



# Smart Cents

W E E K L Y

Week 16 • November 16, 2025

Hey there!

Welcome to the exciting 16th edition of Smart Cents Weekly! For all our new readers, a huge thank you for joining us. We're thrilled to have you! And to our loyal readers, we are grateful that you're returning for another round of insights.

Let's start by unwrapping what happened in the past week 

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## Big Picture: Volatility Strikes Back in Tech-Heavy Markets

This week, Wall Street faced a turbulent ride as speculative fervor cooled off dramatically, dragging major indices lower amid renewed inflation concerns and rate-cut doubts. The [S&P 500 tumbled 1.7% on Thursday](#), while the Nasdaq 100 slid 2.1%, with tech giants like Nvidia leading the decline. However, Friday brought some relief, with the Dow closing up nearly 400 points and the Nasdaq rebounding 2.27% as the [record-long U.S. government shutdown finally ended](#), easing data delays and boosting sentiment. Bitcoin hit a six-month low, sinking amid broader crypto jitters, while gold ETFs saw massive inflows as investors sought safer havens. Despite the chaos, Q3 earnings shone bright, with 82% of S&P 500 firms beating profit estimates, the highest rate since 2021, and forward P/E ratios holding at an elevated 22.7.

So what should we learn? Short-term worries about AI overhyping and Fed policy can spark sharp pullbacks, but underlying corporate strength suggests this could be a buying opportunity for patient investors. With the shutdown over, expect clearer economic data to guide the next moves.

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## Mega-Deals: Infrastructure and Mobility Bets Heat Up

BOXABL's Housing Revolution: Factory-built home startup [BOXABL pushed forward with its SPAC merger plans alongside FG Merger II Corp \(FGMC\)](#), eyeing a Nasdaq listing as BXBL by March 2026. This move aims to scale production of affordable, foldable homes in a market plagued by shortages, potentially disrupting the \$3 trillion U.S. housing sector with car-like assembly lines.

Surf Air's \$100M AI-Powered Lift: Aviation tech firm [Surf Air Mobility \(SRFM\) secured a \\$100M deal](#), blending equity raises and convertible notes to supercharge its Palantir-backed SurfOS software and electric aircraft initiatives. As the advanced air mobility market eyes a 25.5% CAGR through 2035, this positions Surf Air to capitalize on greener, smarter flying.

What it means: Beyond the headlines, these deals highlight a surge in infrastructure innovation. With U.S. home prices up 4% year-over-year (per recent Zillow data) and aviation electrification gaining traction, investors are betting on scalable tech to solve real-world bottlenecks.

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## Tesla's High-Stakes Shareholder Saga

Elon Musk notched a major win as [Tesla shareholders greenlit his massive \\$1 trillion compensation package with over 75% approval on November 6](#), potentially granting him 423.7 million shares if ambitious milestones, like an \$8.5 trillion market cap and 20 million annual vehicle sales, are met. However, enthusiasm cooled for a proposed investment in Musk's xAI, with only 38% in favor, 33% against, and 17% abstaining, failing under company rules due to conflict concerns.

The controversy? While supporters see xAI's AI tech as a booster for Tesla's autonomy and robotics, critics point to Musk's stretched focus across SpaceX, Neuralink, and politics. xAI itself [raised \\$15B at a \\$200B valuation](#), fueling debates on "Muskonomics." Analyst notes from Morgan Stanley emphasize xAI's potential synergies but warn of dilution risks.

Market reaction: Tesla shares dipped 4% mid-week amid the drama but rebounded slightly on Friday, up 1.2% as broader markets recovered. With Tesla's forward earnings

growth projected at 15% for 2026, the vote underscores investor faith in Musk's vision—despite the distractions.

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## Tech Reality Check: Spec Bubble Bursts?

High-flying speculative sectors took a nosedive, with [AI, quantum, and energy stocks shedding about 33% on average since mid-October](#) after tripling earlier in the year. Names like IonQ (-6%), D-Wave Quantum (-10%), and Oklo (-8.58%) got hammered, per MarketBeat and Reuters reports, amid earnings scrutiny and quantum hype fizzling (e.g., debunked Treasury stake rumors). ["The Big Short" investor Michael Burry flagged "creative accounting"](#) in AI giants like Oracle and Meta, questioning extended GPU depreciation that inflates earnings.

The warning signs: SoftBank's full exit from Nvidia (selling \$5.8B stake) and global sell-offs in Asian chipmakers like SK Hynix signal cooling AI enthusiasm. Yet, quantum stocks like IBM remain resilient, with over \$60B in cloud/AI revenue funding R&D without heavy risks, per 24/7 Wall St. Natural gas plays emerged as hidden gems, offering steady revenue growth amid the tech retreat.

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## Macro Matters: Shutdown Ends, But Uncertainty Lingers

The [43-day U.S. government shutdown—the longest ever—concluded as President Trump signed a funding bill on November 12](#), restarting disrupted services like food assistance and averting further economic drag (estimated at billions in lost activity). House passage came 222-209, per Wikipedia and Politico updates.

The Fed Factor: Inflation fears pared December rate-cut odds to 50% from 95%, sparking Thursday's rout. Consumer quirks added color: Early Christmas tunes boosted charts, while iPhone 17 buyers favored bold "Cosmic Orange" for 40% of sales, per Consumer Intelligence Research. Tariffs on China? Markets bet 46% on staying 20-29.9% through year-end.

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# Earnings Scorecard: Resilience Amid the Noise

Q3 closed strong despite volatility, blending beats with misses:

- 82% EPS beat rate for S&P 500, with 77% topping revenue
- Disney: Q4 adjusted EPS of \$1.11 beat estimates, but revenue fell short at \$22.6B (down 3% YoY); full-year streaming profit soared 9x to \$1.33B, while parks hit \$10B operating income.
- Oklo: Wider losses but +7% stock pop on DOE approvals for nuclear tech
- Forward P/E: 22.7, signaling premium valuations

Sector standouts:

- Tech: AI leaders like Palantir dipped 8% post-earnings; quantum ETF QTUM up 36% YTD
  - Consumer: Skims reached \$5B valuation, targeting \$1B+ sales; Disney's Stitch merch alone generated \$4B, rivaling Harley-Davidson's annual haul
  - Media: Podcast dominance skews male, except in lifestyle/wellness categories
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## Quick Hits: More Market Moves

- Bitcoin ETFs saw strong inflows, but treasury firms lagged the asset itself
  - Hims & Hers rolled out bloodwork-based custom health plans
  - Meta's Marketplace gets a refresh, sans standalone app
  - Barry shuttered his hedge fund, eyeing "better things" post-bubble warnings
  - Hemp THC ban tucked into funding bill; solar installs eyed at 30-50 GWdc for 2025
  - Denny's surged 50% on privatization talks; NuScale plunged on \$273M loss
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## Power Plays

- Quantum rollercoaster: Stocks like IONQ and D-Wave delivered 300%+ gains earlier, but recent dips highlight risks—yet defiance. Quantum ETF's 36% YTD rise shows long-term promise!

- Gold's retail rush: \$82M inflows into commodity ETFs hit 95th percentile, turning the metal into a "meme stock" amid tech exits!
  - Disney's brand magic: Full-year EPS up 19% to \$5.93, with Experiences unit's 9% domestic profit growth proving parks are recession-resistant cash cows!
  - **xAI's valuation vault: \$200B post-\$15B raise**, outpacing many nations' GDPs, despite Tesla holders' reluctance to direct ties.
  - Traffic travesty: U.S. drivers lost 63 hours annually to jams—worst in NYC, LA, and Chicago, per INRIX data!
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## Finance Riddle:

What plummets like a rock but shines in uncertainty?

Answer: Gold during a tech sell-off. As spec stocks tanked, retail poured into GLD ETFs with tripled call volumes, proving timeless assets can steal the spotlight from digital darlings.

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## Companies to Watch: Upcoming Earnings

JD.com (JD) - Mid-November expected | Chinese e-comm leader; watch Singles' Day fallout and global push

Applied Materials (AMAT) - Mid-November | Chip gear demand surges with AI; supply chain guidance critical

Virgin Galactic (SPCE) - Mid-November | Space tourism ramps; flight ops and bookings in focus

Market Context: Q3's 82% beat rate fuels optimism, with Q4 growth at 7.5% and 2026 projections hitting 12%+ despite volatility.

Stay sharp, think long-term, and remember: in trillion-dollar markets, blending data with discipline beats chasing trends every time! 

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