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Cross-**A**ssets, **N**arratives, **Op**portunities, and the **Y**ear Ahead

November 2026



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01 / Section

CROSS-ASSETS



Cross-Assets

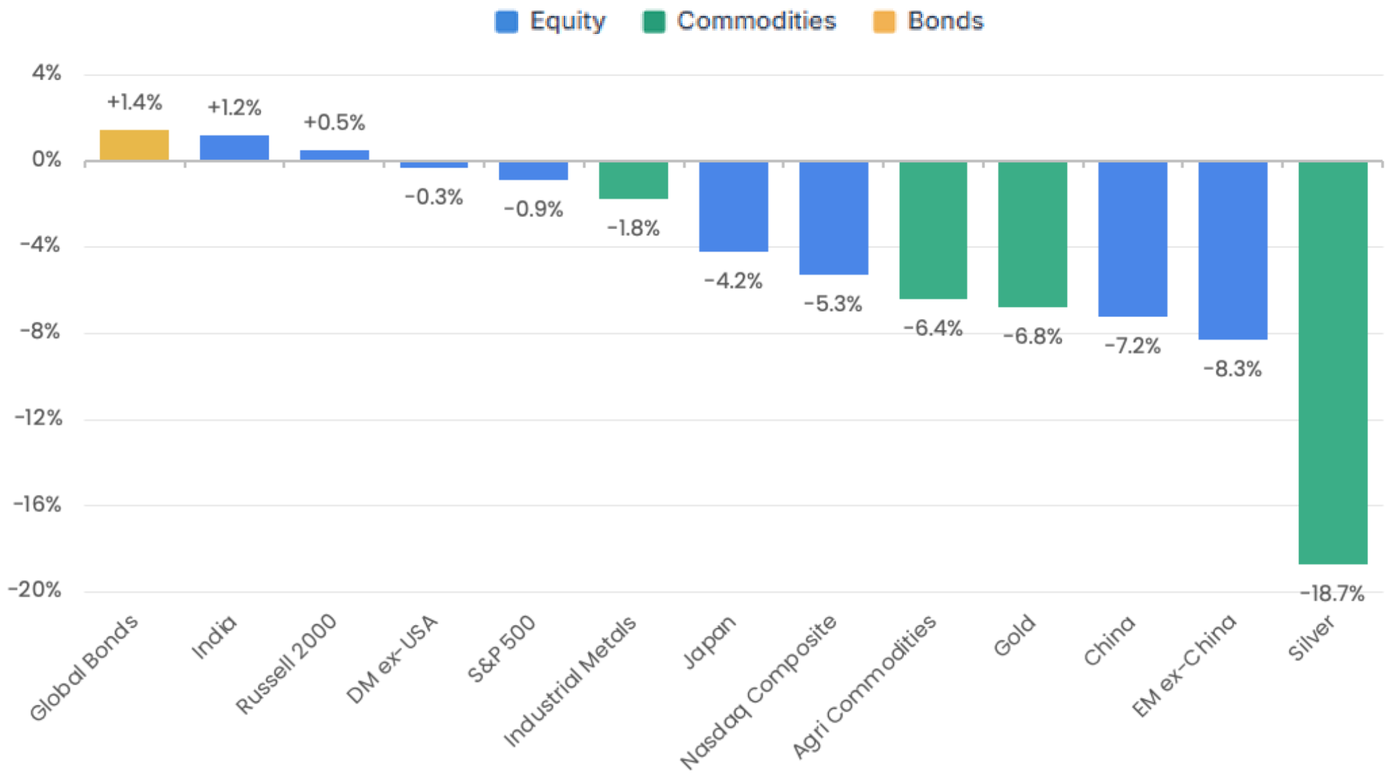
What Happened in October?

Market breadth expanded in October as investors rotated into non-AI sectors ahead of the midterms, a sharp reversal from September and a potential headwind for the AI buildout. The equal-weight S&P 500 beat the cap-weighted index by 5.8 percentage points, the widest margin since April 2009.

The small-cap Russell 2000 rose 0.5%, while the S&P 500 slipped 0.9% and the tech-heavy Nasdaq Composite fell 5.3%. Outside the US, India (+1.2%) was the only major market to finish higher. DM ex-USA edged down 0.3%, while Japan (-4.2%), China (-7.2%), and EM ex-China (-8.3%) fell sharply.

Precious metals fell steeply. Gold lost 6.8% and silver was the weakest asset in the universe at -18.7%. Agricultural commodities fell 6.4%, while industrial metals held up best within the complex at -1.8%.

Global bonds gained 1.4% as Treasury yields eased from their highest levels since 2002, cushioning the drawdown.



Asset-class returns (spot prices; global bonds: Bloomberg Global Aggregate, USD total return), 30 September to 30 October 2026, sorted by performance.

Source: Pinetree Macro, MSCI, S&P Dow Jones Indices (S&P GSCI), Bloomberg, Investing.com

Cross-Assets

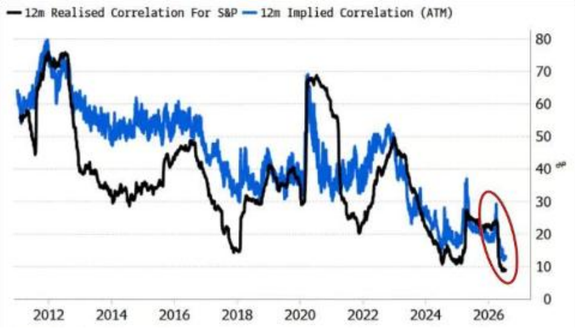
Coiled Spring Correction

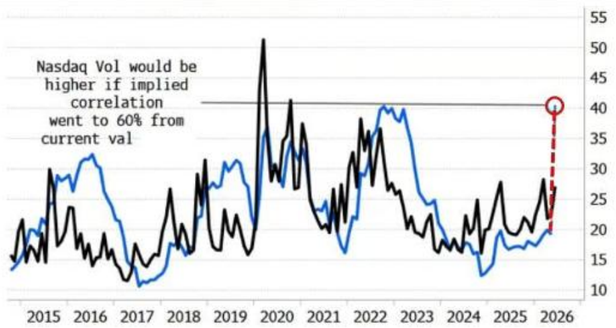
Hyperscalers have issued more than $500 billion of gross debt over the past decade. Consequently, even small shifts in asset or liability values can trigger outsized equity volatility.

Why has the VIX stayed so low for so long? The answer lies in index-level correlation.

The VIX reflects how volatile individual stocks are and how closely they move together. Rising leverage lifts single-stock volatility, but AI-linked technology and the rest of the market have often moved in opposite directions. That low correlation has offset rising corporate leverage and kept the VIX artificially contained.

Looking ahead, we expect correlation and implied volatility to keep re-anchoring to underlying risk fundamentals.





Low correlation between stocks has kept the VIX below the level hyperscaler capital raising would imply.
A low VIX has, in turn, delayed the unwind of the leveraged AI trade.



Low correlation and a one-sided AI trade have held back a VIX spike that has been building since June.
As correlation rises, the VIX, which has lagged the Cboe 1-Year Implied Correlation Index, could catch up. That would force leverage out of the AI complex and rotate liquidity into under-leveraged, cash-rich themes.

The coiled spring in the VIX may trigger a major rotation.

Source: Pinetree Macro, Bloomberg (Simon White, July 2026), Cboe, TradingView

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02 / Section

NARRATIVES



Narratives

Yield Curve Management

Alongside the broader market, we closely watched the midterm elections. Our main focus, however, was on two releases that came a day after the vote: Treasury's **Quarterly Refunding Announcement (QRA)** and the **Treasury Borrowing Advisory Committee (TBAC) report.**

The consensus expects the incoming Democratic Congress to expand or restore major welfare programs, which could push Treasury yields higher. We see other paths unfolding:

CONVERSION OF 7-YEAR NOTE TO QUARTERLY NEW ISSUE

Treasury plans to convert the 7-year note from a monthly new issue to a quarterly new issue with two reopenings (similar to the 10-year note). The 7-year note will continue to be auctioned towards the end of each month and issue and mature at month end. Treasury will auction new issues in March, June, September, and December and conduct reopening auctions in the subsequent two months of each cycle. This conversion will go into effect beginning with the March 2027 new issue, which will be reopened in April and May.

In our view, deeper secondary-market liquidity and better index investability should erode the illiquidity premium end-investors demand, putting downward pressure on 7-year yields.

Reuters

US Treasury shifts language, opening door to auction size changes

The US Treasury Department on Wednesday altered its language regarding future auction sizes in a shift that analysts expect will pave the...



By dropping "at least" from its guidance, Treasury signaled it wants room to change coupon auction sizes as early as the first half of 2027, depending on the fiscal path, duration costs, and any future SOMA runoff.

Treasury and related agencies can impose lengthy rulemaking, strict compliance audits, and long review periods that slow how quickly new welfare funding reaches the economy.

If the new Democratic Congress passes welfare expansions, Treasury may not need to act at all: President Trump can **veto the legislation**, and Democrats fall short of the two-thirds majority in both chambers needed to override a veto.

Source: Pinetree Macro, US Treasury, Reuters (4 November 2026)

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03/ Section

OPPORTUNITIES



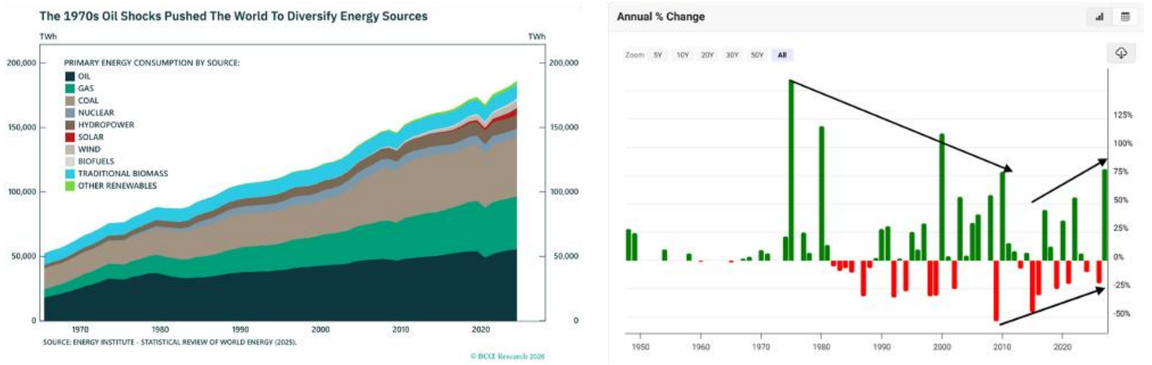
opportunities

Uranium

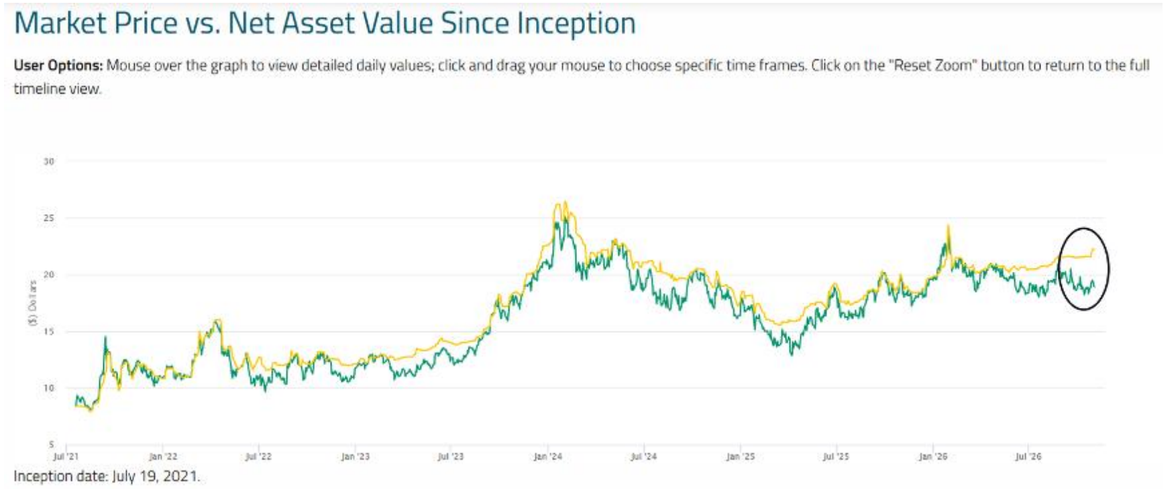
Markets keep moving from one bubble to the next (rolling bubbles), which makes it more important to stay focused on the structural themes of this decade. **Uranium** is one of them. Long-term contract prices recently hit a record, yet speculative money remains elsewhere.

As the world enters what may be the early stage of deglobalization, with capital scarce and energy in deficit, policymakers have a growing incentive to favor energy that is both cost-effective and domestically sourced.

Within this space, we see an opportunity in the Sprott Physical Uranium Trust (**SRUUF**), which traded at a 13.4% discount to its net asset value (NAV) as of 4 November 2026.



Past oil shocks pushed capital into alternative energy (left). Crude oil is up sharply again in 2026 (right, annual % change). Uranium may benefit this time.



SRUUF market price vs. NAV since inception: a 13.4% discount as of 4 November 2026.

Source: Pinetree Macro, BCA Research, Energy Institute, Macrotrends, Sprott

Opportunities

Humanoids

We see a growing case for **robotics** to attract the next major wave of liquidity, much as AI has drawn capital over the past few years. We are tracking corporate commentary and capital allocation closely

If economies are to service their debt through genuine productivity gains rather than inflation, humanoids and robotics will likely do much of the heavy lifting, especially as the working-age share of the population keeps falling across major economies.

Highlights from recent earnings calls and company announcements we are monitoring:

Concall 1

So if you look at the quarter as a whole, we won 36 billion worth of new business, which is the 3rd highest quarter for order additions. And unlike those previous times, it is not anchored or moved on just one very, very large order. It is distributed across several wins. And thanks to that, we have closed Q2 with a net order book of 251 billion. As we continue to win new business in EVs and albeit small, but the robotics and physical AI orderbook also continues to be built. It's 4%, we are hoping in the decade to come, this becomes what EV has been for the last decade for us.

Concall 2

About 61% of the company's order book is tied to EV programs, and robotics and physical AI already account for 4%. Management hopes robotics will become over the next decade what EVs were over the last.

In the Q&A, when asked about data centers, she explicitly linked robotics/humanoids to emerging product development: "But there are many such emerging segment products that we're working on, which are linked to... the new technological opportunities which are out there, including robotics, like humanoids, including different kind of automation systems. We

Concall 3

The parent company [redacted] is arguably the most aggressive global bearings player in humanoid robotics: partnerships with [redacted] (component supply + offtake for humanoids), Accenture/NVIDIA/Microsoft physical-AI pilots, and a new deal with [redacted] supplying precision actuators for humanoids. COO [redacted] has called humanoid robotics "an important growth segment" for the group. [redacted] **itself lists robotics explicitly among its stated industrial end-markets (alongside machine tools, aerospace, electric motors) and posted strong CY2025 growth. The India entity hasn't (yet) announced India-specific humanoid contracts, but as a wholly-owned subsidiary it's the most likely conduit for this tech and demand to flow into India.**

Source: Pinetree Macro. Concall 1: company earnings call transcript (October 2026). Concall 2: company earnings call transcript (August 2026). Concall 3: Pinetree research note based on company press releases (2025 to 2026).

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04 / Section

YEAR AHEAD



Year Ahead

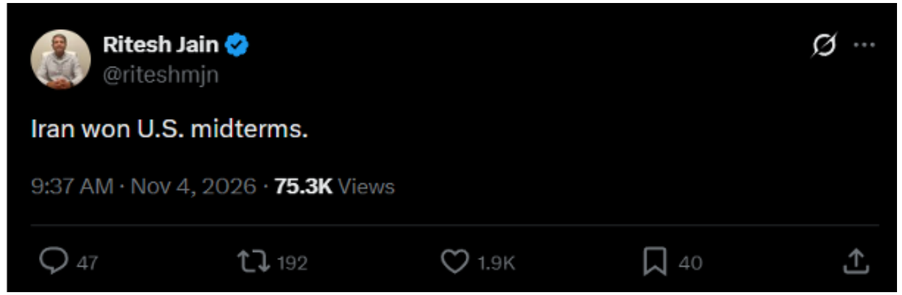
Mid-terms Are Over, Now What?

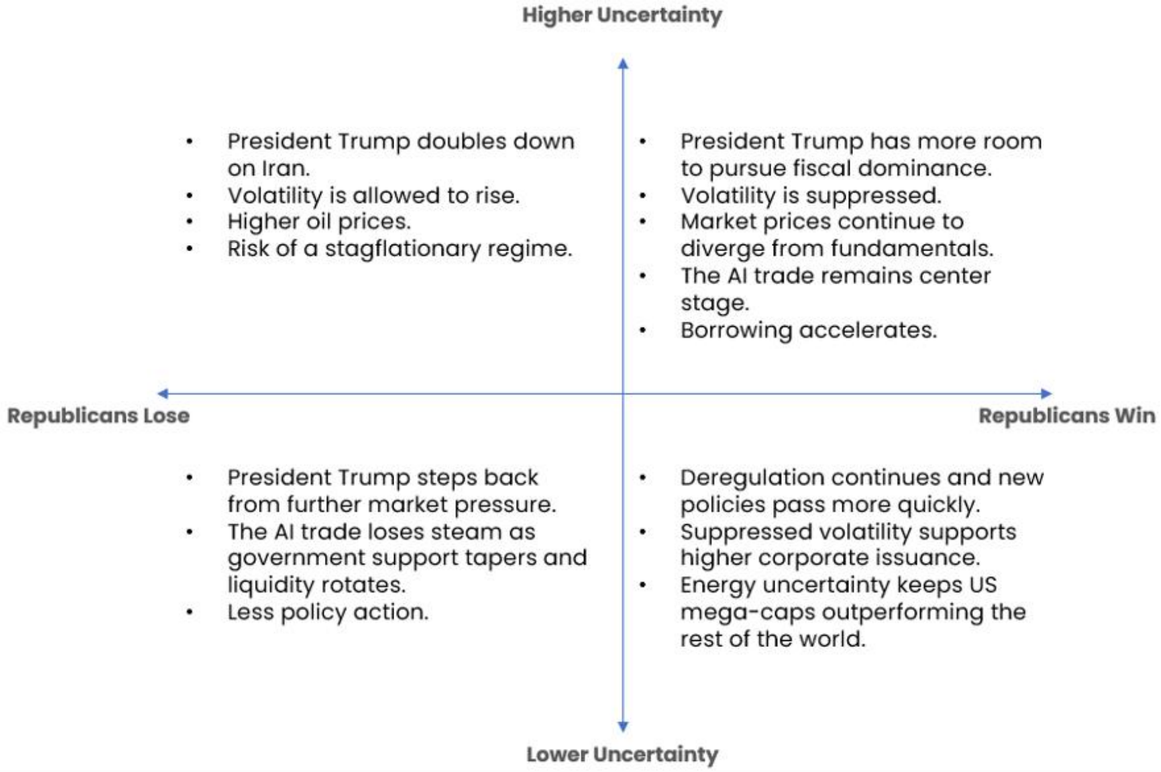
Democrats won control of both the House and the Senate, the outcome prediction markets had favored, though by a wider margin than many expected. Rising prices after the US-Iran conflict weighed heavily on the result, with gasoline averaging a record $4.15 a gallon on Election Day.

Based on our midterm matrix, two trajectories are likely to define markets from here:

Legislative Stalemate & Fiscal Pressures: President Trump is likely to face significant friction in passing new legislation, and the $41.1 trillion debt ceiling set under the 2025 One Big Beautiful Bill Act (OBBBA) is projected to be reached around mid-2027, setting up a fight with the new Congress. An impeachment inquiry is possible, but removal from office is unlikely because Democrats are well short of the two-thirds Senate majority needed to convict. Political pressure could still lead to higher spending on Democratic welfare initiatives.

Sector Volatility: Volatility could spike on AI debt risks, particularly for data center builders facing potential moratoriums.





Source: Pinetree Macro, CBS News, AAA, Bipartisan Policy Center, Ritesh Jain on X

Monthly Roundup

Recent Appearances and Publications

What Could Turn Indian Markets Around | Ritesh Jain

Capital Controls : From Forecast to Policy

Clickable Tabs

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05 / Section

QUOTE OF THE MONTH



“Don’t ask the barber whether you need a haircut.”

- Warren Buffett

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REACH OUT TO US AT

pinetreemacro.com

info@pinetreemacro.com

archit@pinetreemacro.com

jai@pinetreemacro.com

varanya@pinetreemacro.com

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Data and dates: Unless otherwise stated, market data, prices, and other facts in this document are as of 4 November 2026. Monthly performance figures are based on spot prices (global bonds: total return) and cover 30 September to 30 October 2026, the last trading day of the month. Opinions reflect our views as of 5 November 2026.

Edition coverage: This edition reviews market developments in October 2026 and the outcome of the 3 November 2026 US midterm elections.

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