# 2 Gray Beards Week 150 Summary

**Date: November 15, 2025**

## Market Overview

Quiet week with minimal net price changes despite volatility. Government shutdown ended. Market experiencing de-leveraging with profit-taking in tech (Meta -18%, Bitcoin -30%, Oracle down from $350 to $225). Rotation from tech into defensive positions.

## Key Near-Term Events

- **October jobs report** (Thursday) - limited expected impact
- **NVIDIA earnings** - Critical market signal; likely to set tone through year-end
- **SCOTUS tariff decision** - Within 1-4 weeks (25% odds tariffs ruled legal)

## Federal Reserve Outlook

Fed speakers signaling potential December pause. Odds of rate cut now 50/50 (down from higher). Without supportive data, Fed unlikely to cut. Market faces headwind from bond yields.

## Critical Structural Issue: Massive Debt Supply

**Estimated financing needs over next 5 years:**
- **Federal deficits**: $10 trillion ($2T annually)
- **Foreign investment commitments**: $7 trillion (UAE, Qatar, Japan, Saudi Arabia, South Korea, Switzerland avoiding tariffs)
- **AI infrastructure**: $5+ trillion ($1T+ annually)
- **Example**: Switzerland committed $200B investment, may sell Treasuries to fund

**Total**: Over $20 trillion in new debt issuance pressure

## Market Implications

**Bonds:** Continued upward pressure on yields from unprecedented supply. Corporate spreads vulnerable though credit quality solid.

**Equities:** High multiples face headwinds from rising rates. Growth already priced into NVIDIA/ hyperscalers. **Key question: Can equities generate significant returns when bond yields rising? Their view: No.**

## Portfolio Strategy

**Current positioning:**
- Stay short duration to minimize losses
- Accept small losses covered by carry/coupon
- Wait for curve steepening before extending duration
- Consider rebalancing gold/Bitcoin positions

## Outlook for Next 2-4 Weeks

**Bonds:** Likely to suffer from SCOTUS decision and supply concerns

**Equities:** Post-NVIDIA dip could present buying opportunity, but not yet. Market reaction to NVIDIA earnings will signal direction through year-end.

**Base case:** Digestion and rebalancing period. Focus on capital preservation until clearer opportunities emerge.

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*Analysis by Nick and Andy - 2 Gray Beards*