Michael Gibbs, Managing Director, Lead Portfolio Manager | (901) 579-4346 | michael.gibbs@raymondjames.com
Joey Madere, CFA | (901) 529-5331 | joey.madere@raymondjames.com
Richard Sewell, CFA | (901) 524-4194 | richard.sewell@raymondjames.com
Mitch Clayton, CMT, Senior Technical Analyst | (901) 579-4812 | mitch.clayton@raymondjames.com

NOVEMBER 26, 2025 | 1:12 PM EST

Weekly Market Guide

Gibbs Capital Management wishes everyone a happy and safe Thanksgiving!

Momentum Returns to Equity Markets: After the first pullback of more than 3% in over six months—and the first close below the 50-day moving average (DMA) in nearly 140 days—equities have responded strongly. Small-caps posted their best three-day rate of change since last November, and the cap-weighted index reclaimed the 50-DMA.

Fed Expectations Continue to Influence Equities: One key driver of the rebound has been rising expectations for a rate cut at the December FOMC meeting. While these odds have been volatile, they have remained an influence for equities. As the S&P 500 came under pressure during the recent consoldiation, odds of a rate cut dropped below 40% for the December meeting. However, optimism has surged as expectations climbed above 80% over the past week. This shift toward a more accommodative monetary policy, combined with the outlook for additional fiscal stimulus in early 2026, supports EPS stability and reinforces our constructive view on equities.

Plenty to Watch: Despite the rebound, equities remain below all-time highs and just above the 50-DMA. Divergences persist, most notably lower highs in RSI. While RSI is not a precise timing tool, it's worth monitoring as it could increase the odds of further consolidation.

In Summary: We'd like to see continued follow-through on recent momentum. Near-term divergences could lead to consolidation, but longer-term we remain bullish. Strong earnings, an accommodative Fed, anticipated fiscal stimulus in early 2026, and robust AI-related spending should fuel equities. We view periods of softness as buying opportunities.

Key Levels:

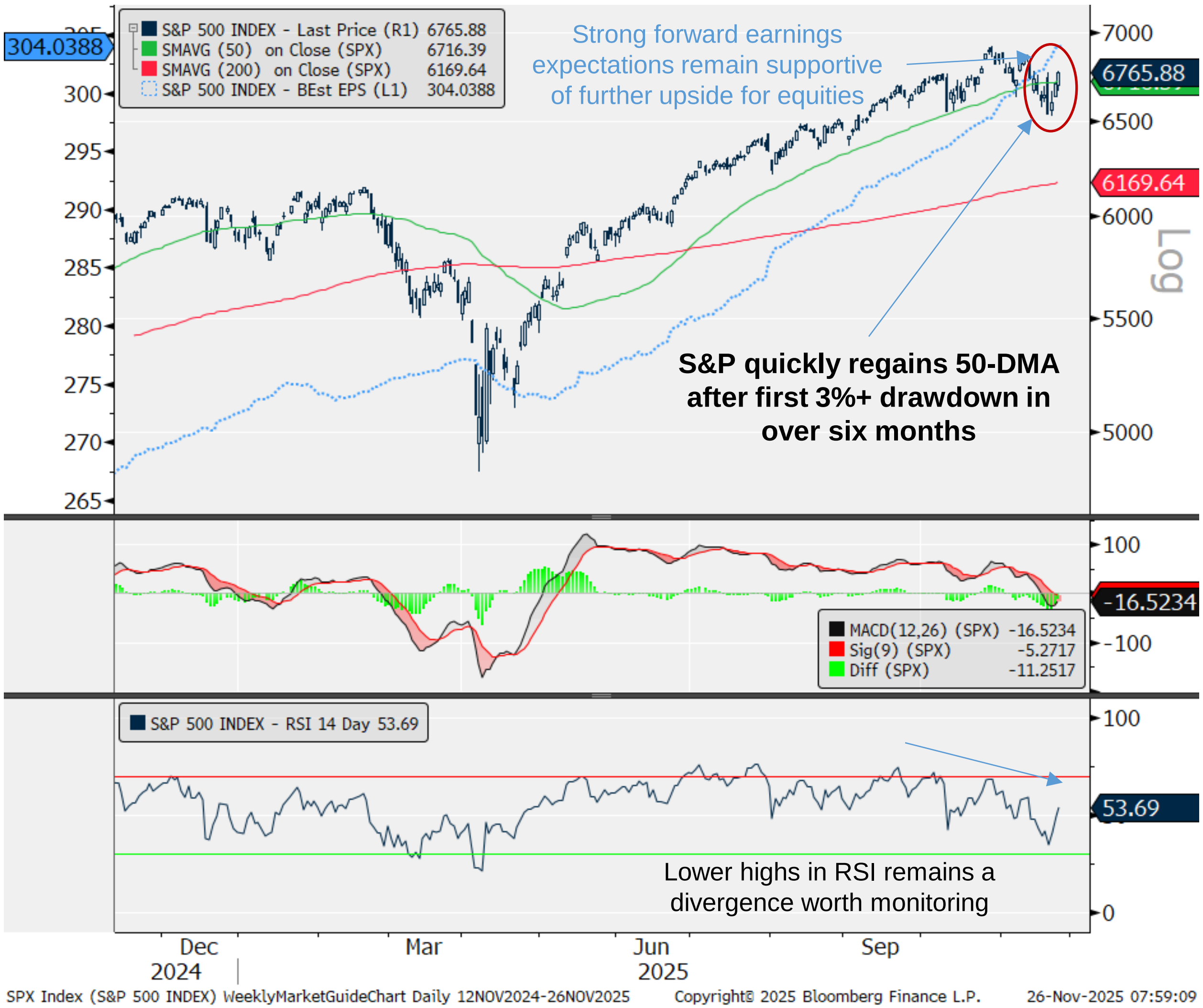
- **Resistance:** The S&P 500 closed near initial resistance yesterday; above the 21-DMA, we see the next resistance around **6,920**.
- **Support:** Initial support is near **6,536**, followed by horizontal support around **6,211**, which aligns with the 200-DMA.

Equity Market Indices	Price Return Year to Date	Price Return 12 Months
Dow Jones Industrial Avg	10.7%	5.3%
S&P 500	15.0%	13.0%
S&P 500 (Equal-Weighted)	7.8%	1.0%
NASDAQ Composite	19.2%	20.8%
Russell 2000	10.6%	1.0%
MSCI All-Cap World	17.8%	15.5%
MSCI Developed Markets	21.8%	20.1%
MSCI Emerging Markets	25.9%	24.0%
NYSE Alerian MLP	2.3%	-0.6%
MSCI U.S. REIT	1.1%	-6.5%

S&P 500 Sectors	Price Return Year to Date	Sector Weighting
Communication Svcs.	33.5%	10.8%
Information Technology	21.5%	34.3%
Utilities	16.6%	2.4%
Health Care	15.1%	10.0%
Industrials	15.1%	8.0%
S&P 500	***15.0%***	-
Financials	8.5%	13.0%
Materials	4.5%	1.7%
Consumer Discretionary	3.1%	10.2%
Energy	2.8%	2.8%
Consumer Staples	1.8%	4.8%
Real Estate	0.9%	1.7%

Source: FactSet

Technical: S&P 500



Momentum has strengthened following the recent consolidation: While drawdowns have been limited this year, the S&P 500 recently experienced its first decline of more than 3% in over six months and broke below the 50-day moving average (DMA) for the first time in roughly 140 trading days. However, the rebound has been swift and broad-based: small-caps posted their largest three-day rate of change since last November, and the S&P 500 reclaimed the 50-DMA.

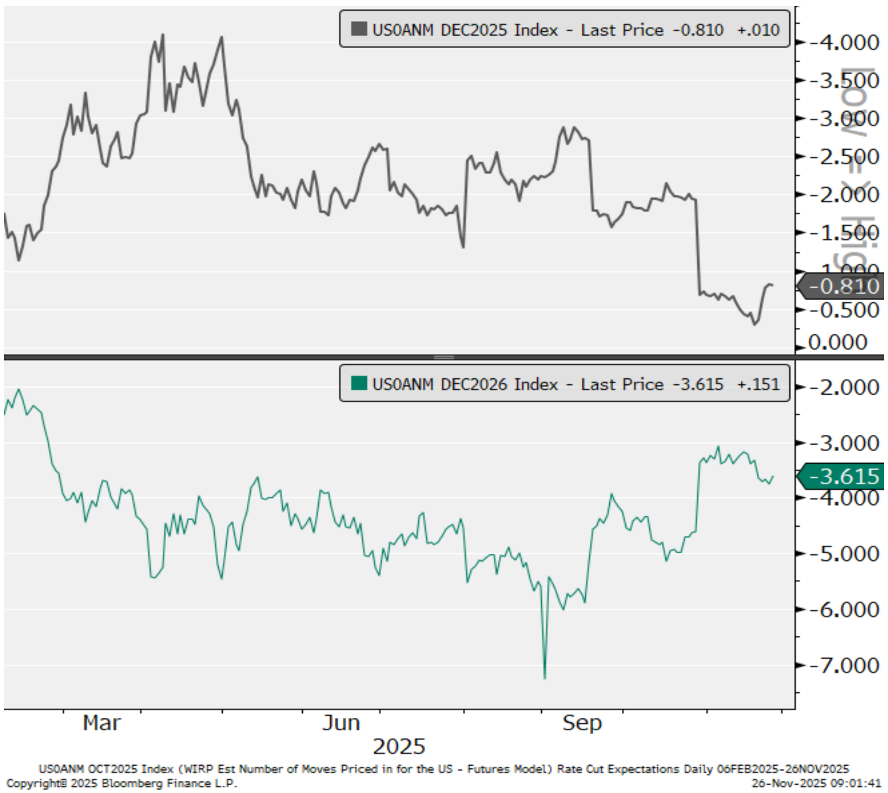
This move was accompanied by several strong advancer/decliner readings—a potential positive signal for market breadth. That said, we continue to monitor divergences, particularly the pattern of lower highs in RSI, which could signal potential consolidation ahead.

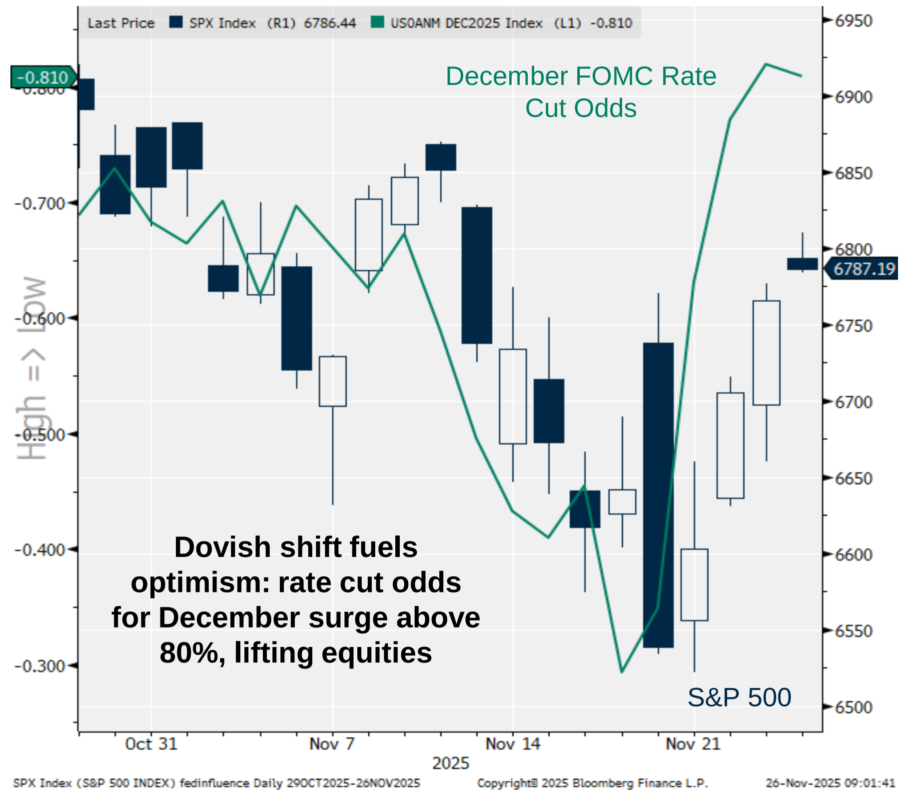
For now, we view **6,920** as the next likely area of resistance. On the downside, initial support sits near **6,536**, followed by horizontal support around **6,211**, which aligns with the 200-DMA.

Source: Bloomberg, FactSet

Fed Expectations Influence over Equities

Rate cut expectations have been highly volatile since the October FOMC meeting, and this uncertainty has contributed to increased swings in the equity market. When odds of a December rate cut fell below 40%, the S&P 500 came under pressure and experienced a drawdown. However, over the past week, Fedspeak has turned slightly more dovish, pushing expectations for a cut above 80%. This renewed optimism for a more accommodative policy stance has fueled upside momentum in equities.
Looking ahead to next year, current projections call for an additional 2–3 rate cuts, reinforcing the market's favorable response to a supportive monetary environment.

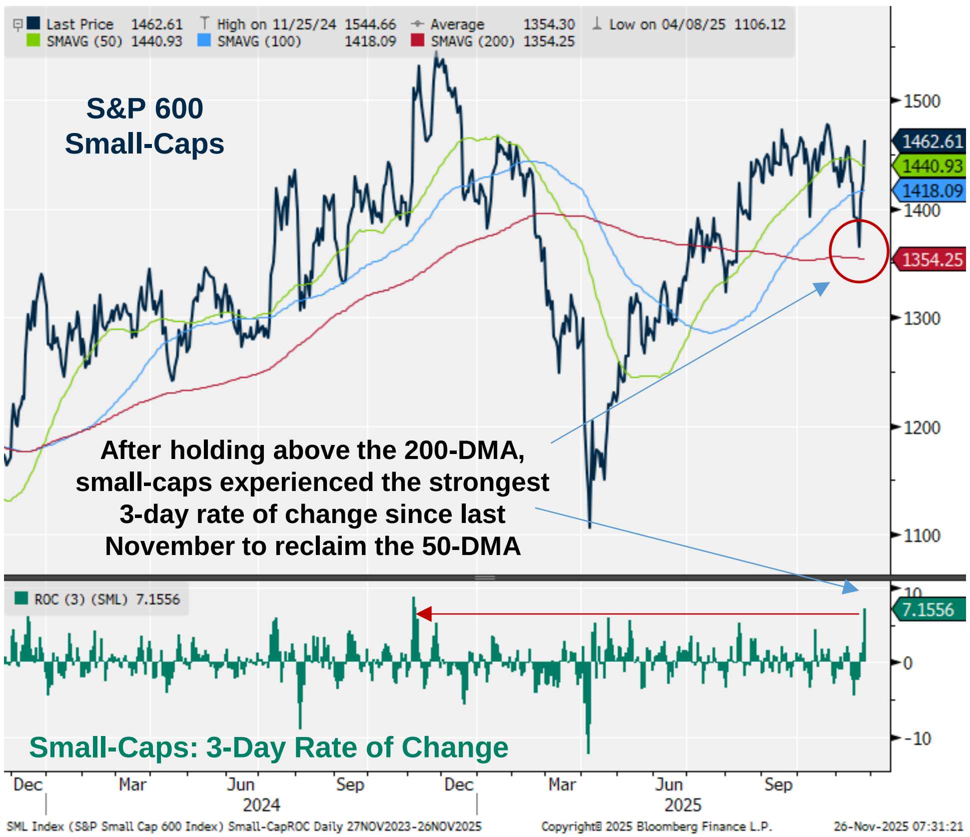


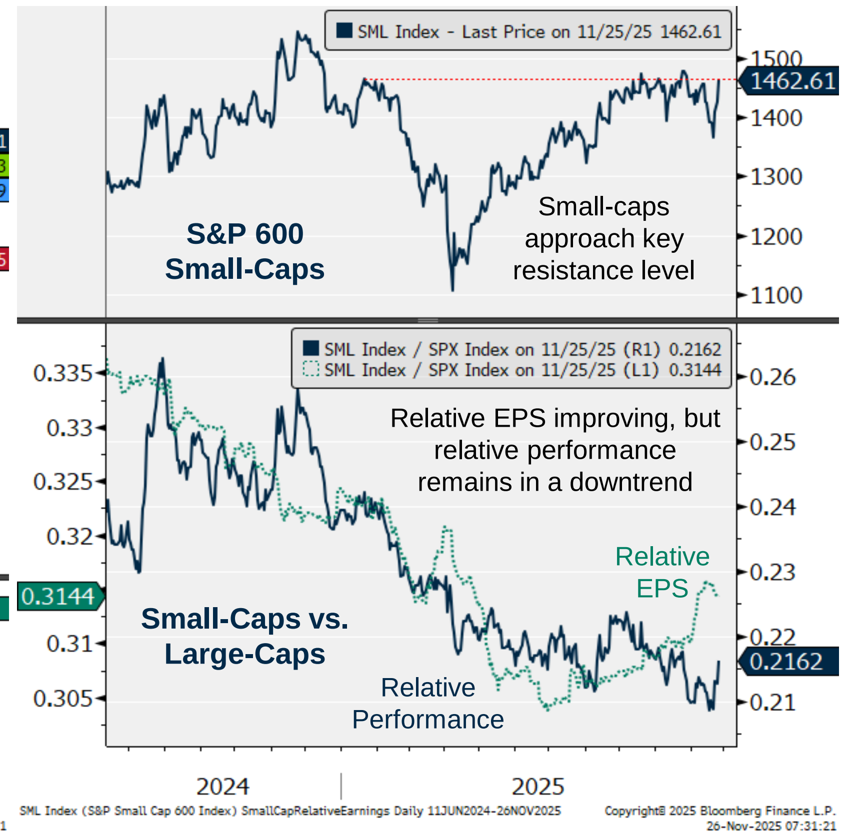


Source: Bloomberg, FactSet

Small Caps

Small-caps have led the market higher over the past week, posting their strongest three-day rate of change since last November. Relative earnings trends have been improving, and while relative performance still has work to do to break out of the downtrend that has persisted over the past year, price action is now approaching a key resistance area. A successful breakout could pave the way for continuation of the recent momentum in small-caps.

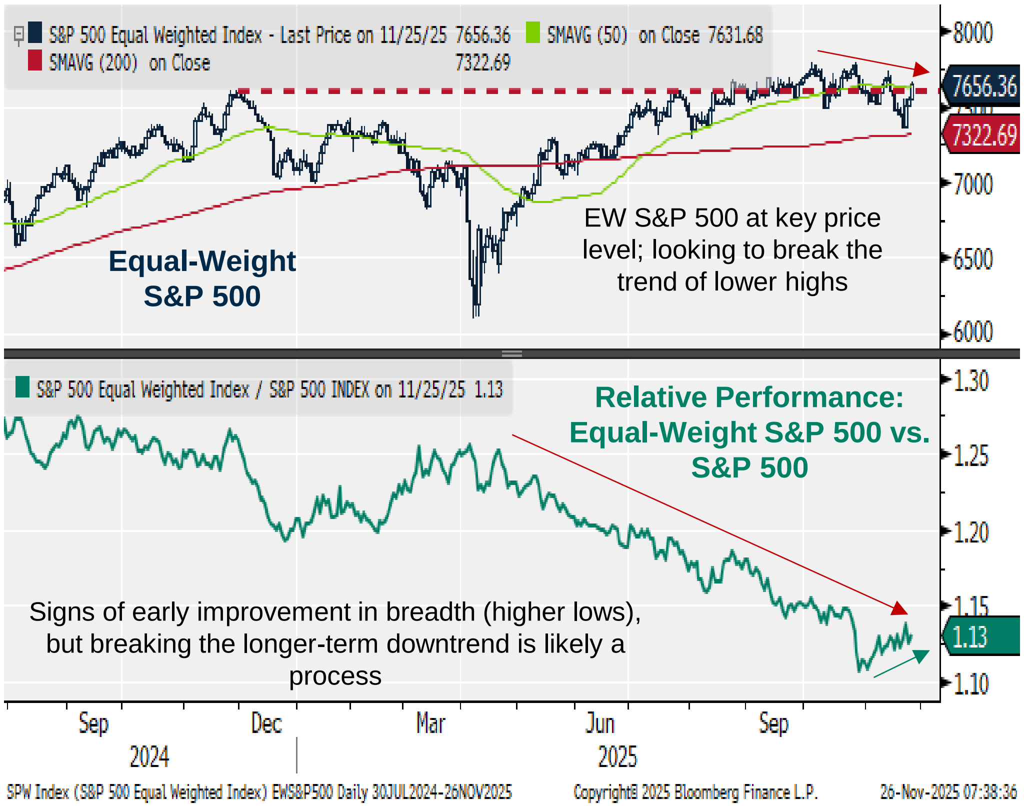


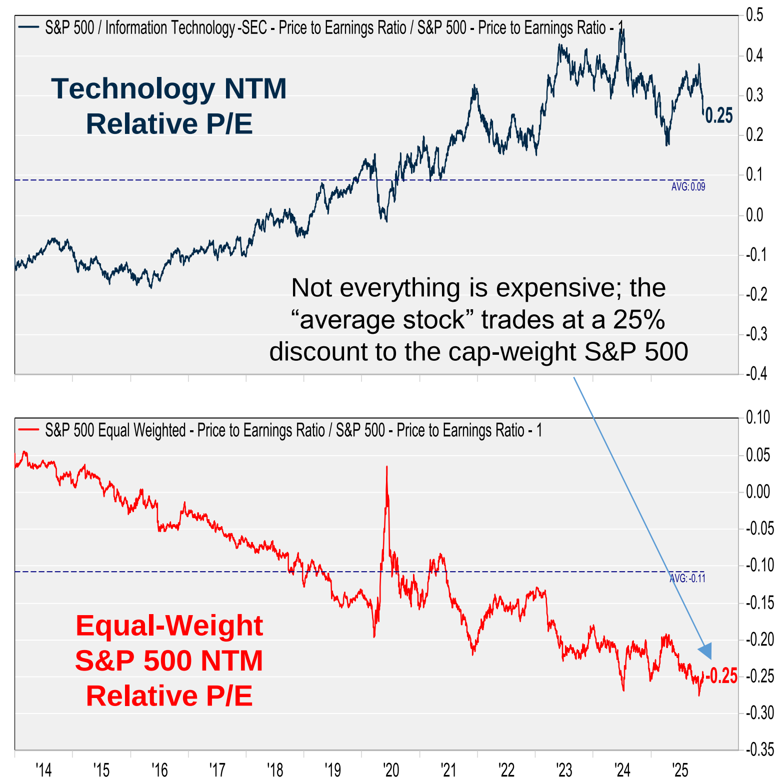


Source: Bloomberg, FactSet

Equal-Weight S&P 500

Similar to small-caps, the equal-weight S&P 500 has been in a relative performance downtrend for at least the past year. While we're seeing early signs of improvement, breaking out of this trend will likely be a gradual process. Price is now approaching a key inflection area. Recent price action has been somewhat toppy, with lower highs. However, the index is now sitting near the 50-DMA, which coincides with horizontal resistance. A breakout—along with a reversal of the recent pattern of lower highs—would be a constructive technical development, signaling improved breadth in an area that remains attractively valued, trading at roughly a 25% discount to the cap-weighted S&P 500.

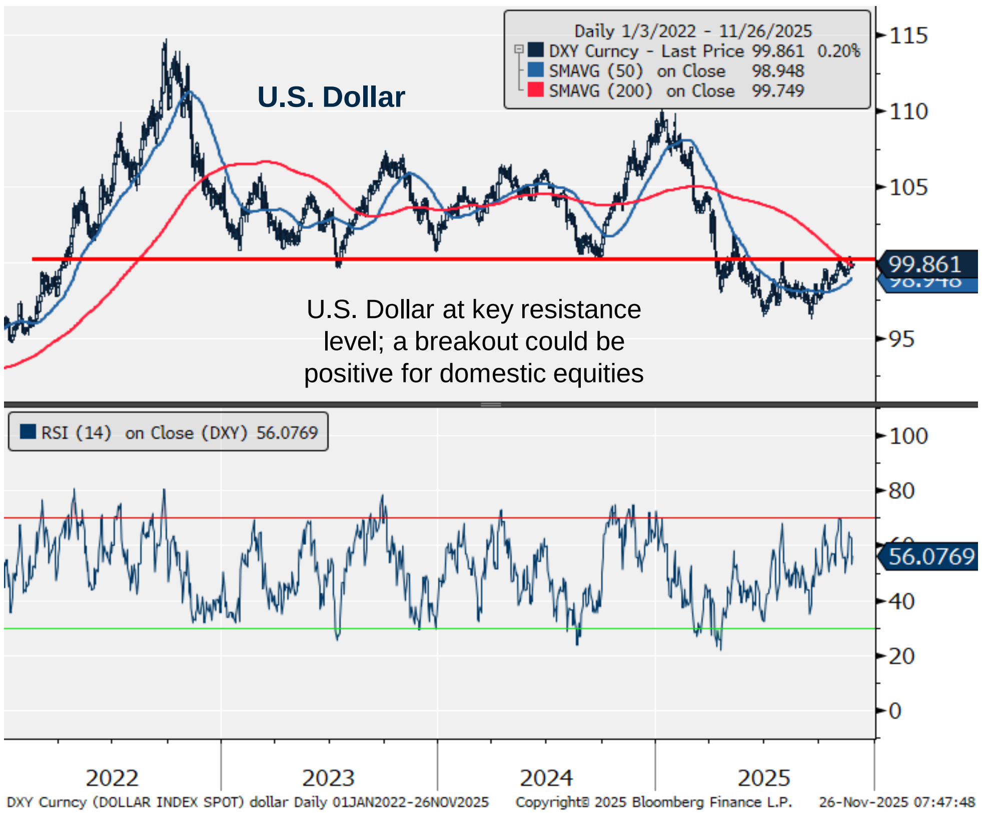


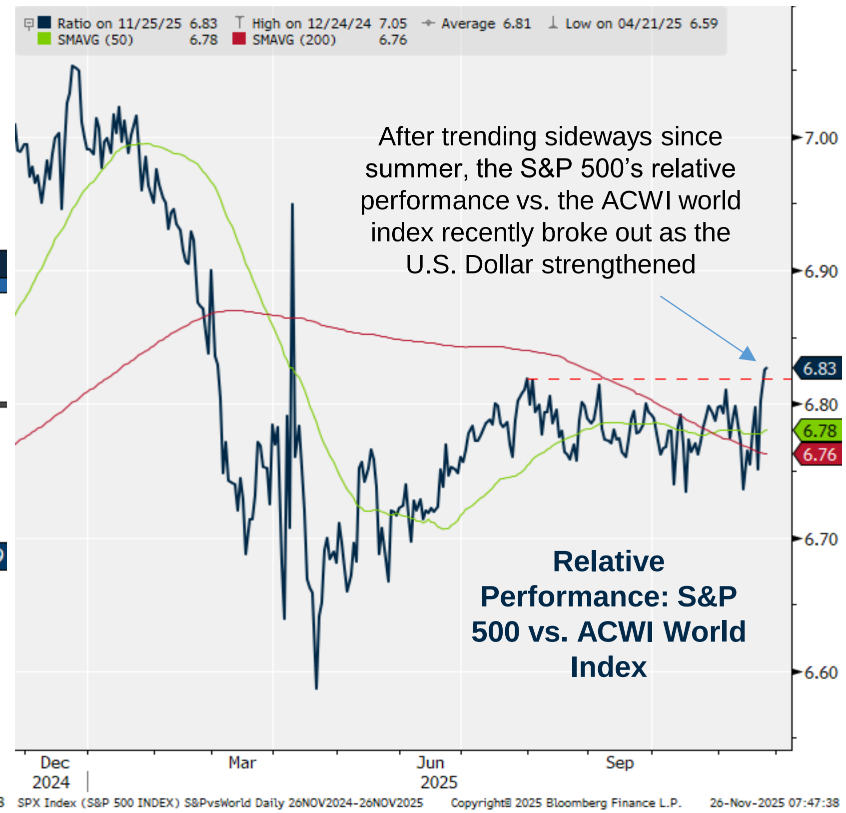


Source: Bloomberg, FactSet

U.S. Dollar

The U.S. Dollar has been under pressure for much of 2025, but is now approaching a key inflection level. During its sharp decline early in the year, global equities saw relative performance improve versus the S&P 500. As the dollar later stabilized, the S&P's relative performance against the ACWI World Index moved sideways since the summer.
Recently, however, the S&P 500 broke out versus ACWI, coinciding with a U.S. Dollar rebound to a key resistance level. A breakout in the dollar could support domestic equities, while a rollover may favor multinational and international equities—consistent with the historical inverse correlation between the U.S. Dollar and global equity performance.

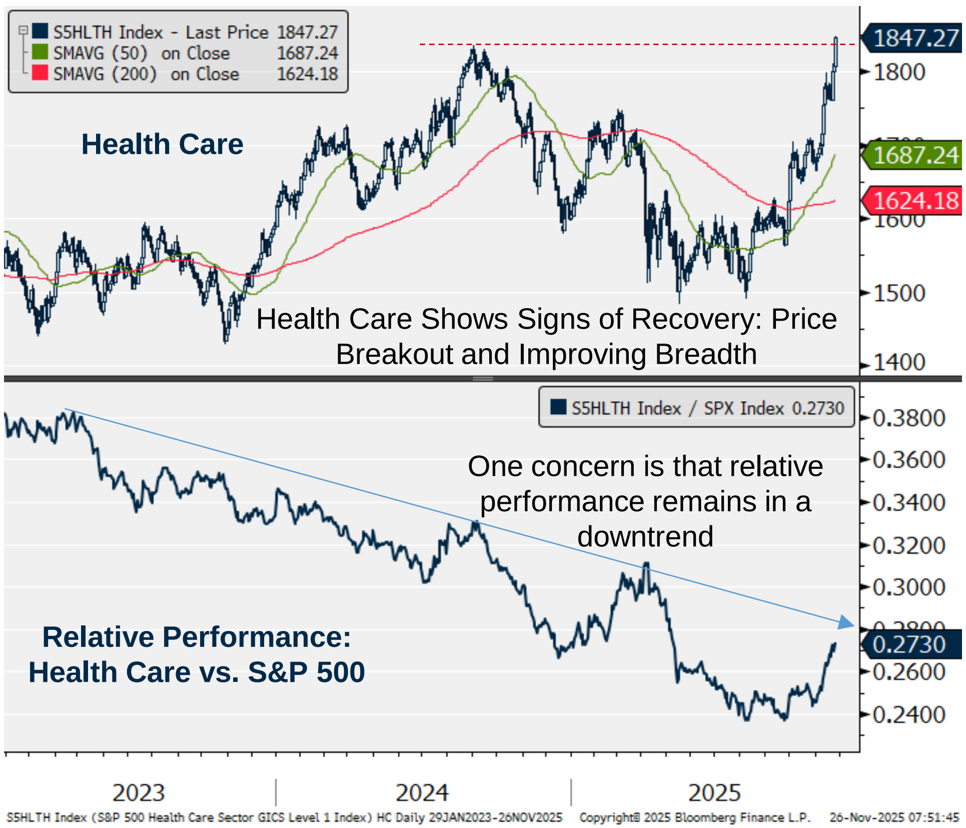


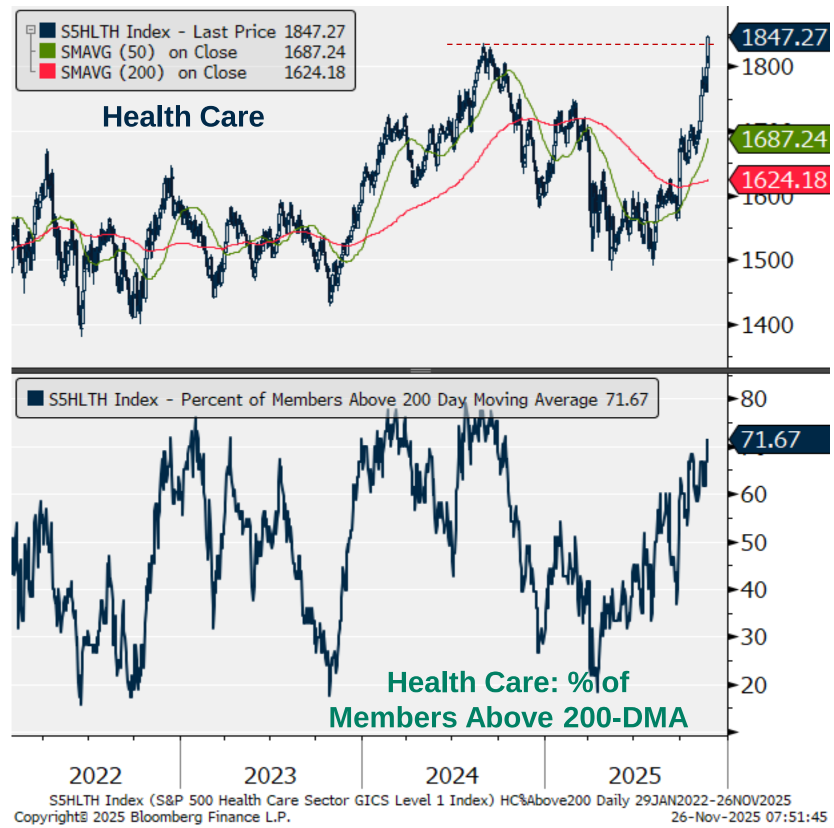


Source: Bloomberg, FactSet

Health Care

The Health Care sector strength is worth highlighting. After more than two years of sharp underperformance, the sector recently achieved a price breakout. However, relative performance has yet to break out of its long-standing downtrend. One encouraging sign is breadth: over 70% of Health Care constituents are now trading above their 200-DMA, which supports the case for longer-term strength. In the near term, we'll continue to monitor relative performance. Given the sharp rise in price, if relative strength fails to confirm, some short-term giveback could occur.



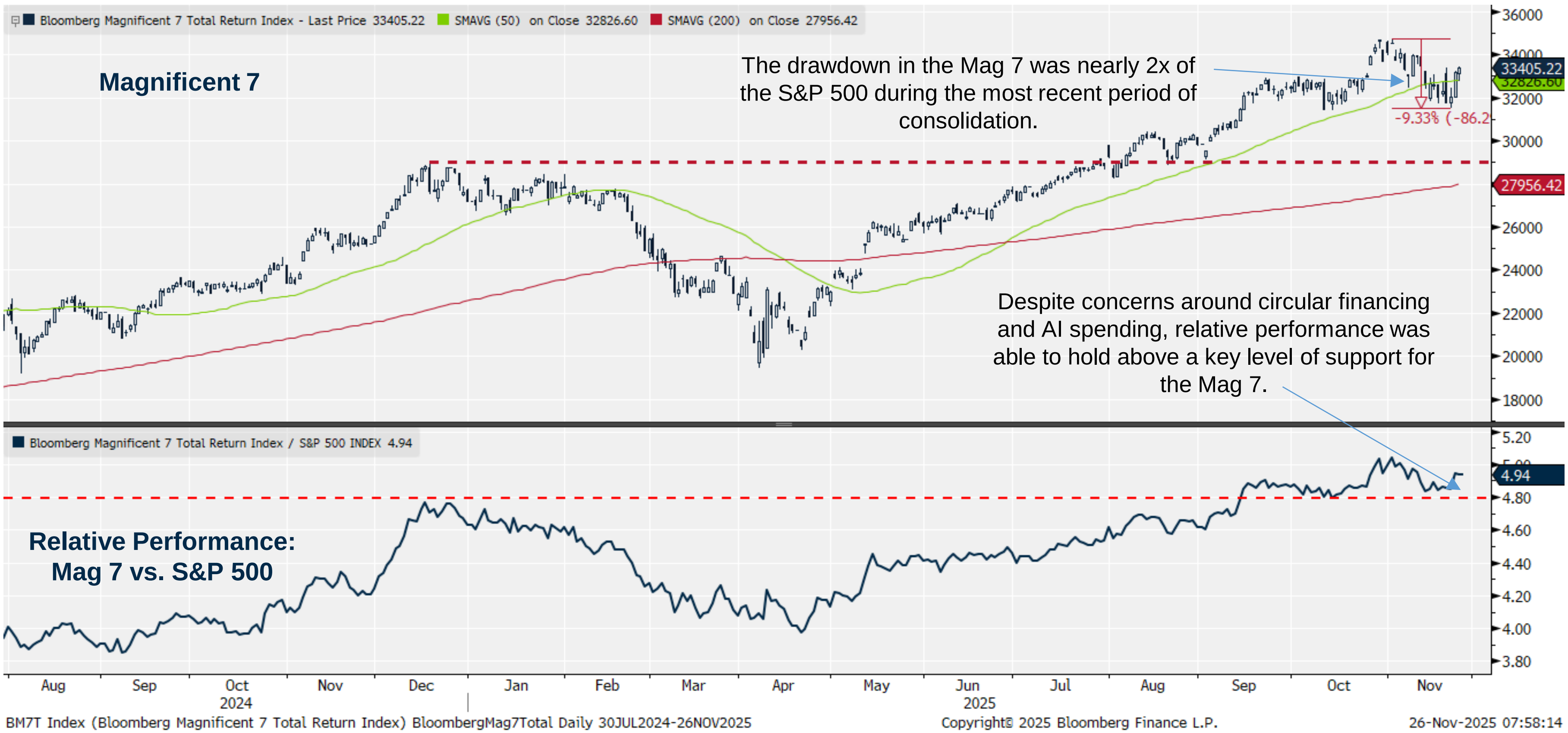


Source: Bloomberg, FactSet

Mag 7

The "Mag 7" have faced pressure recently amid concerns over AI spending, payback periods, and circular financing. This scrutiny intensified during earnings season, where strong reports were often met with selling pressure, resulting in a nearly 10% drawdown as market momentum faded.

Over the past week, however, the group has regained footing, reclaiming the 50-DMA, while relative performance remains above a key support level. Given the outsized influence of the Mag 7 on equities over the past two years, we will continue to monitor this closely.



Source: Bloomberg, FactSet

IMPORTANT INVESTOR DISCLOSURES

Gibbs Capital Management, a division of Eagle Asset Management (Eagle) a wholly-owned subsidiary of Raymond James Investment management.

All expressions of opinion in the foregoing reflect the judgment of Gibbs Capital Management and are subject to change without notice. Information in this report has been obtained from sources considered reliable, but we do not guarantee its accuracy, completeness, or timeliness. Content provided herein is for informational purposes only and should not be used or construed as investment advice or a recommendation regarding the purchase or sale of any security outside of a managed account. This should not be considered forward looking and does not guarantee the future performance of any investment.

It is important to review the investment objectives, risk tolerance, tax objectives and liquidity needs before choosing an investment style or manager. All investments carry a certain degree of risk, including loss. There is no assurance that any strategy will be successful, and no one particular investment style or manager is suitable for all types of investors. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. Asset allocation and diversification does not ensure a profit or protect against a loss.

Sector investments are companies engaged in business related to a specific sector. They are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

Commodities and currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

Links to third-party websites are being provided for informational purposes only. Gibbs Capital Management is not affiliated with and does not endorse, authorize, or sponsor any of the listed websites or their respective sponsors. Gibbs Capital Management is not responsible for the content of any third-party website or the collection or use of information regarding any websites users and/or members.

Index Definitions

The **S&P 500** is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.

The **Dow Jones Industrial Average (DJIA)** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market.

The **MSCI World All Cap Index** captures large, mid, small and micro-cap representation across 23 Developed Markets (DM) countries. With 11,732 constituents, the index is comprehensive, covering approximately 99% of the free float-adjusted market capitalization in each country.

The **MSCI EAFE (Europe, Australasia, and Far East)** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 21 developed nations.

The **MSCI Emerging Markets Index** is designed to measure equity market performance in 23 emerging market countries. The index's three largest industries are materials, energy, and banks.

The **Russell 2000** index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks.

The **NYSE Alerian MLP** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

The **Barclays Intermediate Government/Credit Bond** index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Euro Stoxx 50 Index** is a market capitalization weighted stock index of 50 large, blue-chip European companies operating within Eurozone nations. Components are selected from the Euro STOXX Index which includes large-, mid- and small-cap stocks in the Eurozone.

The **China CSI 300** is a capitalization-weighted stock market index designed to replicate the performance of top 300 stocks traded in the Shanghai and Shenzhen stock exchanges. It had a sub-indexes CSI 100 Index and CSI 200 Index.

The **S&P 500 Futures** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **DJIA Futures** is a stock market index futures contract traded on the Chicago Mercantile Exchange`s Globex electronic trading platform. Dow Futures is based off the Dow 30 stock index.

The **Nasdaq 100 Futures** is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international companies listed on the NASDAQ.

Europe: DAX (Deutscher Aktienindex (German stock index)) is a blue chip stock market index consisting of the 40 major German companies trading on the Frankfurt Stock Exchange.

Asia: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions.