The facts behind the strings

A companion to the infographic. Research snapshot: November 19, 2026. Each statistic keeps its own observation date; the poster is not a live market dashboard.

Both views can be true: strong profits and real demand can coexist with fragile financing and expensive commitments.

1 Near-record margins, not a fresh record

Q3's 15.0% blended S&P net margin ranks second in FactSet's series; Q2's 17.0% was higher. National corporate profits and S&P profit margins measure different things. **[3, 4]**

2 Consumer dollars versus purchasing volume

September spending rose 0.5% in current dollars and less than 0.1% after inflation. The optimistic case is continued spending and economic growth, not a claim that real household purchases surged that month. **[5]**

3 Defensives require selectivity

Utilities can be described as reasonably or fairly valued using Merrill's dated assessment. The evidence does not justify calling staples, healthcare or all defensive stocks cheap. Lower multiples alone do not prove undervaluation. **[3, 8]**

4 Token prices need the benchmark dates

The Stanford figure describes GPT-3.5-level inference between November 2022 and October 2024. It is not a November 2026 price index for all models. Microsoft reported higher Foundry revenue per token in its latest quarter, illustrating why the distinction matters. **[10, 6]**

5 Red strings show possibilities

Connections illustrate how weak returns, funding pressure, credit losses and forced sales could interact. They are conditional mechanisms, not a timeline, a claim of misconduct or a prediction that every sector will fail. Official reports also identify meaningful buffers. **[1, 2, 14]**

Reading the strings: Main-board threads connect related themes. The small financing loop shows disclosed business relationships. The arrowed chain shows one possible stress mechanism. Its sequence is illustrative; no failure date or probability is assigned.

Sources and metric definitions

Numbered references match the infographic. Open a source by clicking its blue link. Source group 1 of 4.

[1] Federal Reserve | FOMC minutes

Meeting October 27-28; released November 18, 2026

Participants discussed disappointing AI investment returns, complex financing, government debt and forced asset sales as potential risks. Staff judged that vulnerabilities could amplify shocks more than usual, while strong bank and household balance sheets offered buffers. These minutes describe information available at the October meeting and scenarios considered, rather than a prediction of an imminent crash.

Primary source Additional release / table

[2] Federal Reserve | Stability report

November 13, 2026; information generally through October 28

The report flags elevated valuations, high hedge-fund and large-life-insurer leverage, weaker debt service at riskier companies, and financing links around data centers. It also describes banks as resilient, household balance sheets as solid, and aggregate funding risks as moderate. Its longer historical valuation comparisons and October information cutoff differ from the poster's later FactSet snapshot.

Primary source

[3] FactSet | Earnings Insight

November 13, 2026 report; Q3 results 91% reported

S&P 500 blended Q3 earnings grew 31.9%, all eleven sectors showed earnings growth, and net margin reached 15.0%, second-highest since 2009. Forward P/E was 18.3 versus a 19.8 five-year average and 19.0 at September's end. Blended results include estimates for unreported companies. Forward valuation depends on forecast earnings; it does not establish that stocks are bargains.

Primary source

[4] BEA / FRED | Corporate profits

Q2 2026; series updated September 30, 2026

After-tax U.S. corporate profits reached a record $4.28 trillion annualized in Q2, compared with $3.38 trillion a year earlier. This is a nominal, seasonally adjusted annual rate, not cash earned in three months. The series excludes inventory valuation and capital consumption adjustments and covers a broader corporate population than the S&P 500.

Primary source Additional release / table

Sources and metric definitions

Numbered references match the infographic. Open a source by clicking its blue link. Source group 2 of 4.

[5] BEA | GDP and consumer spending

October 29, 2026 releases

Real GDP grew 3.4% at an annualized rate in Q3, while private domestic final demand grew 4.9%. September consumer spending rose 0.5% in dollars but less than 0.1% after inflation. GDP is an advance estimate, subject to revision. Monthly dollar spending and inflation-adjusted spending answer different questions; the poster preserves that distinction.

Primary source Additional release / table

[6] Microsoft | Earnings and cash flow

October 28, 2026; quarter ended September 30

Azure revenue rose 48% from a year earlier. Microsoft reported $58 billion operating cash flow, $18.6 billion free cash flow and $45.2 billion capital expenditures including leases. About three-quarters of capex involved shorter-lived assets, mainly CPUs and GPUs. Azure includes more than AI; capital spending, cash paid for equipment and free cash flow use different accounting definitions.

Primary source Additional release / table

[7] S&P / FRED | Market distance from high

Closing prices through November 18, 2026

The S&P 500 closed at 7,323.63 on November 18, versus its October 6 closing high of 7,818.93. The poster's 6.3% drawdown is calculated as current close divided by peak close, minus one. This compares closing levels of a price index; it excludes dividends and does not describe every individual stock or intraday market movements.

Primary source Additional release / table

[8] Merrill CIO | Defensive valuations

November 2026; valuation chart dated November 2

Merrill describes utilities as fairly valued, with potential multiyear earnings growth, while noting local pressures and rising interest rates. Its assessment supports a measured claim about reasonably priced defensive opportunities, not a blanket claim that defensives are cheap. Merrill also remained underweight utilities, illustrating that fair valuation alone is not a recommendation to buy.

Primary source

Sources and metric definitions

Numbered references match the infographic. Open a source by clicking its blue link. Source group 3 of 4.

[9] EIA | Gasoline prices

Week of November 16, 2026; released November 17

U.S. regular gasoline averaged about $3.81 per gallon, down roughly 19 cents from the previous week but about 74 cents above a year earlier. The same observation supports short-term relief and continuing household cost pressure. These are national retail averages including taxes; regional prices differ, and the weekly decline does not erase the annual increase.

Primary source

[10] Stanford HAI | AI inference prices

2025 report; benchmark period November 2022-October 2024

The reported cost of inference at a GPT-3.5-level performance threshold fell from $20 to $0.07 per million tokens between November 2022 and October 2024, more than 280-fold. This measures a historical, fixed-capability benchmark rather than all current token prices. Cheaper inference benefits users; providers' profitability also depends on efficiency, usage, product mix and competition.

Primary source

[11] Anthropic | Financing relationships

November 18, 2025 announcement

The announced arrangement included NVIDIA investment of up to $10 billion, Microsoft investment of up to $5 billion, and Anthropic's commitment to purchase $30 billion of Azure compute capacity. It illustrates overlapping investor, supplier and customer relationships. Commitments are not identical to cash already transferred, and these disclosed commercial links alone do not establish fraud or fictitious revenue.

Primary source

[12] CBO | The federal budget

November 9, 2026; fiscal year ended September 30

FY2026's federal deficit was about $2.0 trillion, or 6.2% of GDP; publicly held debt reached about 100% of GDP. Net interest on the public debt was $1.14 trillion. This interest category differs slightly from broader net interest outlays. Deficits can support current demand while a larger debt-service burden constrains future budget flexibility.

Primary source Additional release / table

Sources and metric definitions

Numbered references match the infographic. Open a source by clicking its blue link. Source group 4 of 4.

[13] BLS | Consumer inflation

November 10, 2026 release

Consumer prices increased 0.4% in October and prices excluding food and energy increased 0.3%, both seasonally adjusted monthly changes. Food, shelter and energy contributed to household cost pressure. An official overall October year-over-year rate was unavailable because October 2025 data collection was disrupted. The poster therefore uses the verified monthly change rather than inventing an annual figure.

Primary source

[14] IMF | Credit and financial stability

October 2026

The IMF describes growing leverage, borrower weakness and greater reliance on lender flexibility in private credit, alongside increasing links between banks and nonbank finance. It judges bank exposures to nonbanks manageable but growing. Extensions and payment flexibility can delay visible stress; they do not mean every private loan is impaired. The poster's contagion arrows represent conditional transmission channels.

Primary source

[15] NAIC | Insurers and private credit

Year-end 2025 exposures; report accessed November 19, 2026

NAIC estimates U.S. insurers held about $1.2 trillion in private credit, or 13% of cash and invested assets, at year-end 2025. This covers all insurers, not life insurers alone, and measures exposure rather than losses. Payment-in-kind interest can preserve cash or signal distress. The report also recognizes insurers' longstanding experience with traditional private lending.

Primary source

[16] FINRA | Securities margin debt

October 2026 observations; accessed November 19, 2026

Customers' securities margin debt totaled about $1.45 trillion in October, approximately 22% above a year earlier but below June's $1.50 trillion peak. These balances cover customer margin accounts at FINRA member firms, not all institutional leverage. Falling collateral values can create cash demands and forced selling; the balance alone cannot predict the timing or size of a decline.

Primary source