AI funding and the year end recovery

Convectra Macro Insight

23 NOVEMBER 2026 | WEEK OF NOVEMBER 16 TO 20
Updated through Monday November 23 US cash close

Our call

We expect a volatile year-end recovery rather than an immediate recession. December buying and portfolio positioning can support prices before the underlying risks are resolved. The first week of December brings a concrete test: Jensen Huang is scheduled to appear before House committees on December 1 and the Senate Banking Committee on December 3. His return to NVIDIA does not settle the regulatory questions. [46,47]

The recovery is most vulnerable if adverse business findings, sustained energy disruption and tighter credit reinforce one another. That combination could turn weaker AI investment into weaker hiring and household demand during 2027. The recession case depends on economic damage, not alarming headlines alone.

What this Insight connects

Last week and Monday in the same frame; inflation and Federal Reserve constraints; AI debt and project economics; observed yen carry effects; cyber and export-control risks; Thanksgiving and December positioning; and the evidence that would confirm or overturn our forecast.

Free research edition. For general research and education, not investment advice.

The selloff and Monday rebound

AI funding, holiday seasonality and the next external shocks

Week of November 16 to 20 2026
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CONVECTRA VIEW. Last week exposed a market that depends on continued financing as well as technological progress. Monday's rebound shows how quickly leadership confidence can return. Our base case is a volatile year-end recovery, with congressional testimony in early December a major test. A durable advance requires customer cash generation and accessible funding, not simply the return of a chief executive.

Market	Last week	Monday Nov 23
S&P 500	-8.61%	+4.73% to 7,237.17
Nasdaq Composite	-10.02%	+6.51% to 24,089.56
Dow Jones Industrials	About -8.0%	+3.01% to 49,595.31
NVIDIA	-22.92%	+31.48% to $165.05
10 year Treasury par yield	5.15% to 4.92%	4.92%
US high yield credit spread	3.34% Mon to 3.76% Fri	Nov 23 observation not yet released

Price returns, not total returns. Weekly equity changes compare November 20 with November 13. Credit spread comparison begins November 16, not November 13. Cash closes exclude after hours. Sources [1-6].

The most important change since the earlier AI discussion

By Friday, the weakness was no longer adequately described as a narrow semiconductor correction. Broad indexes fell heavily too. Yet Treasury yields declined, rather than rising alongside the equity selloff. That combination points toward a widening risk premium and deteriorating confidence in future cash flows, not simply an increase in the risk free discount rate. It is evidence consistent with that interpretation, not a statistical attribution of each day's decline.

The strongest near term upside case is that financing remains open, customer spending holds and the governance shock proves containable. The strongest downside case is that rising spreads and weaker equity prices restrict funding before new capacity generates enough cash. Both can coexist with rapid growth in AI usage.