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The AI Correction Meets Tight Money: A Data Study of the November 3 Market Sell-Off

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EXECUTIVE SUMMARY

The Nasdaq-100 entered a correction on November 3, 2026, as chip stocks slid 12% in three sessions and Australia and China tightened policy on the same day. This study tests what the numbers actually show.

KEY RESEARCH FINDINGS & STRATEGIC OUTLOOK

Executive Summary On Tuesday, November 3, 2026, the technology-led market sell-off reached a formal milestone: the Nasdaq-100 closed on Monday more than 10 percent below its all-time closing high, confirming a correction, according to Reuters reporting on Tuesday. The Philadelphia Semiconductor Index had fallen 12 percent over three sessions, a third consecutive decline that turned a debate about artificial-intelligence spending into a market-wide repricing. The same day brought two tightening moves from central banks in the Asia-Pacific region. Australia raised its cash rate by 25 basis points to 4.85 percent in a split 6-3 vote, while China announced it would raise the foreign-exchange reserve requirement for financial institutions from 4 percent to 6 percent, effective November 15. The study asks whether this is a healthy correction, a policy squeeze, or both at once. The headline finding is that the sell-off is concentrated, not indiscriminate. The Dow rose on Monday even as the Nasdaq fell, and oil rebounded on Tuesday after a steep Monday drop. That pattern points to investors repricing one crowded trade heavy artificial-intelligence spending with uncertain near-term returns rather than pricing a broad economic collapse. Methodology This study rests on market reporting from Reuters and the Associated Press on November 3, the Reserve Bank of Australia’s monetary policy statement of November 3, and the People’s Bank of China statement as reported by Reuters. Index levels, closing prices and policy figures were cross-checked across at least two independent reports wherever a figure carries the argument, and conflicting intraday snapshots were left out rather than averaged. Definitions matter for the verdict. A correction means a decline of 10 percent or more from a closing high, not a

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