Understanding the Recent Market Pullback

Market ups and downs are a normal part of investing, and understanding the factors behind these movements can help provide valuable perspective.

What's Contributing to Recent Volatility?

- Market Indices Have Pulled Back: Over the past few weeks, major indices like the S&P 500 and Nasdaq have declined by more than 5% from their recent highs. Historically, pullbacks of this size are quite common—even in years when markets ultimately finish with positive returns.
- Volatility Has Increased: The VIX Index, which measures market volatility, reached 26.4 as of November 20, above its long-term average of 18.3. While this reflects greater uncertainty among investors, it's still much lower than the peak levels seen earlier this year.
- Key Drivers of Volatility:
    - The market is adjusting to expectations that the Federal Reserve will likely hold off on further rate cuts in December.
    - Investors are also closely watching the performance of artificial intelligence stocks, questioning whether recent gains are sustainable—even as many of these companies continue to report strong earnings.
- Other Contributing Factors: Recent concerns such as private lending issues, the temporary government shutdown, and ongoing tariff discussions have also influenced market sentiment. Most of these challenges, however, have proven to be short-lived.
- Positive Long-Term Performance: Despite these recent fluctuations, the S&P 500 remains up by double digits year-to-date, building on strong returns from both 2023 and 2024. Bonds have also contributed positively, helping to balance portfolios.

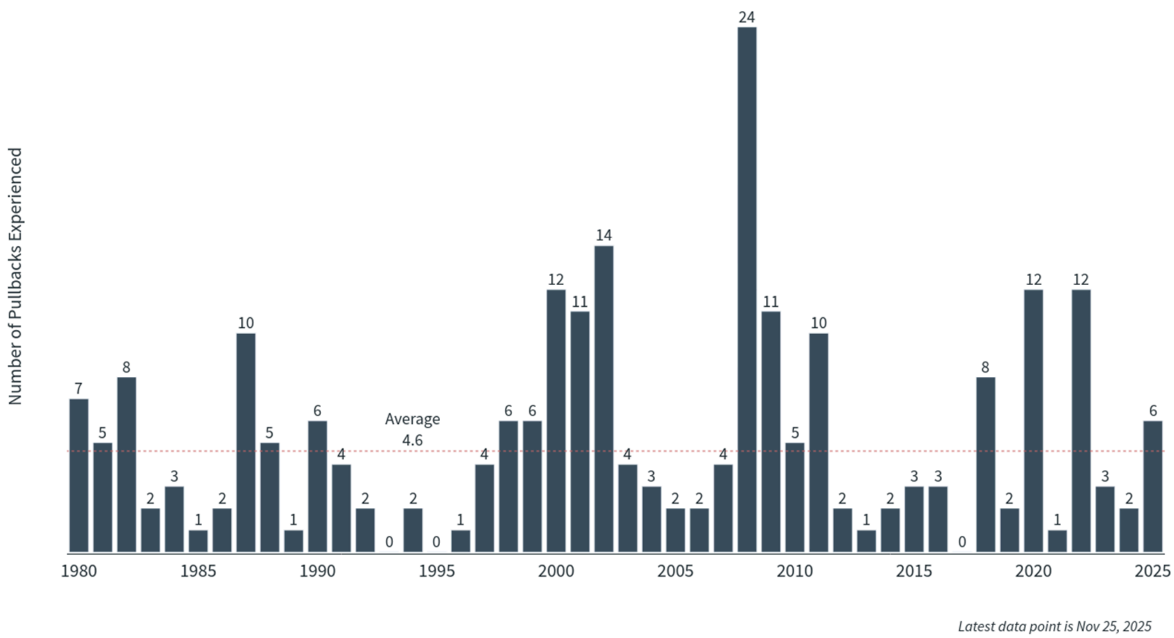
Staying Focused on Your Goals

Periods of volatility and market pullbacks are a normal part of investing. Maintaining a long-term perspective is key to achieving your financial goals. As we approach year-end, this can be a great opportunity to review your asset allocation and ensure your portfolio is aligned with your objectives.

Market and Economic Chartbook | November 25, 2025

Stock Market Pullbacks

The number of 5% S&P 500 pullbacks experienced by investors each year



Sources: Clearnomics, Standard & Poor's

If you have any questions or would like to discuss your investment strategy in more detail, please do not hesitate to reach out.

Authored By: Melanie Brophy, CFP®, EA | Founder, Wealth Advisor & Tax Planner

November 26, 2025

Information is provided "AS IS" and without warranties of any kind either express or implied. To the fullest extent permissible pursuant to applicable laws, Next Play Financial Solutions, LLC (referred to as "Next Play Financial") disclaims all warranties, express or implied, including, but not limited to, implied warranties of merchantability, non-infringement and suitability for a particular purpose. Next Play Financial does not warrant that the information will be free from error.

None of the information provided is intended as investment, tax, accounting or legal advice, as an offer or solicitation of an offer to buy or sell, or as an endorsement of any company, security, fund, or other securities or non-securities offering. The information should not be relied upon for purposes of transacting securities or other investments.

Your use of the information is at your sole risk. Under no circumstances shall Next Play Financial be liable for any direct, indirect, special or consequential damages that result from the use of, or the inability to use, the materials in this site, even if Next Play Financial or a Next Play Financial authorized representative has been advised of the possibility of such damages.

In no event shall Next Play Financial Solutions, LLC have any liability to you for damages, losses and causes of action for accessing this site. Information on this website should not be considered a solicitation to buy, an offer to sell, or a recommendation of any security in any jurisdiction where such an offer, solicitation, or recommendation would be unlawful or unauthorized.