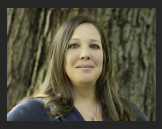
Next Play Financial

Market Volatility and AI: Why a Long-Term View Still Matters



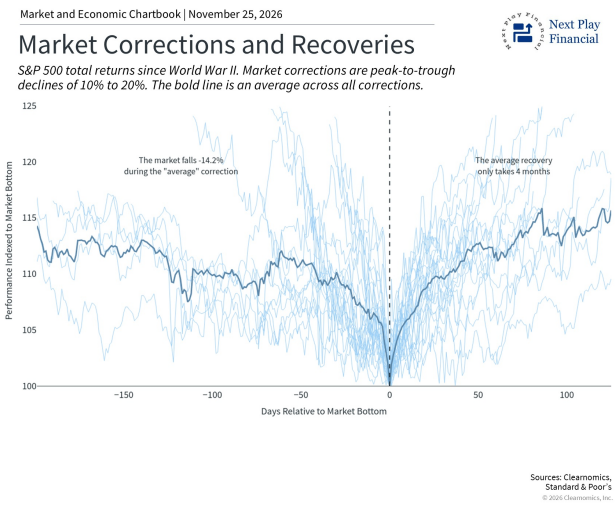
Melanie Brophy, CFP®, EA | Founder, Wealth Advisor & Tax Planner

November 25, 2026

Markets have been moving sharply in recent months, driven by a mix of events in the technology and AI space. Leadership changes at Nvidia and Anthropic's initial public offering (IPO), which is when a company first sells shares to the public, pushed the S&P 500 and Dow Jones Industrial Average into correction territory and briefly wiped out the Nasdaq's year-to-date gains.[1]

Since then, markets have partially recovered, helped in part by the reinstatement of Jensen Huang as Nvidia's CEO, reportedly with White House involvement.[2] This is a good reminder of how fast markets can respond to news, and why keeping a long-term focus matters. A notable development during this period was a mathematician at Anthropic who, with the help of AI, solved the Riemann Hypothesis, a 167-year-old math problem.[3] While this may not affect everyday life right away, it highlights the growing capabilities of AI.

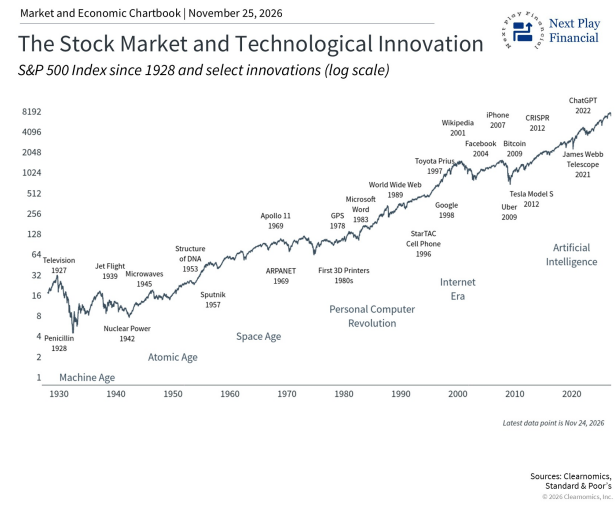
Corrections are a normal part of investing



A market correction means a drop of between 10% and 20% from a recent high. At their lowest point, the S&P 500 and Dow both fell into this range, while the Nasdaq came close to a bear market, which is a drop of 20% or more.[4] Much of this was driven by technology stocks. Between October 6 and November 20, Nvidia shares fell about 48%, which contributed to an 18% decline in the Nasdaq and a 12% decline in the S&P 500.[5]

These kinds of swings are not unusual for technology stocks. In fact, the Nasdaq dropped 9.8% from its peak between early June and the end of July due to similar AI concerns, then rebounded 13.0% to a new all-time high by early October.[6,7] From October 2025 to the start of the Iran war in March, the Nasdaq fell 12.6% before recovering into the summer.[8] Since World War II, the S&P 500 has declined about 14% on average during corrections and recovered in roughly four months.[9] While history does not guarantee future recoveries, a strong economic foundation has generally supported portfolios over the long run.

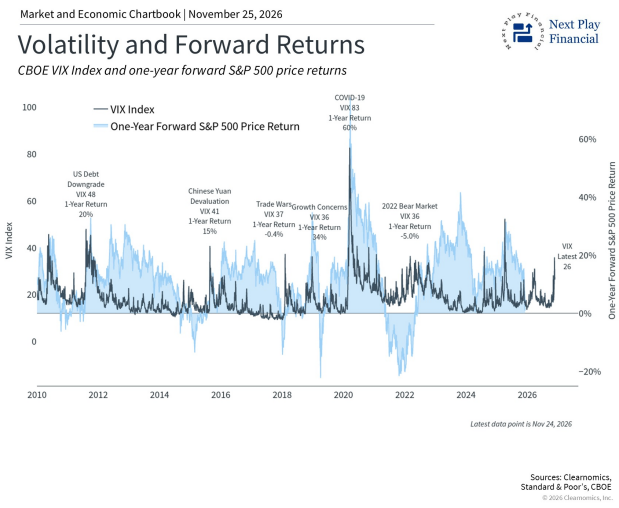
New technologies have driven market growth over time[10]



The chart above shows that every major wave of innovation over the past century brought both excitement and uncertainty. Yet markets have generally risen over time as new technologies became part of everyday life. The dot-com era of the late 1990s and early 2000s is a useful comparison. Many companies failed, but the infrastructure they built, such as fiber optic cables and internet networks, became the foundation for streaming video, cloud computing, and smartphones in the decades that followed.

Whether AI will follow a similar path is still an open question. It may take time before the full impact on businesses, employment, and productivity becomes clear. Anthropic's recent IPO is a sign that the AI industry is maturing. When companies go public, more investors can access them over time, including through broad market indices like the S&P 500, which means diversified investors can naturally gain exposure as these companies grow.

Market swings can open up long-term opportunities



As the chart shows, periods when the VIX, a measure of stock market volatility, has been high have historically been followed by healthy returns over the next year.[11] This means that moments of uncertainty, while uncomfortable, have often been good times to stay invested rather than move to cash.

Volatility can also create financial planning opportunities. For example, with year-end approaching, tax-loss harvesting allows investors with taxable accounts to realize losses that can offset gains elsewhere, subject to rules such as the wash-sale rule which prevents investors from acquiring the same or a "substantially identical" security within 30 days before or after the sale.[12] Focusing on strategies like these can be more valuable than trying to predict what individual stocks will do next.

The bottom line? AI-related volatility has created uncertainty in the short run, but corrections and recoveries are a normal part of investing. The long-term potential of AI, already visible in recent mathematical breakthroughs, reinforces the value of a patient and balanced portfolio aligned with long-term financial goals.

References

1. Clearnomics research using Standard and Poor's, Dow Jones, and Nasdaq data, as of November 20, 2026
2. https://nvidianews.nvidia.com/news/nvidia-board-reinstates-jensen-huang-as-president-ceo-and-board-director
3. https://www.claymath.org/millennium/riemann-hypothesis/
4. Clearnomics research using Standard and Poor's, Dow Jones, and Nasdaq data, from the market peak on October 6 to November 20, 2026
5. Clearnomics research using Nvidia stock price and Standard and Poor's and Nasdaq data, as of November 20, 2026
6. Clearnomics research using Nasdaq data, from June 2, 2026 to July 29, 2026
7. Clearnomics research using Nasdaq data, from July 29, 2026 to October 6, 2026
8. Clearnomics research using Nasdaq data, from October 29, 2025 to March 27, 2026
9. Clearnomics research using Standard and Poor's data, as of November 20, 2026
10. The modern design of the S&P 500 stock index was first launched in 1957. Performance prior to 1957 incorporates the performance of the predecessor index, the S&P 90.
11. Clearnomics research using Standard and Poor's and CBOE data, as of November 20, 2026
12. https://www.irs.gov/pub/irs-pdf/i1040sd.pdf

Index Descriptions

S&P 500

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The modern design of the S&P 500 stock index was first launched in 1957. Performance prior to 1957 incorporates the performance of the predecessor index, the S&P 90.

NASDAQ

The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index.

Dow Jones

The Dow Jones Industrial Average consists of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors.

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 offer, solicitation, or recommendation would be unlawful or unauthorized.

Copyright (c) 2026 Clearnomics, Inc. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports posted on or via www.clearnomics.com or any affiliated websites, applications, or services are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments. The text, images, and other materials contained or displayed in this report are proprietary to Clearnomics, Inc. and constitute valuable intellectual property. All unauthorized reproduction or other use of material from Clearnomics, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Clearnomics, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Clearnomics, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.

Next Play Financial