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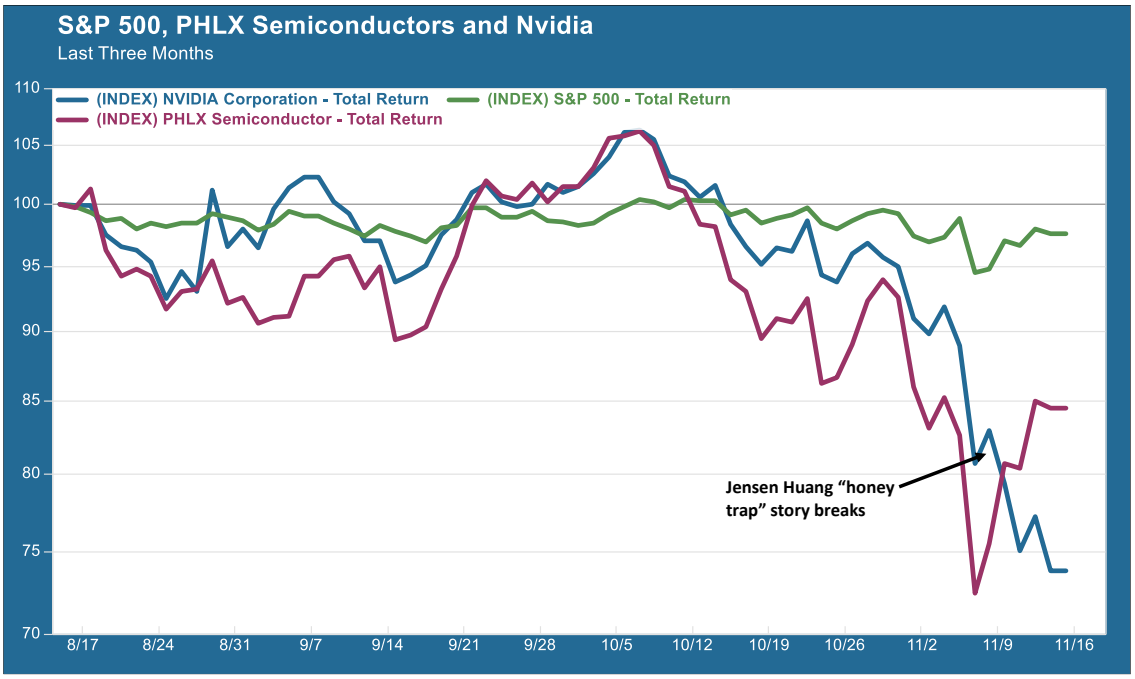
Weekly Market Flash

A Bad Time to Fool Around

November 13, 2026

Here we go again. Just like last week, all our hopes of writing about something outside the subject of artificial intelligence go out the window, because the most important story of the week is, once again, at dead-center ground zero of the AI narrative. And to be perfectly honest, it's one we would rather not touch with a ten-foot pole, with an off-the-charts ick factor. But here we are. As most of you are no doubt already aware, the CEO of the world's most valuable (by market capitalization) company, Nvidia, resigned from his position this week. At the beginning of the week came the revelation that Jensen Huang had been snared in what the spy folks like to call a "honey trap," a story as old as time itself, following a romantic dalliance with an alleged Chinese agent who represented a Singapore-based company called MegaSpeed that had extensive dealings with Nvidia.

Those dealings had already been the subject of intense speculation among insiders and government watchdogs for months when the story broke this week. At first it seemed that Huang might manage to skate through with no repercussions, as his legion of supporters in Silicon Valley and the Trump administration circled the wagons. But then a series of further reports revealed that Huang's predilection for fooling around with non-spousal females extended to at least two additional cases (both Nvidia employees). As the customarily pliant board of directors roused itself into investigative mode, Huang saw the writing on the wall and hurriedly announced his resignation. Shares of Nvidia continued to fall even while the AI trade itself was back in rally mode after its dismal performance in October.



Source: MVF Research, FactSet

This is a multi-dimensional story, and the sex scandal aspect is perhaps the least important part (although it does make one wonder why the chief executive of a company whose every move has an outsize impact on, not just the global economy but the global political order, would have thought it to be a good idea to mess around with a series of extramarital capers, particularly given that the dealings between Nvidia and

MegaSpeed had generated controversy even without the honey trap element). Let's start with the dimension that matters for investors; namely, that Nvidia is by almost all accounts the most important name in the most important segment of our economy. The company that started as a manufacturer of gaming chips thirty years ago not only has a dominant share of the leading-edge chips that power the entire spectrum of artificial intelligence infrastructure, but it also acts as a financial conduit to a web of enterprises within this segment – this is why Nvidia is often referred to as the central bank of the AI industry. Jensen Huang was the company's original founder and by all accounts was a colossal figure as CEO, seen as the macher whose vision, dealmaking chops and ruthless competitiveness turned the small gaming company into a five trillion dollar juggernaut. His abrupt retirement leaves the company without a succession plan and with many questions about what can be done – and with whom at the helm – to get the ship back on course.

Yet another dimension of this saga is political, and the frenetic finger pointing in Washington we have been witnessing over the past couple days is not likely to abate any time soon. At the center of the political scandal is why Nvidia was allowed to export chips to MegaSpeed, even after the concerns first mounted about the Singapore company's connection to a Chinese spy – that being Alice Huang, the woman involved with (and, to be clear, no relation to) Jensen Huang. MegaSpeed had apparently been on a list of companies recommended for blacklisting of chip exports, but the Commerce Department appears to have actively delayed efforts to implement the blacklist. We have almost certainly not seen the end of this story and how far it may extend into the highest levels of the administration.

Finally, there is the question of what the continuation of troubles in the AI space means for the economy as a whole. The US economy has performed well ahead of economists' expectations this year due in no small part to the relentless pace of AI infrastructure build-out. These are real dollars that show up directly as contributing factors to GDP growth. Furthermore, a possible prolonged pullback in the shares of these AI companies threatens the fortunes of the stock market overall, and a reversal of those fortunes would be likely to have a consequential effect on consumer spending – in other words, on the thing that accounts for nearly 70 percent of US GDP. That could put a chill on growth expectations as we look ahead to the world in 2027.

That is quite a heavy set of potential implications for a bit of ill-advised romantic horseplay. It is just about the last thing the markets needed, at this time or really at any time. We will be looking for signs of a serious makeover as Nvidia sorts itself out.

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