M&K | LEGACY WEALTH

November 17, 2025

Holiday Blues: So Much For Positive Seasonals… But Be Hopeful

The ongoing market correction has been kept alive by worries about the valuations of technology artificial intelligence (AI) companies – combined with comments made last week by several Federal Reserve (Fed) members/governor, casting doubt on a possible interest rate cut in December.

Not even the reopening of the government has been enough to move stocks higher. It is not seasonally normal to have a pullback in November, but we see the market as rotating out of the high valuation Growth stocks and rotating into cheaper Value stocks. Investors are now questioning whether this is a new sustainable trend or just a temporary rebalancing of the market. In our view, the current correction is a temporary rebalancing of the markets and that leadership will remain with Technology Growth companies. However – we may still have a few more weeks of volatility ahead of us. We maintain that the S&P 500 remains on track to rally to 7000 by year-end.

S&P 500 Seasonal Chart: November Historically Up 5% Plus

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
5 Yr Avg	.25	-1.28	.38	1.29	2.03	1.12	4.23	1.23	-4.17	1.79	5.99	.82
2025	2.70	1.42	5.75	.76	6.15	4.96	2.17	1.91	3.53	2.27	1.55	
2024	1.59	5.17	3.10	-4.16	4.80	3.47	1.13	2.28	2.02	-.99	5.73	-2.50
2023	6.18	2.61	3.51	1.46	.25	6.47	3.11	1.77	4.87	2.20	8.92	4.42
2022	-5.26	-3.14	3.58	-8.80	.01	-8.39	9.11	-4.24	-9.34	7.99	5.38	-5.90
2021	-1.11	2.61	4.24	5.24	.55	2.22	2.27	2.90	-4.76	6.91	-.83	4.36
2020	-.16	-8.41	-12.51	12.68	4.53	1.84	5.51	7.01	-3.92	-2.77	10.75	3.71

Source: Bloomberg, November 14, 2025

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Growth Correcting Relative To Value & Expected To Remain In Bull Trend

iShares Growth (IWF) Versus iShares Value (IWD)

Source: StockCharts.com, Annotations by Sanctuary Wealth

S&P 500 Still In Correction Phase Since October

The S&P 500 has been consolidating its gains and is testing the 50-day moving average for the fourth time since early September. What is important to keep in mind is that the price momentum measured by the 50- and 100- day moving averages are still rising – which shows that momentum is positive. The 14-day stochastic also has positive momentum. Support is near the recent low at 6631, and the next support level is 6550. We maintain that the trend is toward 7000 for year-end.

S&P 500 With 14-Day Stochastic And 50- And 100-Day Moving Averages

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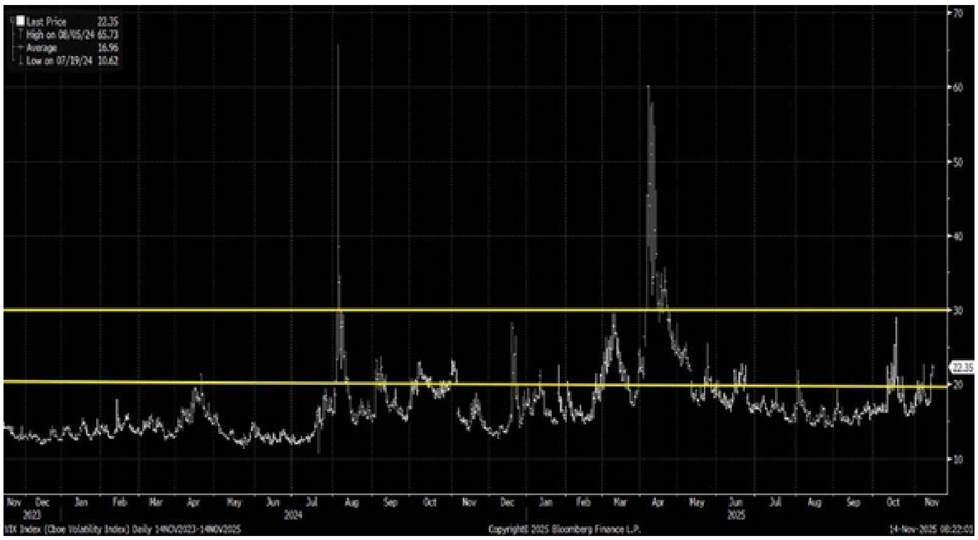
Volatility Remains Elevated And Into the Buy Zone

Cboe Volatility Index (VIX) In The Buy Zone Range Of 20-30



Source: Bloomberg, Annotations by Sanctuary Wealth

Value Sector Healthcare In Recovery – Not A Leader, But Biotech Worth Watching

In our sector models, Healthcare was the worst ranked for several months and, relative to the S&P 500, the sector went to a new all-time low. This created an extreme oversold condition, which was not sustainable. Remember: markets always revert to the mean. Today we have the overbought sectors of Technology and Communication Services correcting and Healthcare rallying. But – is Healthcare becoming a new leadership sector? In our opinion, no – we do not believe it is. The sector has not been able to break out to new highs, and the relative ratio is still in a downtrend. However, within Healthcare, the industry group that is now performing well and is likely to continue to press higher is Biotechnology. Biotech has broken out to record highs, and the relative ratio has stabilized and may have bottomed. We are buyers of this group.

S&P 500 Healthcare (Top) Relative To S&P 500 (Bottom)

Source: StockCharts.com, Annotations by Sanctuary Wealth

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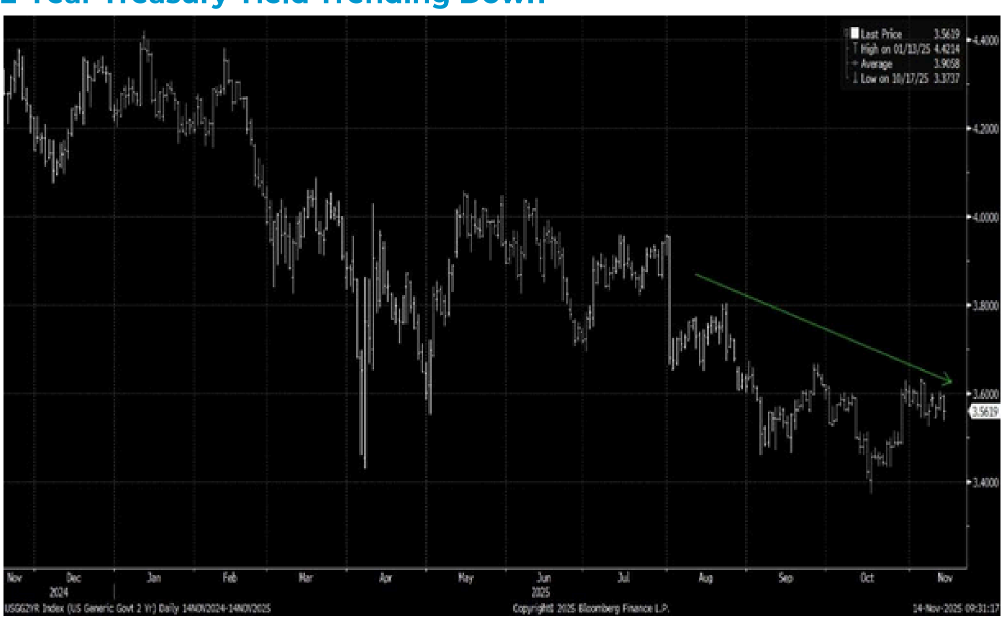
S&P 500 Biotechnology (Top) Relative To S&P 500 (Bottom)

Source: StockCharts.com, Annotations by Sanctuary Wealth

2-Year Treasury Yield Stable To Down

The market had been expecting the Fed to cut interest rates again for the third time in 2026 by 25 basis points in December. Yet, recent speeches by a number of Fed members have suggested that the Fed may hold rates steady at the December meeting. This has created volatility for the equity market. When we look at the 2-year Treasury technically, the trend remains stable to down. A stable down yield should eventually help stabilize the volatility in the equity market.

2-Year Treasury Yield Trending Down



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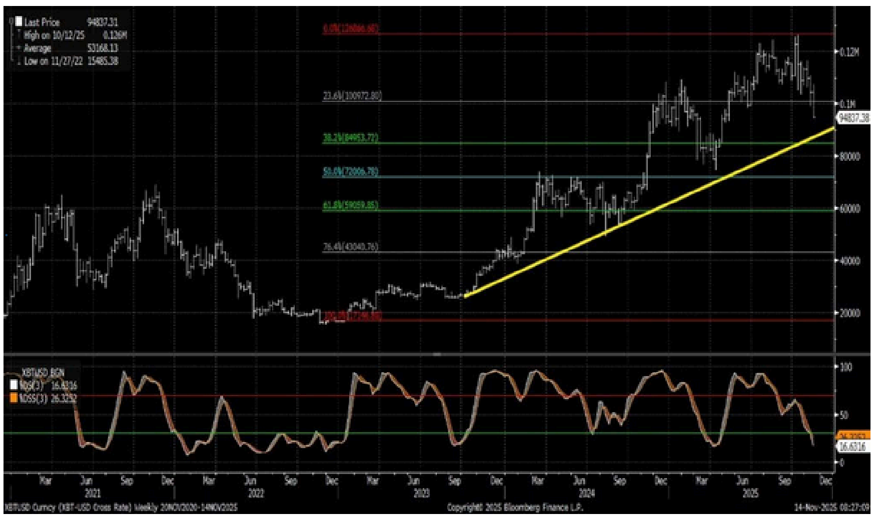
Bitcoin In Risk-Off Trade May Define When Risk Comes Back On

Bitcoin (BTC) is a very volatile asset and part of the cryptocurrency ecosystem. BTC peaked in early October, ahead of the S&P 500. Its subsequent decline signaled a risk-off trade (reducing risk), and several weeks later the equity market also peaked and began to sell off. BTC may again signal when the selling has run its course and investors are ready to put risk back on. So, looking at BTC technically, using the 14-week stochastic, we see BTC moving into an oversold reading – but no buy signal yet. We do see risk of more downside before BTC stabilizes. Technical support is near $90,000-$84,000. If support holds, which we believe it should, the upward trendline will remain intact. So, BTC has the ability to rally into year-end.

Bitcoin With Fibonacci Levels and 14-Week Stochastic



Sector Readings: Information Technology Still Strongest, Consumer Staples Weakest

Information Technology remained in the lead position last week, while Communication Services stayed in second place. These two sectors have swapped the top two positions for the past 22 weeks, beginning June 13. Health Care, recovering from a deeply oversold position over the summer months, moved into third place. Consumer Staples remains in last place, followed by Materials and Real Estate.

A tactical sector rotation is underway, relieving overbought and oversold conditions within the market. We maintain that Growth sectors should continue to outperform Value sectors.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods.

We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1-11 with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Nov 14	Nov 7	Oct 31	Oct 24	Oct 17	Oct 10	Oct 3	Sep 26
Consumer Discretionary	7	5	3	5	5	5	5	5
Consumer Staples	11	11	11	11	10	11	11	10
Energy	5	7	8	10	11	9	9	7
Financials	8	8	7	7	6	6	6	6
Health Care	3	6	6	6	7	7	8	11
Industrials	6	4	4	4	4	4	3	3
Information Technology	1	1	1	1	1	1	1	2
Materials	10	10	10	9	8	8	7	8
Communication Services	2	2	2	2	2	2	2	1
Utilities	4	3	5	3	3	3	4	4
Real Estate	9	9	9	8	9	10	10	9

Source: Bloomberg, Sanctuary Wealth, November 14,, 2025

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OBOS List: Health Care Overbought, Consumer Staples And Materials Oversold

Health Care, which languished for many months, has rallied sharply and is now overbought. The market continues to correct the strongly divergent overbought and oversold conditions we saw over the past six months. Consumer Staples and Materials are oversold, with Industrials and Financials near oversold.

The extreme overbought and oversold readings that prevailed over the summer months are shifting, leading the market into a tactical sector rotation.

Our tactical sector rotation model uses the S&P 500 GICs sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this for 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

Sector Overbought / Oversold List as of 14 November 2025

rank	*S&P Sector*	*normalized Oscillator*	
1	Health Care	1.0790	*Overbought*
2	Energy	0.3708	*Neutral*
3	Information Technology	0.3260	
4	Communication Services	0.1004	
5	Utilities	0.0033	
6	Consumer Discretionary	-0.5458	
7	Real Estate	-0.5969	*Neutral*
8	Financials	-0.6603	*Near Oversold*
9	Industrials	-0.7995	
10	Materials	-1.2556	*Oversold*
11	Consumer Staples	-1.3982	

Source: Bloomberg, Sanctuary Wealth. November 14, 2025

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Market Performance: Gold Still The Best Performing Asset Year-To-Date

	Last 11/14/2025	Month End 10/31/2025	Month to Date	Quarter End 9/30/2025	Quarter to Date	Year End 12/31/2024	Year to Date	Year Ago 11/14/2024	Year To Year
S&P 500	6734.11	6840.20	-1.6%	6688.46	0.7%	5881.63	14.5%	5949.17	13.2%
NASDAQ Composite	22900.59	23724.96	-3.5%	22660.01	1.1%	19310.79	18.6%	19107.65	19.9%
NASDAQ 100	608.86	629.07	-3.2%	600.37	1.4%	511.23	19.1%	508.69	19.7%
Russell 2000	2388.23	2479.38	-3.7%	2436.48	-2.0%	2230.16	7.1%	2336.94	2.2%
S&P Consumer Discretionary Sector	1879.78	1963.14	-4.2%	1917.97	-2.0%	1831.16	2.7%	1745.48	7.7%
S&P Consumer Staples Sector	860.51	848.70	1.4%	871.10	-1.2%	853.65	0.8%	868.07	-0.9%
S&P Energy Sector	701.60	674.74	4.0%	682.82	2.8%	654.85	7.1%	724.49	-3.2%
S&P Financial Sector	871.48	870.44	0.1%	896.86	-2.8%	804.44	8.3%	824.36	5.7%
S&P Health Care Sector	1767.49	1680.03	5.2%	1623.95	8.8%	1604.75	10.1%	1683.50	5.0%
S&P Industrials Sector	1285.72	1311.71	-2.0%	1306.11	-1.6%	1115.65	15.2%	1181.55	8.8%
S&P Information Technology Sector	5736.67	5960.13	-3.7%	5612.00	2.2%	4609.52	24.5%	4592.25	24.9%
S&P Materials Sector	548.83	541.60	1.3%	570.71	-3.8%	529.77	3.6%	578.32	-5.1%
S&P Real Estate Sector	257.85	257.60	0.1%	264.79	-2.6%	255.92	0.8%	268.81	-4.1%
S&P Communications Sector	419.11	429.97	-2.5%	422.60	-0.8%	341.66	22.7%	331.05	26.6%
S&P Utilities Sector	449.62	452.13	-0.6%	443.18	1.5%	384.95	16.8%	395.66	13.6%
S&P 500 Total Return	14947.52	15173.95	-1.5%	14826.80	0.8%	12911.82	15.8%	13034.79	14.7%
3 month Treasury Bill Price	99.03	99.04	0.0%	99.01	0.0%	98.92	0.1%	98.87	0.2%
3 month Treasury Bill Total Return	266.69	266.29	0.1%	265.32	0.5%	256.97	3.8%	255.42	4.4%
10 Year Treasury Bond Future	112.53	112.67	-0.1%	112.50	0.0%	108.75	3.5%	109.69	2.6%
10 Year Treasury Note Total Return	315.22	315.15	0.0%	313.63	0.5%	293.94	7.2%	294.91	6.9%
iShares 20+ Year Treasury Bond ETF	88.87	90.29	-1.6%	89.37	-0.6%	87.33	1.8%	90.32	-1.6%
S&P Municipal Bond Total Return	288.88	288.63	0.1%	285.56	1.2%	278.14	3.9%	278.66	3.7%
iShares S&P National Municipal Bond NAV	107.04	107.22	-0.2%	106.35	0.6%	106.40	0.6%	107.12	-0.1%
S&P 500 Investment Grade Corporate Bond Total Return	495.74	498.07	-0.5%	495.91	0.0%	465.24	6.6%	466.29	6.3%
S&P Investment Grade Corporate Bond	92.57	93.10	-0.6%	93.02	-0.5%	90.28	2.5%	90.91	1.8%
S&P Investment Grade Corporate Bond Total Return	528.82	530.99	-0.4%	528.51	0.1%	495.89	6.6%	496.47	6.5%
SPDR Bloomberg High Yield Bond ETF	96.63	97.39	-0.8%	97.99	-1.4%	95.47	1.2%	96.41	0.2%
iShares iBoxx High Yield Corporate Bond ETF	80.22	80.80	-0.7%	81.19	-1.2%	78.65	2.0%	79.24	1.2%
Gold	4084.06	4002.92	2.0%	3858.96	5.8%	2624.50	55.6%	2564.85	59.2%
Bitcoin	94976.64	109428.01	-13.2%	114640.81	-17.2%	93714.04	1.3%	88213.60	7.7%

Source: Bloomberg, Sanctuary Wealth. November 14, 2025

Tariff Relief On Food A Holiday Gift

This week, Fed minutes can move markets, but one stock can move mountains.

Last week, the Trump Administration tried to deliver a holiday gift to consumers by announcing that it will eliminate tariffs on coffee, tea, bananas, beef and other food imports, as well as on select textile products from four Latin American countries (Ecuador, Guatemala, El Salvador and Argentina); this is their bid to help lower prices for consumers struggling with high grocery bills. But the announcement had no impact on the markets. What will impact the markets is Nvidia (NVDA) releasing its earnings report and comments after the close on Wednesday.

With the government back up and running, we should begin to get economic data again – but slowly. Some data, like October CPI, may never be reported. In the meantime, we'll all be parsing the minutes from the October meeting of the FOMC (Federal Open Market Committee), to be released on Wednesday as well. The clues about the economy and the direction of interest rates to be found in those comments could prove to be market-moving. But as we head into the holiday season, don't let the markets give you the blues – we expect the sleigh bells to be jingling by Christmas.

Calendar

Mon.

Tue.

Wed.

Thu.

Fri.

8:30 am Empire State manufacturing survey
9:00 am Federal Reserve Vice Chair Philip Jefferson speaks
10:00 am Construction spending
1:00 pm Minneapolis Fed President Neel Kashkari speaks
3:35 pm Federal Reserve governor Christopher Waller speaks
8:30 am *Import price index
8:30 am *Import price index minus fuel

9:15 am *Industrial production
9:15 am *Capacity utilization
10:00 am Factory orders 10:00 am Home builder confidence index 10:00 am Business inventories 10:30 am Federal Reserve governor Michael Barr speaks 8:30 am Philadelphia Fed manufacturing survey 8:30 am Housing starts 8:30 am Building permits 8:30 am U.S. trade deficit 2:00 pm Minutes of Fed's October FOMC meeting Earnings: Nvidia** 8:30 am U.S. employment report 8:30 am U.S. unemployment rate 8:30 am U.S. hourly wages 8:30 am Hourly wages year over year 8:30 am Initial jobless claims 10:00 am Existing home sales 10:00 am *U.S. leading economic indicators 11:00 am Federal Reserve governor Lisa Cook speaks 1:40 pm Chicago Fed President Austan Goolsbee speaks 6:45 pm Philadelphia Fed President Anna Paulson speaks Earnings: Walmart 8:30 am Federal Reserve governor Michael Barr welcoming remarks 8:45 am Federal Reserve Vice Chair Philip Jefferson speaks 9:00 am Dallas Fed President Lorie Logan speaks 9:45 am S&P flash U.S. services PMI 9:45 am S&P flash U.S. manufacturing PMI 10:00 am Consumer sentiment (final)

*May be delayed due to government shutdown from Oct. 1 to Nov. 14 NA - Not available due to government shutdown

**Earnings reflect highlights

Source: MarketWatch/Kiplinger's/CNBC