Thackray Newsletter

— Know Your Buy & Sells a Month in Advance —

Published the 10th Calendar Day of Every Month

Volume 20, Number 11, November 2026

Written by Brooke Thackray

U.S. Dollar Wrecking Ball ... but for how long?



U.S. Dollar Wrecking Ball... but for how long?

The U.S. dollar started its run in January and has been ripping higher since September. The U.S. dollar has crossed above the key 100 level that investors closely watch and has moved higher to 104.





S&P 500 Technical Status

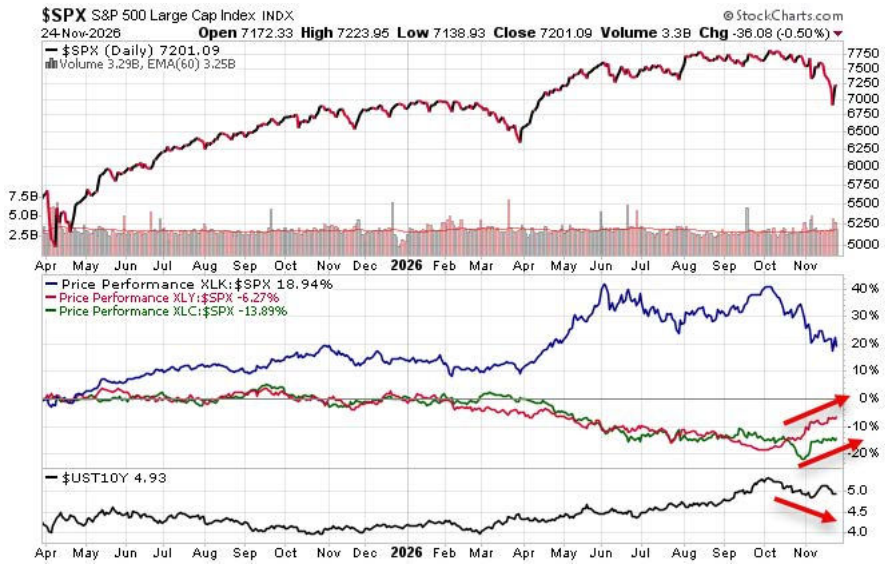
The S&P 500 has broken below the 7,500 support line and is supporting the 7,000 support line.

There was some divergence with the RSI moving lower since June and price remaining stable (up until recently). The downward trending line for RSI set up a condition for the S&P 500 to move lower.

The S&P 500 has become oversold and is starting to bounce.

An oversold condition in the RSI is fertile condition for the S&P 500 to start a bounce or rally.

On a seasonal basis, the stock market tends to be strong at this time of the year. Despite a recent downturn in the market recently, we could see the stock market put in a bottom and rally before the yearend.



Growth Sectors

The technology sector (second panel- blue line (XLK)), has been underperforming the S&P 500 since the beginning of October. On a relative basis, the communications sector (green line) and consumer discretionary sector (red line) have been outperforming.

In particular, for the growth sectors, the consumer discretionary sector has been performing relatively well. The reason is the spill over from the consumer staples sector performing well and the strength of the U.S. economy.



Cyclical Sectors

The energy sector (green line) has been volatile as it gets battered around by the war-peace-war-peace scenarios.

The materials sector (red line) has been performing poorly in November. This sector is mostly chemical companies and is being hurt by a stronger U.S. dollar.

The industrial sector (blue line) has been performing relatively well, due to the strength of the U.S. economy.



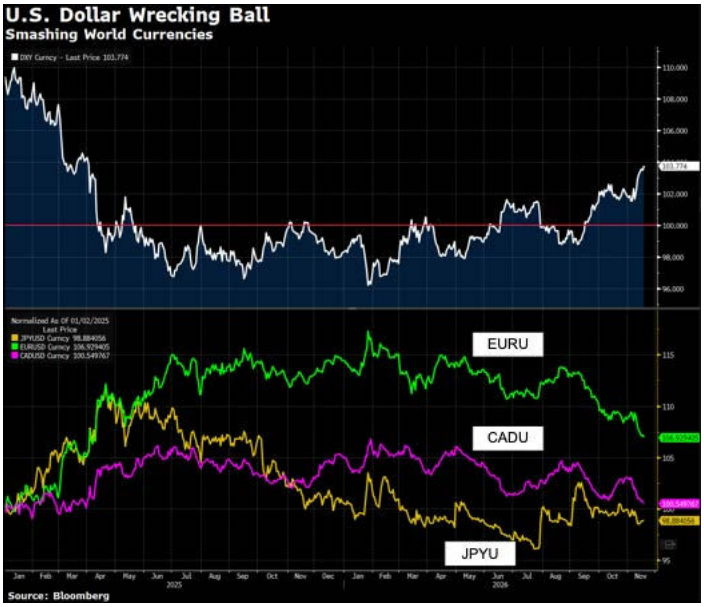
Defensive Sectors

All of the defensive sectors have been performing relatively well as investors are shifting away from beta trades.

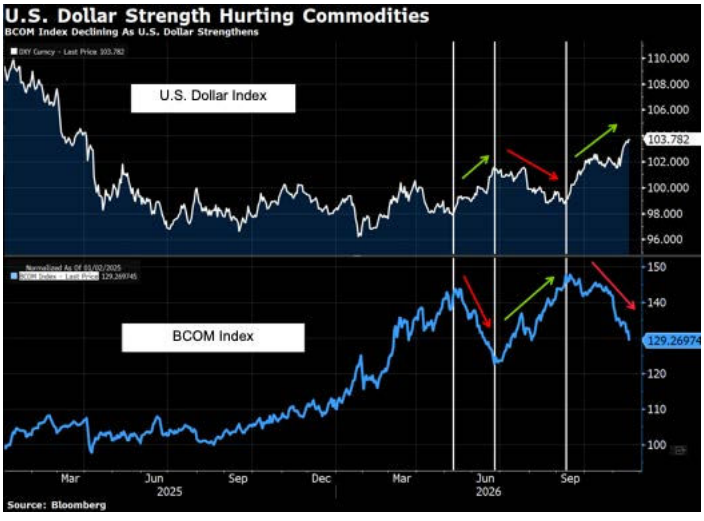
The chart above shows the price action of the U.S. dollar when it becomes overbought above 70 and starts to turn lower. When this happens, the typical price action has been lower in the near future.

The U.S. dollar has been ripping higher, causing a trail of damage in its wake. Non-U.S. stocks have had trouble moving higher, commodities and commodity stocks have been hit particularly hard and the list goes on.

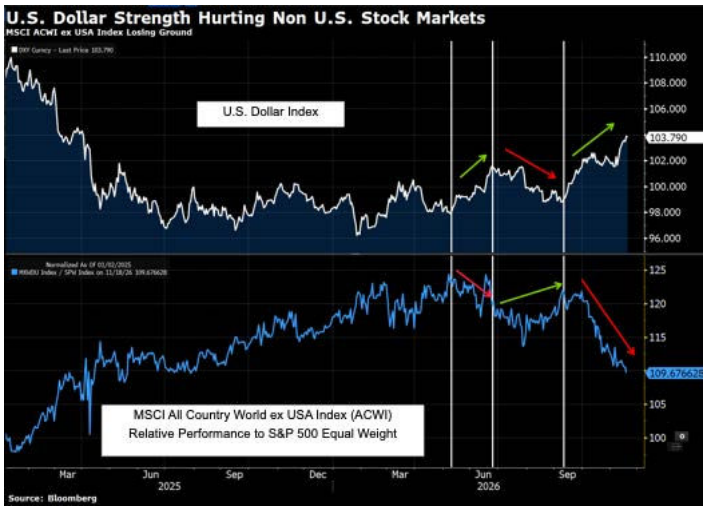
The U.S. dollar has been gaining ground against most currencies around the world since the beginning of the year. See graph below.



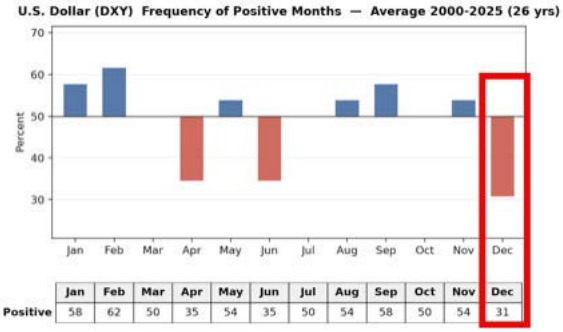
The U.S. dollar has been hurting the price of commodities. The graph below shows the relationship between the BCOM index and the U.S. dollar. When the U.S. dollar moves higher, the BCOM Index tends to move lower.



The U.S. dollar performance is also hurting the relative performance of world stock markets ex US, relative to the U.S. stock market. When the U.S. dollar increases, the U.S. market tends to outperform the Rest-of-World stock markets.

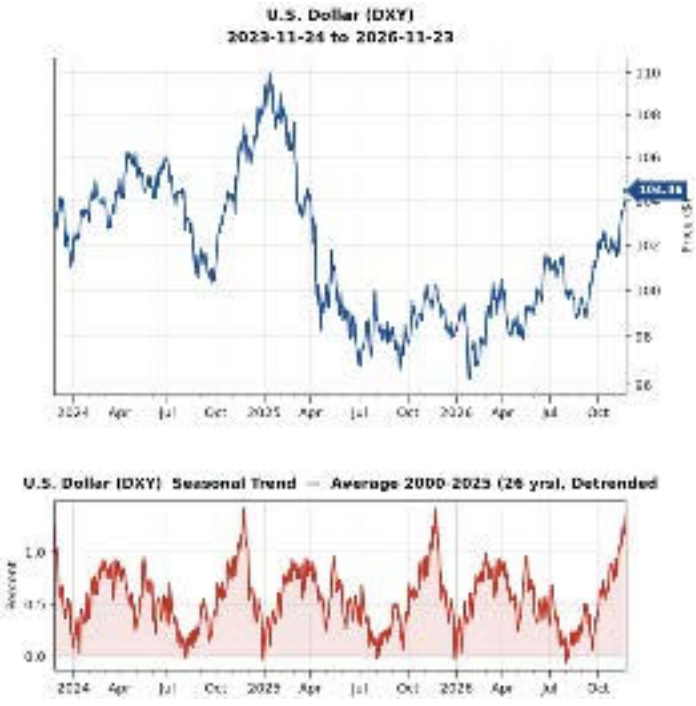


There are a lot of drivers for the U.S. dollar: war, economy, liquidity etc. Outside these large influences, there is a strong seasonal tendency for the U.S. dollar to perform poorly in December. The frequency graph below shows that the U.S. dollar has only been positive 31 per cent of the time over the last 26 years in December.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
U.S. Dollar (DXY) % Positive	58	62	50	35	54	35	50	54	58	50	54	31

The reason that the U.S. dollar tends to perform poorly in December is that extremely large amounts of money are repatriated to countries outside of the U.S. Individuals repatriate money back to the home countries. Foreign corporations also follow a similar trend repatriating funds to the home countries to settle the books for yearend.



The graph above (blue line) is the current price performance of the U.S. dollar. Notice how the trends somewhat follow the de trended seasonal line in red. According to the de trended line, the U.S. dollar is set to decline into the end of the year.

The U.S. dollar is in a structural bull market as the economy is one of the strongest economies in the world. Not only is the economy strong, but other economies around the world are struggling. This disparity is driving the U.S. dollar higher.

HOWEVER. December is a weak month for the U.S. dollar and softness in the short-term is likely to develop.

Nvidia

Not a Catalyst to Move Markets Higher

The AI trade has been stumbling over the last few months. It was hoped that the Nvidia earnings would cause the market to move higher— it didn't. Nvidia came out with great earnings. The stock rose in after hours trading when it released its earnings and then went negative the following day.

Unfortunately, we have seen a lot of this type of price action across many different sectors and the market. What we need to see in a strong healthy market is not a one-day rally, but a strong rally over three or four days on very large volume. Watch for this scenario to indicate that the market is moving out of its malaise.

Nvidia has been performing poorly for a while and Jensen Huang resigning amid controversies has not been helping the stock price. I am avoiding the topic of Jensen Huang other than to say that investors are starting to wonder if the circular financing is sustainable, as Huang was the key designer of Nvidia acting as a central bank for all of the other AI involved companies.

The point is that investors were expecting or hoping that the Nvidia earnings release would change the narrative and help boost the stock market like it has done in the past.

Nvidia is going to find it very difficult to move the market higher. It has a number of investigations being launched against it, including:

- SEC Accounting Probe: The U.S. Securities and Exchange Commission is looking into Nvidia's accounting practices and disclosures, including questions around revenue reporting in regions like Singapore.
- DOJ Chip Diversion Probe: The Department of Justice is pursuing a criminal investigation into Singapore-based Megaspeed—which Alice Huang previously led—over suspected smuggling or diversion of advanced Nvidia AI chips to China.
- FBI & National Security Probes: Authorities are examining Huang's relationship with Alice Huang, a woman U.S. officials suspect of ties to China's Ministry of State Security, to determine if corporate or national security secrets were compromised. Alice Huang is also under investigation, and U.S. Attorney General Todd Blanche has faced questions over federal scrutiny and export controls.

Investors do not like uncertainty. Period. Recent examples of companies that were under some sort of investigation or other and performed poorly as a result are: Boeing, Wells Fargo, United Health, Meta and others. Meta dropped 19% in one day in 2018 when the Cambridge Analytic privacy investigation was announced.

Companies find it extremely difficult to perform well in the stock market when they are under investigation(s). Nvidia will probably not be the exception.

AN FLOP \C
(Anthrop\c)
Not a Catalyst for the Markets to Move Higher

The next big potential boost for the markets was Anthropic IPO. Anthropic has become the leading AI developer and launched the biggest IPO ever (bigger than SpaceX). The IPO came in at a valuation of $1.5 trillion.

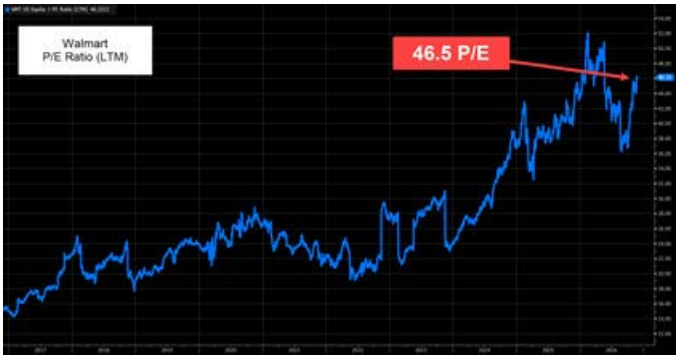
Investors were hoping that the Anthropic IPO would provide enough excitement to spill over into the broad market and tech sector. Unfortunately— it didn't. The IPO price was $83, it debuted (first trade) @ $111.50 and closed its first trading day @ $97.17. A few days later, Anthropic was trading below its IPO price— short-term hype is over.

The fact that Nvidia and Anthropic failed to provide a strong catalyst for the stock market to move higher does not mean that the stock market is about to have a major crash. But the market is running out of positive catalysts. What is important is to follow where the money is going.

Consumer Staples Bubble

On a relative basis, money has been flowing into the defensive sectors of the market (health care, consumer staples and utilities). This tends to happen in October as the stock market transitions into the favorable six month period that starts in late October. It is rare to see this type of behavior in November. It means that investors are still confident in the market but are becoming more defensive.

Walmart currently has a P/E of 46.5 (maybe there is a bubble in defensives?

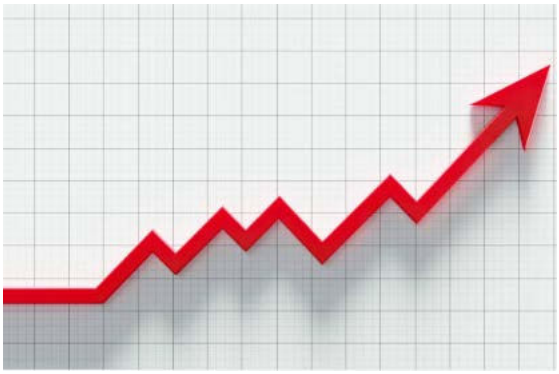


Does Walmart deserve a P/E ratio of 46.5? Probably not. They have not launched a new program where they are taking over the world or a new delivery system where they can teleport your deliveries without a van leaving the warehouse.

What has happened is that investors still want to stay invested and are moving over to the defensive sectors. The result is Walmart with a ridiculous P/E.

In a way, this is good news as it demonstrates that investors are not running away from the markets– at least not yet.

Stocks are not allowed to go down
Everyone wants to "inflate" the AI bubble



South Korea



Regulators over the last weekend took action to protect their stock markets. Regulators announced that they would be:

- ◊ deploying market stabilization fund (government buying stocks) &
- ◊ increasing buyback limits on stocks

Taiwan



Financial regulators issued a:

- ◊ blanket ban on short selling with the index below Friday's close AND
- ◊ the deployment of the Financial Stabilization Fund is being deployed (government buying stocks).

Seasonal trends at this time

We are currently in the six-month seasonal strong period for the stock market at this time, that started in late October. In addition, the stock market tends to rally just before and after the mid-term elections.

So far, the stock market has stumbled, despite the strong seasonal trends.

Because the market has not followed its seasonal trend in early stages of the cycle, it does not mean that it will not follow its seasonal trend in the near and mid-term future.

November and December are on average two of the strongest months of the year. Yes, the AI positive narrative is in trouble, but there is a strong seasonal tail wind.

Seasonal Trends & Opportunities

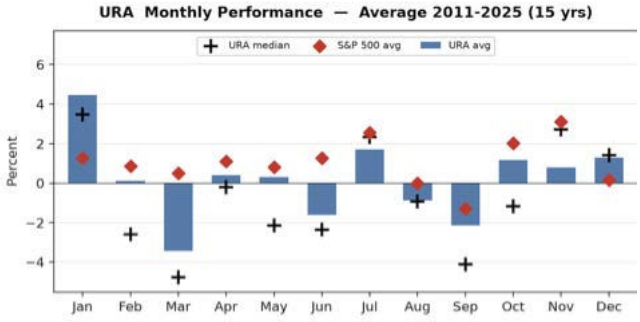
Uranium

The uranium sector is getting decimated. Why? Has anything changed in the sector? No. Only good fundamental news keeps hitting the press. So why are investors selling? Investors are running from beta and hiding in the boring defensive sectors. Global X Uranium ETF (URA) has a beta of 2, which means it is twice as volatile on average compared the market. In a risk-off environment, investors are more likely to sell sectors with high beta, such as the uranium sector.



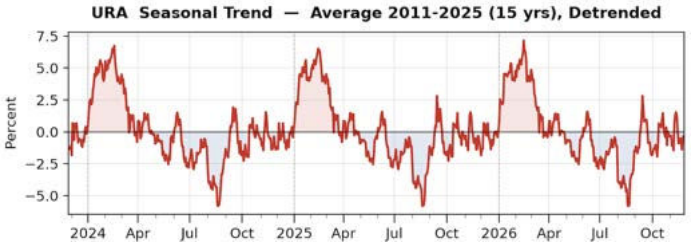
Obviously, beta is not the only factor that affects the performance of the uranium sector. The good news is that January is the best month of the year for the uranium sector (by far).

See graph below.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
URA Avg %	4.5	0.1	-3.4	0.4	0.3	-1.6	1.7	-0.9	-2.1	1.2	0.8	1.3
URA Median %	3.5	-2.6	-4.8	-0.2	-2.1	-2.4	2.3	-0.9	-4.1	-1.2	2.7	1.4
S&P 500 Avg %	1.3	0.8	0.5	1.1	0.8	1.3	2.5	0.0	-1.3	2.0	3.1	0.2
URA Max %	35.1	20.5	15.5	24.3	28.0	21.2	16.3	8.6	17.2	27.7	19.6	30.5
URA Min %	-10.9	-12.4	-28.9	-14.3	-20.2	-15.9	-11.5	-14.8	-27.3	-11.3	-17.9	-15.0

The seasonal sweet spot for the uranium sector does not start on January 1, it starts earlier in late November up to late December. The graph below is the de trended seasonal graph of Global X Uranium ETF (URA), showing the sweet spot to the seasonal trade starts before year-end.



My Call: Uranium will probably bottom in the near future and start to rally before the end of December.

Agriculture

The agriculture sector on a seasonal basis, tends to have a strong month in December. The sector has been pulling back, but there could be a bottom coming up in the near future.





My Call: Gold has become very oversold and is looking for a catalyst to move higher. Gold will probably start to outperform in mid-December.

Gold

Gold, like uranium, has been getting decimated. When will it turn higher? Gold is being sold for liquidity. Some countries are being forced to sell gold in order to raise money to pay off loans etc. I have seen a number of claims stating that Saudi Arabia has been selling gold to finance its rebuild operations. Supposedly, the U.S. is putting pressure on them not to sell U.S. Treasuries, which would put upward pressure on interest rates.

In addition, a lot of investors are being forced to sell gold because they have to meet liquidity requirements, not because they want to.

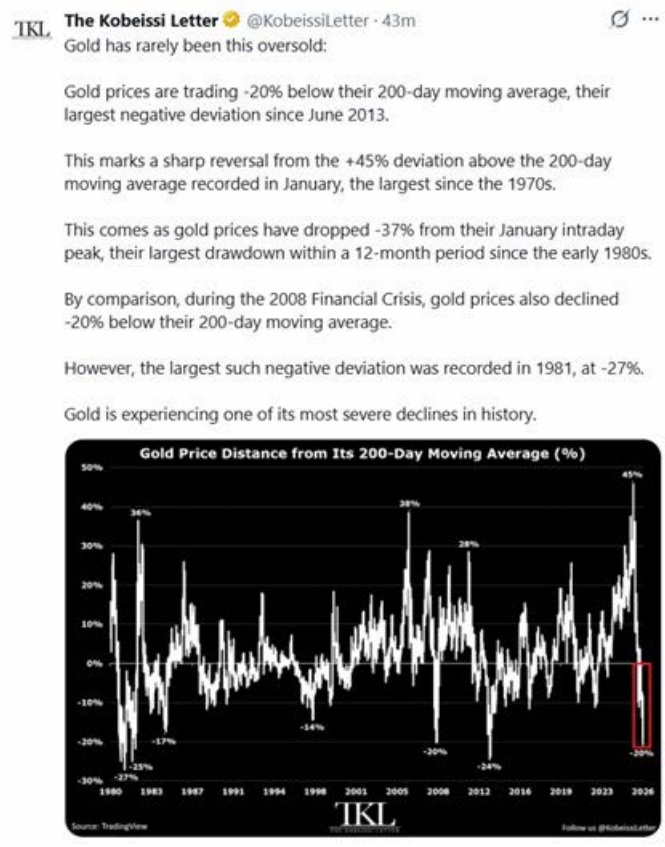
The action of investors helps explain the magnitude of the sell-off, not necessarily why it has been going down. One of the primary monetary reasons gold has been moving lower is that interest rates have been moving higher. When will gold start to move higher? Historically, gold has started its ascent when investors start to shift their belief that the Federal Reserve will start to slow their hiking ascent. In today's scenario, there have been increasing expectations of the Federal Reserve— hiking which has been hurting gold.

Watch for the inflection point where the expectations start to shift to being more dovish. This would be a good point for gold to inflect higher.

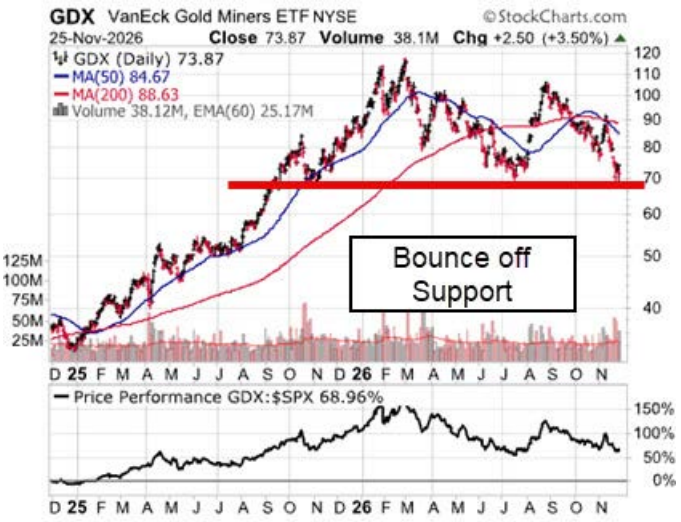
Possible timing on this is shortly after its next meeting on December 9. I will endeavor to write more on this subject in the near future.

Gold Miners

Gold miners have been hit hard as gold has been decreasing and at the same time has been declining. Gold miners have rarely been this oversold.



On a price action basis, gold miners are bouncing off support.



My Call: Gold miners will probably start to put in a bottom over the next month.

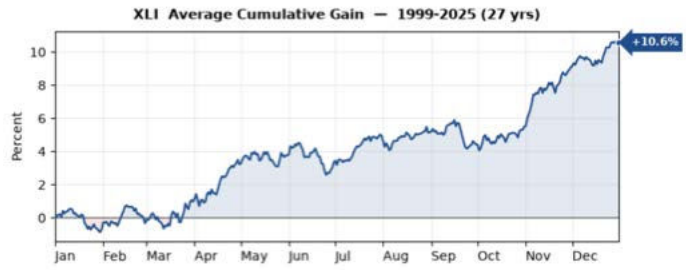


My Call: The industrials sector will probably continue to outperform into the year-end.

Industrials

The industrials sector just started its strong seasonal period which lasts until the end of the year.

The industrials sector has stumbled since July, but has recently in November started to show some stability. On a seasonal basis, the industrials sector can run into trouble in the first part of January.



The U.S. economy remains strong, with the October GDP coming in at 4.3% growth, which is much stronger than most countries around the world, including Canada.

The graph below shows the relative performance of the industrials sector compared to the ETF (RSP), which is an equal weighted S&P 500 ETF. This is being used to remove the technology sector skew in the S&P 500.

Canadian Banks

The Canadian banks typically perform well at this time of year until year-end (but can finish their strong seasonal period in late November when the banks typically release their earnings).

Canadian banks have performed well for over a year as foreign investors have been attracted to the oligopoly structure of the banking system, and because of the high dividends that the banks pay.

As I have written about in the past, the banks have become over stretched in their valuations, particularly the P/E ratio. In the past, investors have often traded the banks based on their P/E ratio's trading band, selling at 14 and buying at 10.5 (red lines, buy and sell bands). Currently, Canadian banks are trading at a valuation of 16.5, which is well above the norm.



The Canadian banks can keep performing well, but given how stretched their valuations are at this time, if unemployment were to increase or the economy to contract further,

then concerns of a recession could impact the banks in a negative manner.

HOWEVER. Canadian banks have been acting as a place to hide for investors during the market turmoil. It is an ideal place for this purpose as long as the economy is not moribund. With all of the government spending that is taking place, it can artificially boost the economy in the short-term, which could stave off a slowdown or recession. Nevertheless, it is important to watch for an inflection point in the sector.

It is also important to note that the Canadian banking sector can start to stumble when it releases its Q4 earnings in early December. I have outlined this pattern in my writings before including my books. Watch for the market reaction as the banks release their earnings.



My Call: Canadian banks will probably continue to perform well into mid-December.

Utilities

The utilities sector has been outperforming the S&P 500, like the consumer staples and health care sectors as investors have been shifting to a more defensive investing profile. In addition, 10-year interest rates have been moving lower, which has been supporting the defensive sectors.



My Call: The utilities sector will probably start to underperform in the near future.

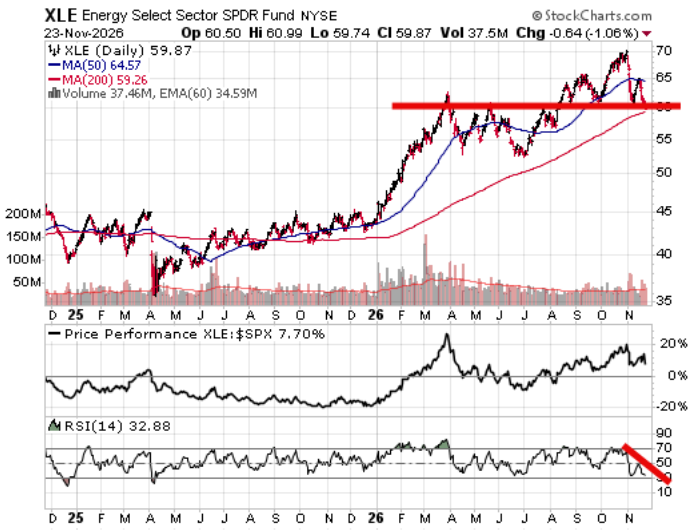
Energy

The energy sector has been performing relatively well compared to other commodity sectors. The possibility of a war between the U.S. and Iran, is keeping the sector bid.

Still, on an absolute basis, the sector has pulled back significantly. If peace were truly ever to be established, it would be expected that the price of oil could have a dip in the short-term.

Peace-war-peace-war. No one can keep up. That is the point. Investors have been tuning it out. No one really knows what is going on and it has been happening for so long, that any real analysis has been put on pause. The exception to this has been the energy sector which has been a beneficiary, on balance, because of the damage to the energy infrastructure in the Middle-East. Nevertheless, the energy sector has pulled back in the last couple of months.

The next strong seasonal period for the energy sector starts in late February (a lot can happen between now and February). It must be said that the seasonally strong period can start early, in late December, particularly on an oversold bounce (needs to be monitored).



My Call: The energy sector will probably start to perform well in late December.

Technology Sector

The technology sector has been underperforming the market as the AI trade is being called into question.

There are a lot of moving pieces in this sector. Most recently, the resigning of Nvidia's CEO, Jensen Huang after he allegedly had an affair with a Chinese spy and previously had another affair with a direct report.

~~The big question is if the new CEO of Nvidia is willing to take such an aggressive stance in vendor financing. I am not saying that Nvidia is about to implode, but it was vendor financing that brought down Nortel in the tech bubble of 2000.~~

~~If Nvidia brings back Jensen, he has a vested interest in keeping the circular flow of funds going which could help the sector....in the short-term.~~

~~At this point, it is probably wise to expect volatility to increase in the tech sector.~~

The reason that Jensen was brought back as CEO of Nvidia is to keep the circular flow financing going.

In the past, I have posted the Bloomberg AI Circular Flow Diagram, which shows that Nvidia is at the center of it all as Nvidia has become the central bank of the AI space.

Ok. As I was writing this piece this morning, Jensen was reinstated as CEO of Nvidia.

I posted my thoughts....



We are past all of the expected major catalysts for the tech sector for 2026 (earnings and IPOs and CEO reinstatements). Of course, another catalyst could come along, such as more announcements of international deals for chips etc.

Given that there are a lot of "overhangs" with the technology sector, it is possible that the technology sector could underperform the market.



My Call: The technology sector will probably be underperform the S&P 500 in the short-term.

CADUSD

The FX trend for CADUSD is different than the USD trend relative to world currencies. There is some correlation, but the drivers are different. It should be noted that if the U.S. dollar is performing very well relative to world currencies, there is a high probability that the U.S. dollar will outper-

form the Canadian dollar.

The Canadian dollar has been performing poorly, not just because of a weak economy, but also because the U.S. dollar has been performing well relative to world currencies.

Growth prospects for Canada at this time are fairly muted. At the same time the U.S. economy is very strong with a GDP Annualized QoQ of 4.3%.

HOWEVER. The Canadian dollar has become very oversold and is at the bottom of its trend line. This is an ideal point for a bounce.



My Call: The Canadian dollar will probably bounce from this level.

Rants

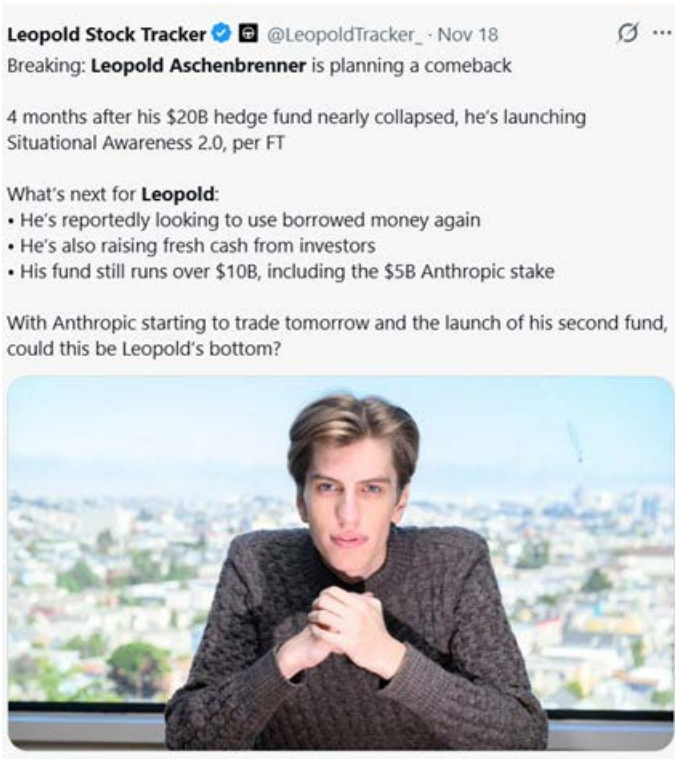
Rant #1
Leopold Aushenbrenner - Situational Awareness - NOT AGAIN!

Leopold is the 25 year old person that wrote an essay on AI and then was handed billion of dollars to run a hedge fund. Leopold previously had no investment experience with hedge funds and risk management. Nice job if you can get it.

Leopold proceeded to blow up the Situational Awareness fund with leverage. Ken Griffin stepped in and took a substantial portion of the funds assets at a major discount. Fun fact: Situational Awareness and Citadel Securities (Ken Griffin) have their offices in the same building (convenient).

Evidently, Leopold is trying to launch Situational Awareness 2.0.

Fool me once, shame on you. Fool me twice, shame on me.



Rant #2
EU - Wants to Taxpayer Money to Create a Tech Fund to Compete with U.S. and China



Ok. Really. Full Disclosure - Europe is awesome.

The EU is an over-regulated, inefficient regime. There is a reason that so little innovation comes out of Europe. Creating a $50 billion tech fund will probably enable more corruption, government oversight and money wasted.

Don't hold your breath waiting for the EU to be an AI leader.

Disclaimer: Comments, charts and opinions offered in this report are produced by www.alphamountain.com and are for information purposes only. They should not be considered as advice to purchase or to sell mentioned securities. Any information offered in this report is believed to be accurate, but is not guaranteed. Brooke Thackray is a Research Analyst with Global X Investments Canada Inc. ("Global X"). All of the views expressed herein are the personal views of Brooke Thackray and are not necessarily the views of Global X, although any of the opinions or recommendations found herein may be reflected in positions or transactions in the various client portfolios managed by Global X, including the Global X Seasonal Rotation ETF. Comments, opinions and views expressed are of a general nature and should not be considered as advice to purchase or to sell mentioned securities. Global X has a direct interest in the management and performance fees of the Global X Seasonal Rotation ETF (the "ETF"), and may, at any given time, have a direct or indirect interest in the ETF or its holdings. Commissions, management fees and expenses all may be associated with an investment in the Global X Seasonal Rotation ETF (the "ETF"). managed by Global X Investments Canada Inc. The ETF is not guaranteed, its value changes frequently and past performance may not be repeated. The ETF may have exposure to leveraged investment techniques that magnify gains and losses and which may result in greater volatility in value and could be subject to aggressive investment risk and price volatility risk Such risks are described in the prospectus. The prospectus contains important detailed information about the ETF. Please read the prospectus before investing.

While the writer of this newsletter has used his best efforts in preparing this publication, no warranty with respect to the accuracy or completeness is given. The information presented is for educational purposes and is not investment advice. Historical results do not guarantee future results.

Mailing List Policy: We do not give or rent out subscriber's email addresses.

Subscribe or Unsubscribe to the Thackray Market Letter: Please visit alphamountain.com.