoon something was seen.

Finally, there is today's paradox.
The CoreWeave rally is good for sentiment, but bad for those who had bet against it.

Many hedge funds, to protect themselves from losses on technology stocks, linked to fears about the financial soundness of cloud operators, had short sold precisely the neoclouds, CoreWeave and Nebius first among them.
It was the most logical hedge and for a long time the most profitable.
Today, that hedge is losing money and those who have to buy back the stocks to close their positions fuel the rally, **a small reverse spiral** that risks adding pain to those already suffering on the rest of the technology portfolio.

We expect a rising session, led by technology and Nvidia, at least at the open.
Beware, though, of mistaking this rebound for a turning point, because systematic

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funds will keep selling, the Fed has just said it will not come to the market's rescue, and on Friday producer prices (PPI) arrive, ahead of **Nvidia's quarterly results** on November 17.

On a roller coaster the worst thing is to stand up halfway through the ride.

Better to stay seated with seat belts fastened and use the dips to accumulate gradually, rather than chase the rallies.

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House

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