

Daily Commentary

Market Affair

12th November 2026

Market Affair

Last night, after the markets closed, the **Nvidia case** changed nature.
The New York Times reported that **Jensen Huang**, already under internal investigation over his relationship with Alice Huang, the Megaspeed manager whom American intelligence believes to be a Chinese spy, had allegedly had a second extramarital affair, this time with an executive of the company who reports directly to him.
A few hours later, the Wall Street Journal wrote that **the board of directors is preparing to replace him**.
The stock, which had closed the session at USD 173.73 (+**2.9**%), slid in after-hours trading to USD 159.37 (−**8.3**%), the lowest level since July 2025, with peaks of −**10**% on overnight trading venues.
Prediction markets now give resignation as the most likely scenario.
On Polymarket the probability of an exit by tomorrow has exceeded **70**%.

The result is that this morning Nasdaq 100 futures are down **0.9**% and S&P500 index futures **0.4**%, partly erasing yesterday's rebound (S&P500 +**1.3**%, Nasdaq 100 +**2.3**%).
Here is today's point.
On Monday, we had read the scandal as a political game over control of Nvidia.
Today, we need to take one more step: **the case of Nvidia's CEO is not a problem of his married life, nor only of the governance of a single company.**
It is a market case.

A **black swan**, in the classic definition, is an event that nobody factors in, that has

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House
Please refer to the warnings on the last page of this document

an enormous impact and that, in hindsight, everyone explains as if it were obvious.
The Huang case has all three characteristics, plus a fourth that makes it even more insidious: it is **exogenous to the business**.
No analyst, no valuation model, no stress test on demand for Artificial Intelligence chips could have contained the variable "the founder's love life".
And yet the stock, from the all-time high of USD 239.24 on October 6, in yesterday's after-hours trading, has lost a third of its value.

Why does the market react this way?
Because **Nvidia is Huang**, a company with no declared succession plan, with about sixty direct reports to the CEO and no recognized number two.
We are facing the **classic risk of a company that depends on a single person**.
Just look at the list of candidates on Polymarket to understand how nebulous the post-Huang era is.
Ian Buck, the father of CUDA, leads with just **30**%, followed by the chief financial officer, **Colette Kress** at **21**%.
No one is close to a majority.

Why does this story concern everyone?
Take Mr. Rossi, who has never bought a Nvidia share in his life, but has bought an ETF on the **S&P500** index, "so I diversify".
Nvidia is one of the 500 companies in the index, but the S&P500 is weighted by capitalization, that is, each stock weighs in proportion to its market value, and at the

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House
Please refer to the warnings on the last page of this document

beginning of November Nvidia represented about **7.1**% of it.
Thirty-five times its "democratic" share of 0.2%.
Let's do the math.
Out of EUR 10,000 invested, about 710 were in Nvidia.
The **33**% drop from the high alone is worth a loss of about **EUR 237,** almost two and a half points of performance of the entire ETF burned by a single stock out of five hundred.
Mr. Rossi will find out from his account statement, without knowing that the "culprit" is an extramarital affair in Santa Clara.
The same applies to those who hold an ETF on the **MSCI World** index, convinced they have "the world".
The United States weighs **72.8**% of the global index and Nvidia, on its own, **5.25**%, almost as much as the entire Japanese stock market (**5.7**%).
For the **Nasdaq 100** the matter is even more acute, because alongside Nvidia there are Broadcom, AMD, Micron and ASML, all stocks that live off the same orders and move in sync.
Even more evident in **semiconductor** ETFs, such as the SOXX index, where the cap on each single stock limits Nvidia's direct weight, but the entire basket is, in effect, its supply chain.
There is a detail about traders that closes the circle.
When the heaviest stock moves **8.0**% in one night, the volatility of the whole index rises.
Volatility-target funds, which reduce exposure when markets become more

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House
Please refer to the warnings on the last page of this document

nervous, do not sell only Nvidia, but sell the whole index, therefore also the other 499 stocks.

That is how one's problem becomes everyone's problem.

There is also a second reason why the affair concerns everyone.

For months a map of Artificial Intelligence has been circulating on the web, a web of arrows linking Nvidia to OpenAI, Oracle, CoreWeave, Microsoft, AMD, Anthropic, Intel, xAI.

It is the circular economy of Artificial Intelligence.

Nvidia invests up to USD **100** billion in OpenAI, OpenAI signs cloud contracts worth about USD **300** billion with Oracle, Oracle buys Nvidia chips.

Nvidia takes a stake in CoreWeave and commits to buying its unused capacity, CoreWeave buys Nvidia GPUs and signs contracts with OpenAI.

The money goes round in circles and at the center there is always the same node.

Nvidia, in other words, is not just the system's supplier, it is also its bank.

It finances the customers who buy its chips, guarantees the capacity of the neoclouds (the new providers of computing power for rent) and, according to Bloomberg, is coordinating with the big investment banks a USD **500** billion plan to finance infrastructure.

Now, will a new CEO, chosen by a board under the scrutiny of Congress and the Department of Justice, keep signing checks with the same ease?

Unlikely.

With the direct financing of customers and

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

Please refer to the warnings on the last page of this document

the aggressive tactics of recent years, the successor will spend the first year putting out fires.
This is where **the affair becomes systemic**.
If the ecosystem's bank becomes more cautious, credit tightens precisely for the most fragile players, the indebted neoclouds.
Yesterday, CoreWeave had gained almost **25**% on its results; overnight in after-hours trading it was giving up **7.0**%.
The market knows that the soundness of half the supply chain rests, ultimately, on that of Nvidia.

Finally, there is also the **geopolitical** front.
Huang was the most influential opponent of restrictions on chip exports to China, and the shadow of the Chinese spy comes a few days before the APEC summit in Shenzhen and two months before the US-China trade truce expires.
Without Huang, and with the Democrats chairing the committees from January, the road to tougher controls is downhill.
For the entire semiconductor supply chain this is not good news.

In fairness, we must also look at the other side of the coin.
On Monday, the Nasdaq 100 posted its best session since March (+**3.4**%), while Nvidia lost **4.3**% and the semiconductor index rose almost **7.0**%.
The market already knows how to "replace" Nvidia with competitors, from Google with its TPUs to AMD, and some recall that chip demand remains and that after the death of Steve Jobs Apple did not collapse.

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House
Please refer to the warnings on the last page of this document

True, but the point is not whether Nvidia survives Huang.
The point is that, **in a market built on capitalization, the transition will also be paid for by the indices and, with them, by those who believe they are diversified.**

Today, a weak opening is expected in the technology sector, with Nvidia acting as a drag.
Volatility will remain high at least until November 17, when the company will present its quarterly results, and November 18, when Huang is expected behind closed doors before the House committees.
Every piece of news from the board will move not a single stock but an entire index.
For those who invest through ETFs, the suggestion is at least to look "under the hood" and ask how much of one's risk is truly diversified, because, this time, the affair **is not Huang's, but belongs to all of us.**

Source: Bloomberg, Reuters, Yahoo Finance, Financial Times, ECB, CNBC, The White House
Please refer to the warnings on the last page of this document

Disclaimer

This publication is for your information only and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. The analysis contained herein does not constitute a personal recommendation or take into account the particular investment objectives, investment strategies, financial situation and needs of any specific recipient. It is based on numerous assumptions. Different assumptions could result in materially different results. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors.

All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to Theia Investments Limited). All information and opinions as well as any forecasts, estimates and market prices indicated are current as of the date of this report, and are subject to change without notice.

THEIA INVESTMENTS LIMITED	+971 4 570 0793
https://theiainvestments.com/	#814, Liberty House, DIFC, PO Box 566720, Dubai, UAE (Regulated by DFSA)