

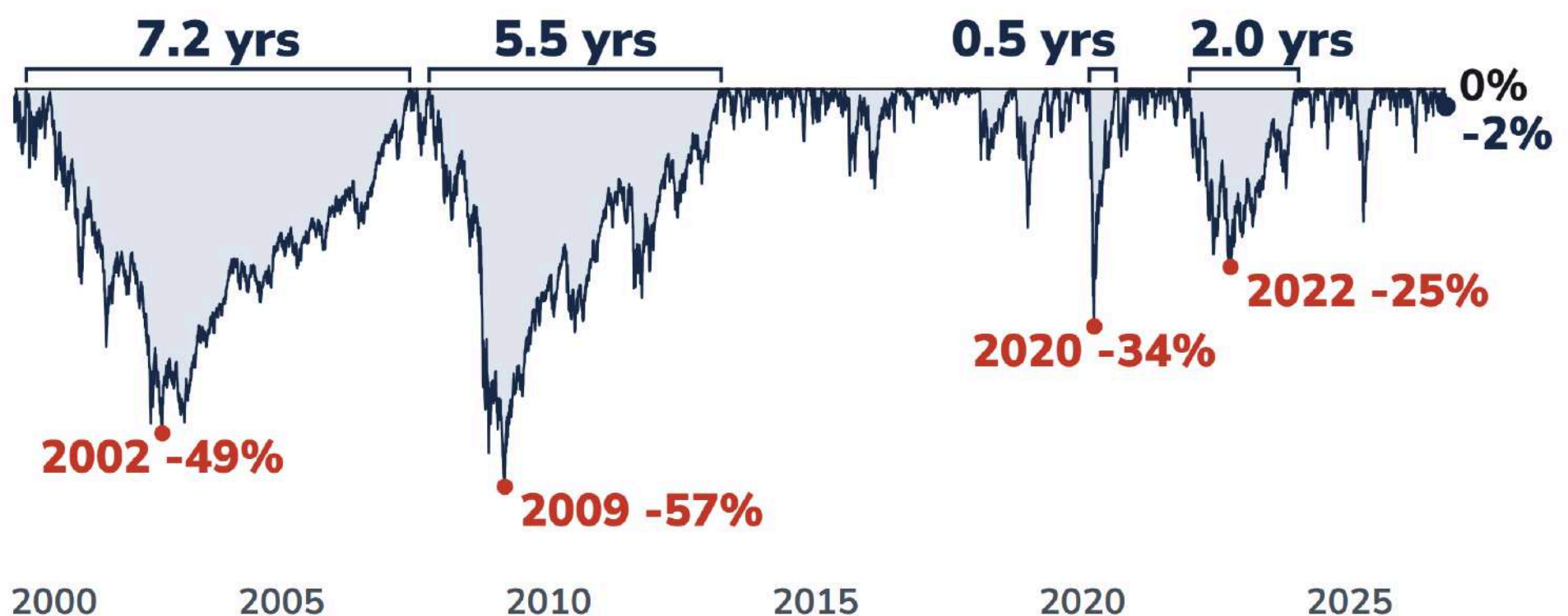
What kind of drawdown are we looking at this time?

Or will this time be different?

BSE Sensex % below its last record close, since 2000



S&P 500 % below its last record close, since 2000



SOURCES Yahoo Finance via tigzig.com APIs

Eight of nine big indices are 6% to 39% below their 2026 highs. The S&P 500 is 2% off

Six of the nine are still up for the year.

Index level, end-2025 to the latest close, 23 Oct 2026. Red dot: the 2026 high. Navy dot: latest close.

S&P 500

+11% YTD, 2% below high



Nasdaq

+12% YTD, 6% below high



Russell 2000

+12% YTD, 10% below high



Taiwan

+59% YTD, 8% below high



Kospi, Korea

+32% YTD, 39% below high



Nikkei, Japan

+25% YTD, 13% below high



Hang Seng

-10% YTD, 17% below high



Shanghai

-7% YTD, 13% below high



Nifty 50, India

-14% YTD, 14% below high



SOURCES Yahoo Finance via [tigzig.com](https://www.tigzig.com) APIs. Taiwan to 22 Oct (no 23 Oct close from TWSE)

Europe slips. Oil, gasoline and diesel surge, hitting consumers and producers

Investors turned to Treasuries: the US 10-year eased to 5%, from 5.31%. Gold is down. France shows sovereign debt stress.

DAX, Germany

+3% YTD, 5% below high



CAC 40, France

-4% YTD, 11% below high



France 10-year yield

Over Germany 168bp, from 70



FTSE 100, UK

+8% YTD, 2% below high



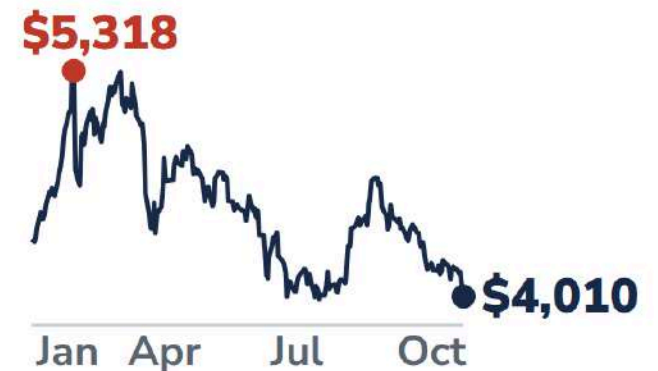
US 10-year yield

Down from 5.31% on 5 Oct



Gold

-8% YTD, 25% below high



Brent crude

Up on Iran's Hormuz attacks



US gasoline, pump

+52% YTD, 5% below high



US diesel, pump

Record \$6.53 on 21 Sep*

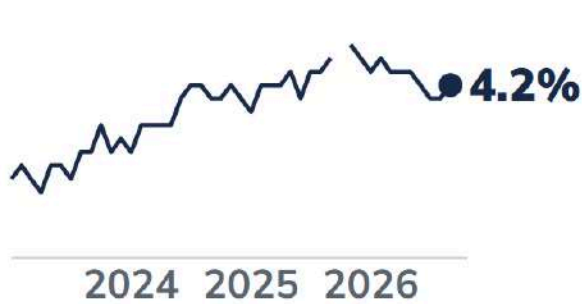


SOURCES Yahoo Finance via [tigzig.com](https://www.tigzig.com) APIs, EIA via [Tremor](https://www.tremor.com), [CNBC 22 Oct](https://www.cnbc.com), [16 Oct](https://www.cnbc.com), bond quotes. Treasury 10-yr 23 Oct 5.00%. *Not inflation-adjusted

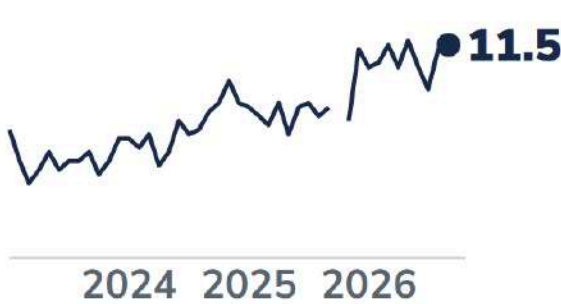
Longer job searches, pay behind prices, less saving, pending home sales at a record low

New homes now sell for less than existing ones. More mortgages are falling 90 days behind.

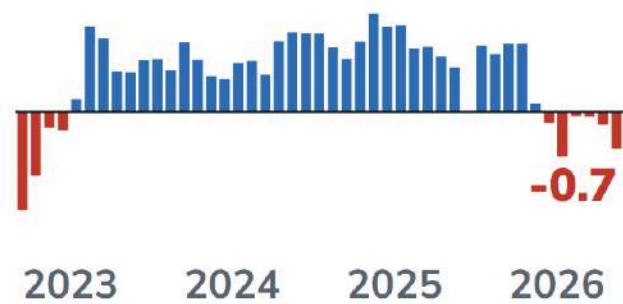
Unemployment rate
4.2%, peak 4.5% Nov 2025



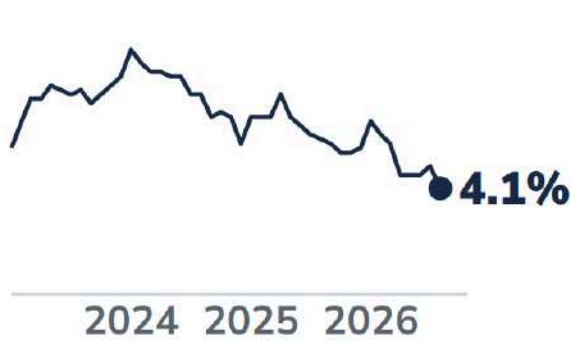
Time out of work
Median 11.5 weeks in Sep



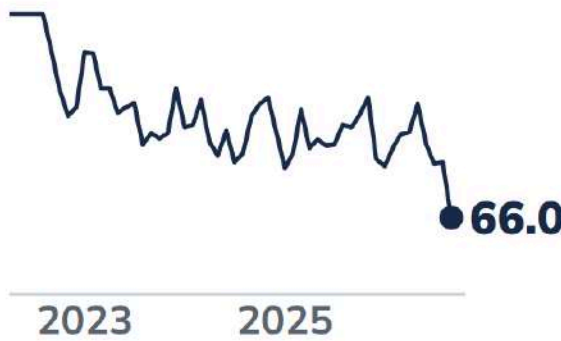
Pay minus prices
Behind prices since April



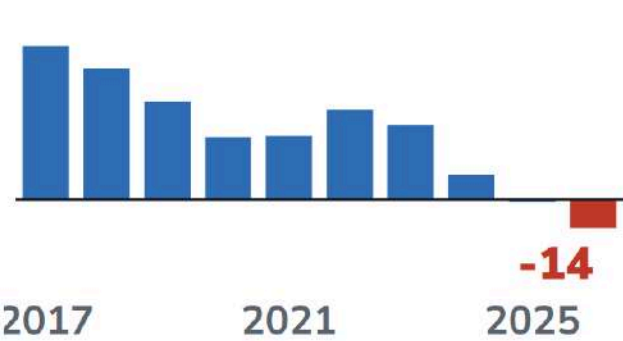
Saving rate
4.1%, lowest since 2022



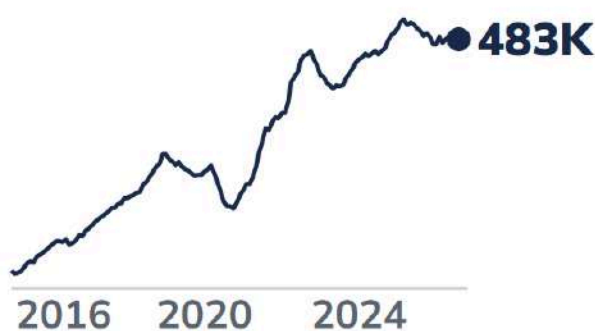
Pending home sales
66.0, record low (prelim.)



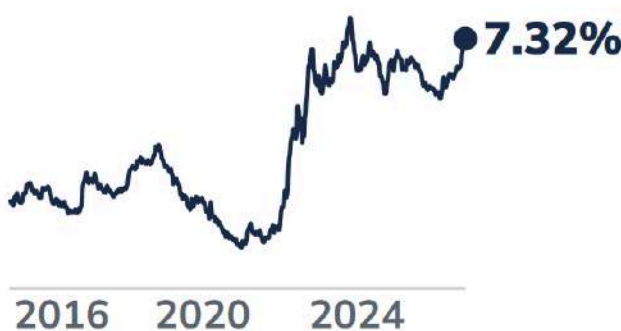
New minus existing home price, \$K
2026: Jan to Aug



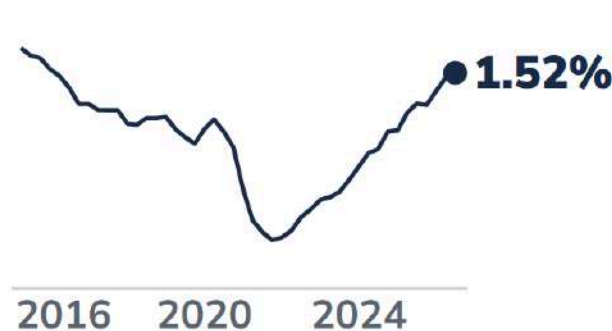
New homes for sale
483K in Aug, near 2008



30-year mortgage rate
7.32% on 22 Oct



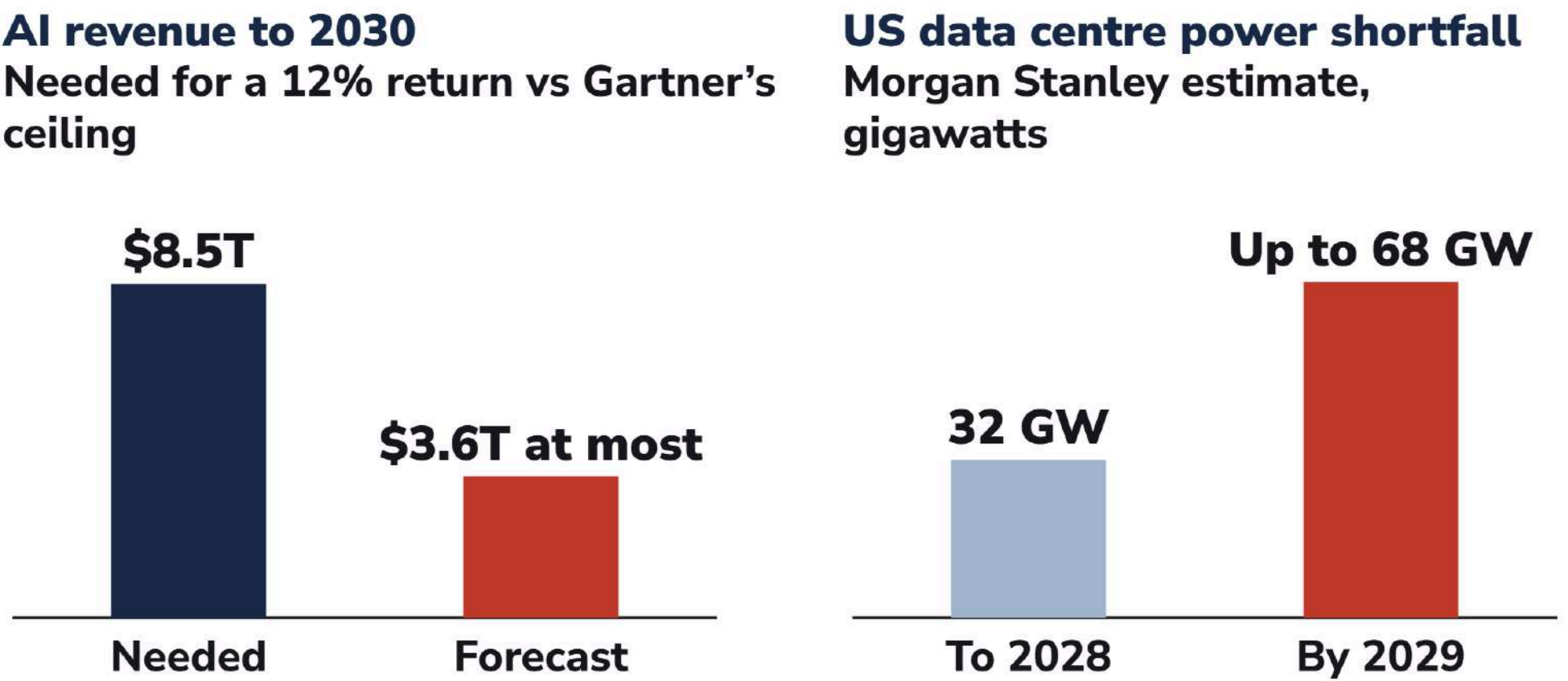
Mortgages 90+ late
New in Q2: 1.52%, most since 2015



SOURCES BLS, BEA, Freddie Mac, NY Fed via [tigzig.com](https://www.tigzig.com) Tremor; NAR, Census

This month's warnings: AI revenue may fall short, power may run out, and some debt is out of sight

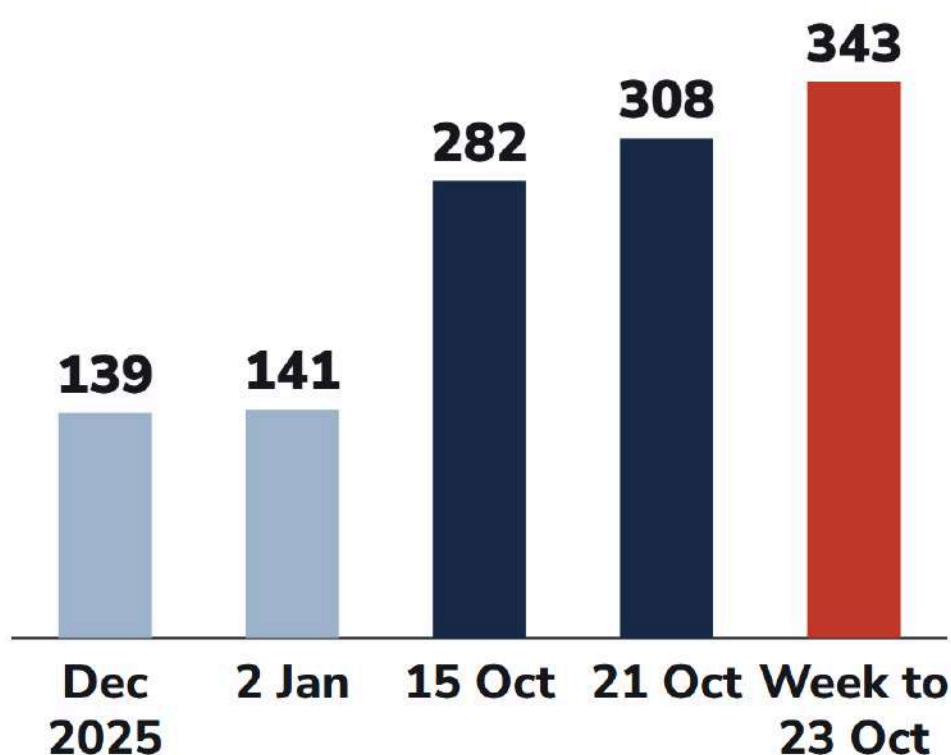
S&P Global Ratings Mark Habib, 19 Oct	"It is safe to assume that there is more (debt) out there that we are not seeing."
Gartner Will Sommer, 14 Oct	AI revenue "will be insufficient to support profitable returns on all planned AI capital expenditures"
Morgan Stanley equity research, via ET 17 Oct	"...there are more semiconductors being built than there are places to put them"
IMF Kristalina Georgieva, 13 Oct	"We now have an economy that is standing on one leg, the AI leg."
World Bank East Asia update, 6 Oct	Private credit markets have "not been tested by a severe downturn"



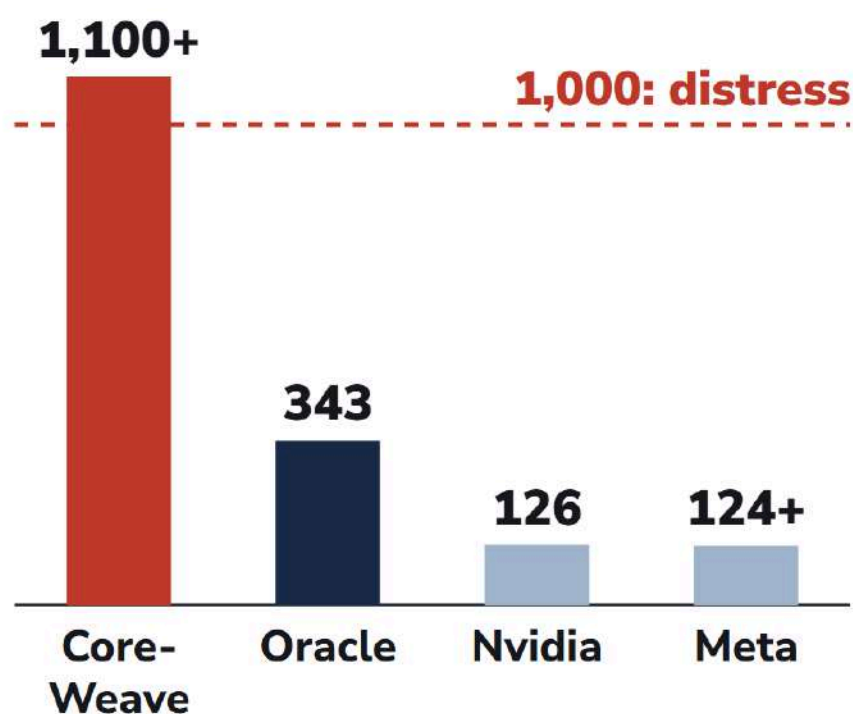
Insuring Oracle's debt costs 2.5 times what it did last December. CoreWeave is past the distress line

Oracle, Nvidia and Meta default swaps hit records this week. S&P rates Oracle BBB-, one step above junk.

Oracle default insurance
5-year credit default swap, basis points



Default insurance this week
5-year swap, bp. Records for Oracle, Nvidia, Meta



- **Oracle:** S&P cut it to BBB- in July, the lowest investment grade, on the cost of its AI build, and CNBC says it now faces downgrade risk. Its stock has lost over a third this year.
- **CoreWeave:** rated B+, junk, by S&P. Its 2031 and 2032 notes yield over 15%. CoreWeave, Nebius and IREN shares are down over 30% in October.
- **Meta:** free cash flow turned negative in the third quarter, by over \$2 billion.

SOURCES CNBC [23 Oct](#), [22 Oct](#), [15 Oct](#), [14 Oct](#), [Reuters Dec 2025](#), [Business Insider Jul](#)

The other side: the builders see demand, and the warners see no crisis yet

Nvidia

Jensen Huang, CEO; Nvidia backs CoreWeave

“demand for the neoclouds is off the charts.” “The demand of the capital is much greater than the availability of the capital... That’s going to get solved.”

S&P Global Ratings

Mark Habib, 19 Oct

“For now, we don’t have the view that there is a major disconnect that needs to force our ratings to change at this point.”

Gartner

14 Oct

Hyperscalers “have massive and highly diversified revenue sources that could plausibly sustain AI investments for years.”

Morgan Stanley

17 Oct

Expects Nvidia and Broadcom to meet their 2027 forecasts.

IMF

13 Oct

Its scenario: a steep AI pullback cuts world output 1.1% by 2028. Petya Koeva Brooks: not likely to mean a global recession.

World Bank

6 Oct, as CNBC reports it

A correction may not mean a bust for the AI supercycle, though investment “had run ahead of realized demand.”

Janus Henderson

CoreWeave bondholder, 20 Oct

The sell-off is “a little bit of overreacting.”

BlackRock

Larry Fink, arguing against data centre bans, 14 Oct

“Data centers are not the problem.” He also warned a ban could bring a recession.

SOURCES [CNBC 23 Oct](#), [Reuters](#), [Gartner](#), [ET](#), [Reuters](#), [CNBC](#), [CNBC](#), [CNBC](#)

My earlier analysis

More at tigzig.com → [Analysis](#)

23 Oct **[A crescendo of warnings on AI debt and returns](#)**

S&P Global, Gartner, Morgan Stanley, the IMF and the World Bank, all in one month.

22 Oct **[US housing, October 2026](#)**

Mortgage rates above 2007-08, pending sales at a record low and more mortgages turning late.

19 Oct **[Foreign portfolio money is leaving Indian stocks](#)**

US\$58.6 billion out since October 2024.

4 Oct **[US jobs, September 2026](#)**

Fewer new jobs, longer searches, hourly pay trailing prices since April.

25 Sep **[Bond markets have started acting](#)**

The US 10-year closed above 5% for the first time since 2007.

31 Aug **[A correction in AI valuations is looking more likely](#)**

That view now comes from a central bank, an asset manager and a bond investor.

Not investment advice. This is my analysis of public sources, for information only. Care has been taken, but errors are possible. **Use of AI.** Parts of this work were prepared with AI under my direction. I reviewed, edited and approved every page. The analysis and conclusions are mine.
