MV CAPITAL MANAGEMENT

Weekly Market Flash

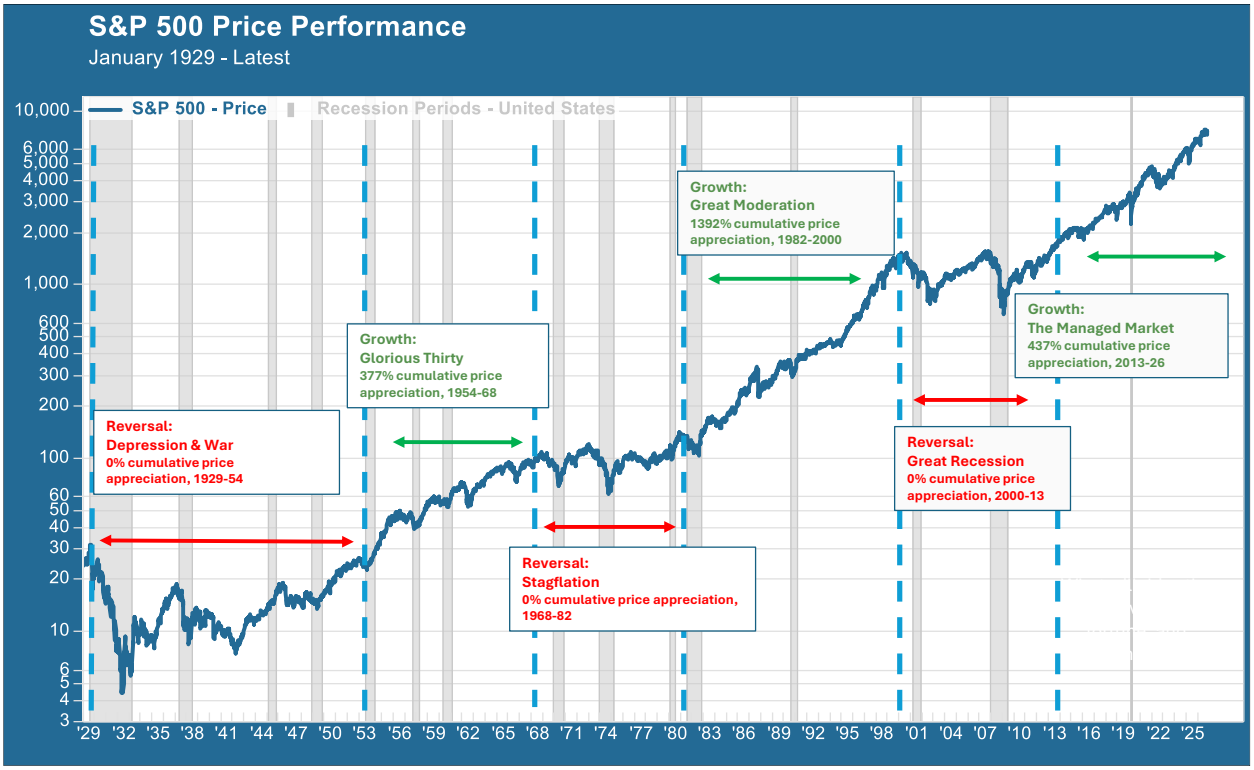
We Could Use a Holiday Week

November 25, 2026

Thanksgiving week is here again. It's one of our favorite times of the year, a chance to briefly take our eyeballs away from the busy cadence of the workweek and enjoy the company of our families and friends. This year, perhaps more than most, we think it would be a really good time to switch off CNBC, put down the Wall Street Journal and appreciate the things and the people that matter most in our lives. What more can we say, after all, about the Category 5 whiplash that has left no corner of the financial markets untouched these past few days?

Riding Out the Tempests

We can say a few things, actually. This is one of those times where we like to invoke our oft-repeated market mantra. Focus on the long term. Ride out the short-term tempests that periodically appear like maritime squalls. Don't give in to the twin temptations of fear and greed. To help reinforce this mantra, we will once again trot out our standard-issue Big Picture: the experience of the US stock market since January 1929. Here is what that 96-year history looks like as of today:



Source: MVF Research, FactSet

The most recent tempest, centered around the strange story of Nvidia and its once-again CEO Jensen Huang, looks pretty small in the context of the market's long-term growth trajectory. Hence our admonition to play through these short-term squalls. Pity the poor souls who tried to play the market around the Nvidia story. Down 14 percent one week. Up by 30 percent the first day of the next week. Unless you were an insider to the machinations surrounding the ouster and reinstatement of Huang (a

topic we will leave for possibly another day, as investigations unfold), you were extremely likely to find yourself on the wrong side of those trades. These short-term gyrations arise from algorithmic triggers that set in motion waves of buying and selling by institutional traders like hedge funds with very truncated time horizons. The buying and selling beget more of the same, resulting in the kind of exaggerated moves we have seen in the past week.

What History Tells Us

Playing through the short term, though, does not mean simply ignoring what is going on in the world as you consider long-term portfolio positioning. Consider the chart above. In this 96 year span there have been three structural growth markets and three extended periods in which the market essentially gained nothing. Let's consider the growth markets first. The first was the postwar era, which got into full swing in the late 1940s and lasted into the late 1960s. This was the era when the industrial advances that began in the late 19th century matured into an economy dominated by manufacturing, an economy in which the US was the preeminent leader. The US dollar replaced the UK pound sterling as the currency through which transactions in this economy took place.

As other countries recovered from the devastation of the war, they were able to join this economy and, in due course, become meaningful competitors challenging US supremacy. By the late 1960s the US dollar was no longer in the position to maintain the gold exchange standard that was a pillar of the postwar economic order established at the Bretton Woods conference of 1944. The Bretton Woods order ended in 1971 when then-US president Nixon announced the end of the gold exchange standard. A new era of floating currencies, rising global competition and macroeconomic challenges like the OPEC oil crisis brought an end to the dream of uninterrupted growth. Financial markets suffered throughout the 1970s and into the first years of the new decade.

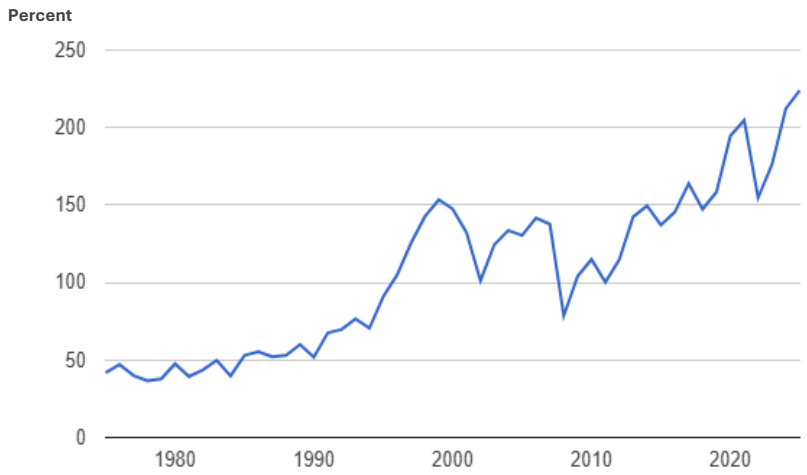
That decade, though, ushered in a new world in which the role of manufacturing took a back seat to the role of finance as the economy's major growth driver. Once again the US, with the deepest and most efficient financial market infrastructure, found itself in pole position. The dollar, which at times during the 1970s looked like it was fated to follow the pound sterling in a fall from dominance, retained its privilege as the currency with which all members of an increasingly interconnected world bought and sold with each other. The neoliberal ideology of unconstrained trade and light-touch self-regulation held sway. Until, that is, the excesses of go-go financialization experienced two successive collapses with the dot-com bubble at the beginning of the 2000s and the much worse market meltdown of 2008. As with the 1970s, the US stock market endured an extensive period of short-term ups and downs that produced a roughly flat return from 2000 to 2013.

What Lies Beyond

The S&P 500 regained its 2007 level in 2013 and has never looked back, delivering more than 430 percent of cumulative growth since then through this year. We find it harder to characterize this era with the simplicity of the previous structural growth cycles: manufacturing in the Bretton Woods era and then financialization in the neoliberal age. Much of it we can attribute to the actions of statist institutions, including easy monetary policy by the Fed, fiscal stimulus by the Treasury Department and, increasingly, an apparent willingness of the government to intervene directly in matters that once were thought best left to the private sector. Recent case in point: the reinstatement of Jensen Huang as Nvidia's CEO was the work of what appears to be an undue amount of direct pressure by the Trump administration and its coterie of Silicon Valley allies.

For want of a better phrase, we call this period of economic history the "managed market," although we could just as easily, if somewhat more acerbically, call it market socialism. This is not in any way a partisan nomenclature, but rather a continuous feature of the relationship between business, markets and government since the 2008 crisis. The idea behind the managed market is that, after more than 40 years in which finance and financially-driven technology have been the economy's driving force, the market is simply too big to fail. Consider the following chart, which shows the capitalization of the US stock market relative to US gross domestic product (GDP).

US Stock Market Capitalization, Percent of GDP
1975 - 2025



Source: theglobaleconomy.com website

The stock market-to-GDP ratio today is around 227 percent (data for the above chart ends in 2025). Consider that even at the peak of the dot-com bubble at the turn of the millennium, the ratio was only 150 percent. Historically, even in the early phase of the financialization era in the 1980s and early 1990s it was around 50 percent.

In a sense, then, the market is the economy, and that is why government institutions for the past 18 years have been hell-bent on protecting it from harm. What this portends for the future is unclear. We do not know what the limits are to government intervention. We do not know what ideological battles may play out over the next decade that may impact the entrenched bailout mentality of the present. We do not know whether the problem may ultimately be solved by the private sector in the form of a new economic order overseen by some benevolent technology emerging from the AI revolution.

We know none of these things. And not knowing them means that we keep our focus on the long term, ignoring the tempests of the short term, studying and learning from history as we go along, and making sure to take the time when we can to enjoy and appreciate the blessings we are fortunate to have in our lives. A very happy Thanksgiving to all!

Masood Vojdani
President & CEO

Arian Vojdani
Principal & Investment Adviser

Katrina Lamb, CFA
Head of Investment Strategy & Research

Investment Advisory Services offered through MV Capital Management, Inc., a Registered Investment Advisor. MV Financial Group, Inc. and MV Capital Management, Inc. are independently owned and operated.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MV Capital Management, Inc.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from MV Capital Management, Inc. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. MV Capital Management, Inc. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the MV Capital Management, Inc.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.