

**AMEC Symposium on “The K-Shaped Economy” – Diverging Asset Markets**

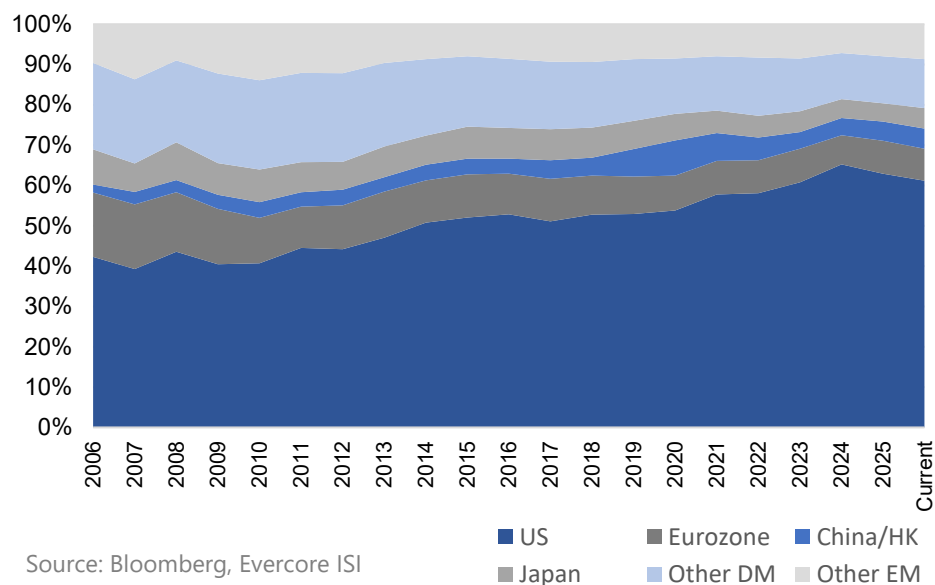
---

**April 2026**

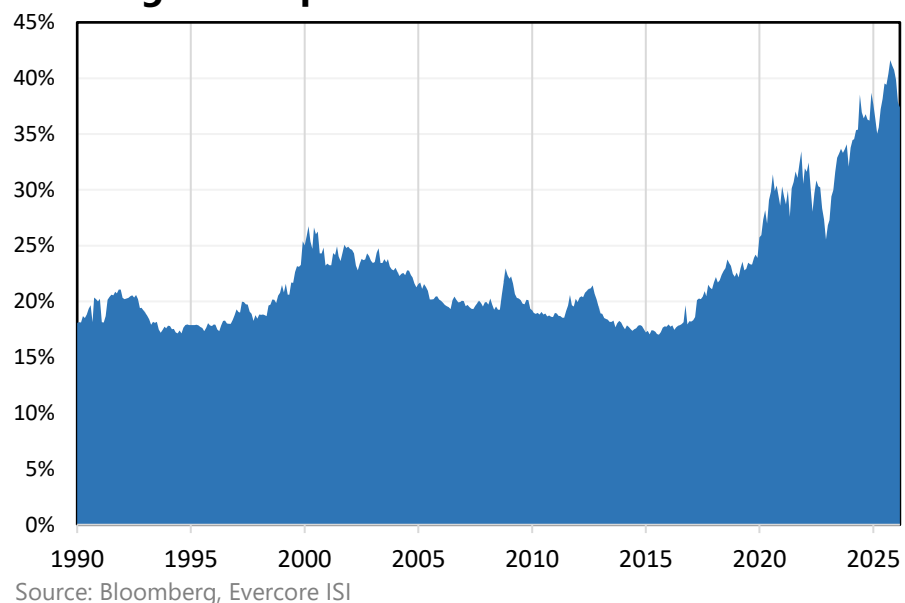
**Krishna Guha, Vice Chairman, Head of Economics & Central Bank Strategy**

# Global Equity Market Highly Concentrated On Two Dimensions

## Share of Global Market Cap



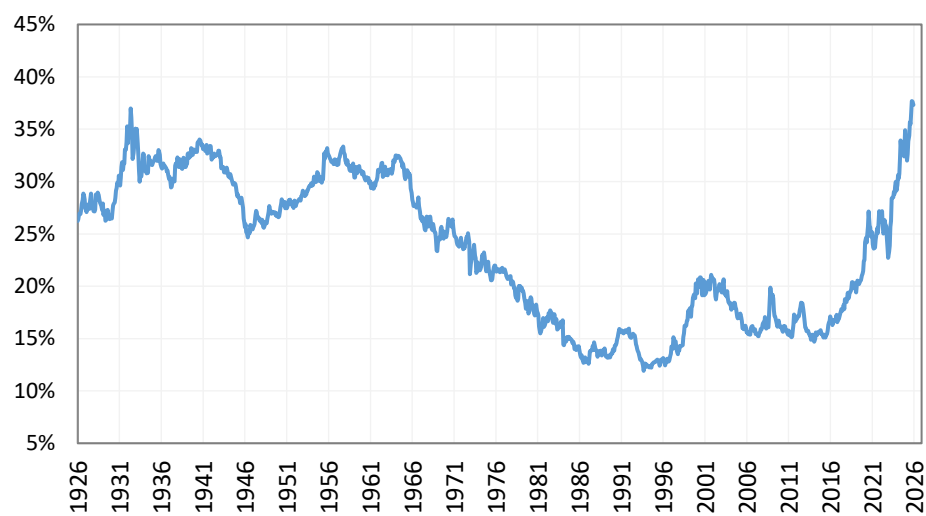
## Weight of Top 10 Stocks in S&P 500



# How Unusual Is This?

## Share of Top 10 US Stocks

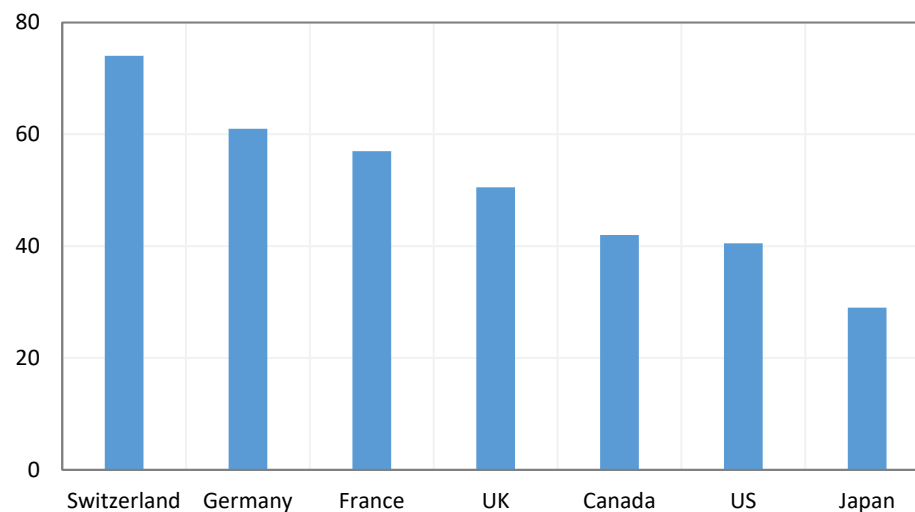
Percent of market value



Source: Morningstar, Evercore ISI

## Weight of Top 10 Companies by Country

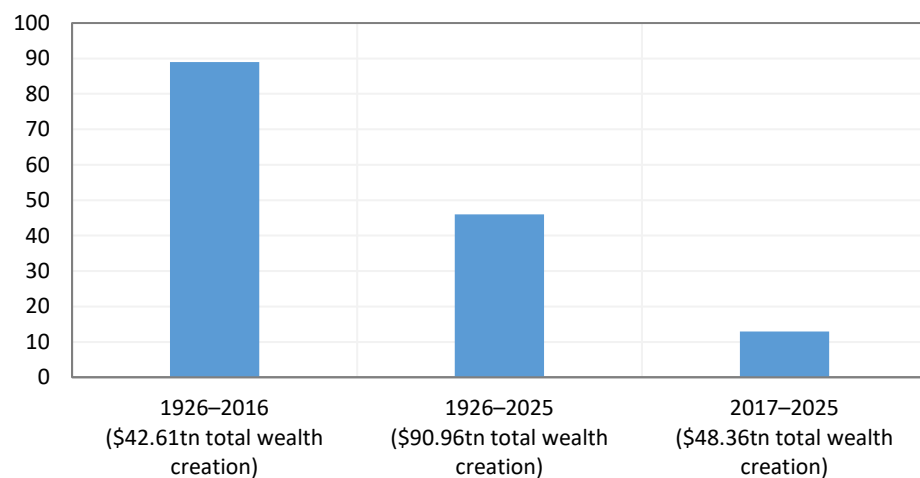
Percent, as of 12/31/2025



Source: D.E. Shaw, Evercore ISI

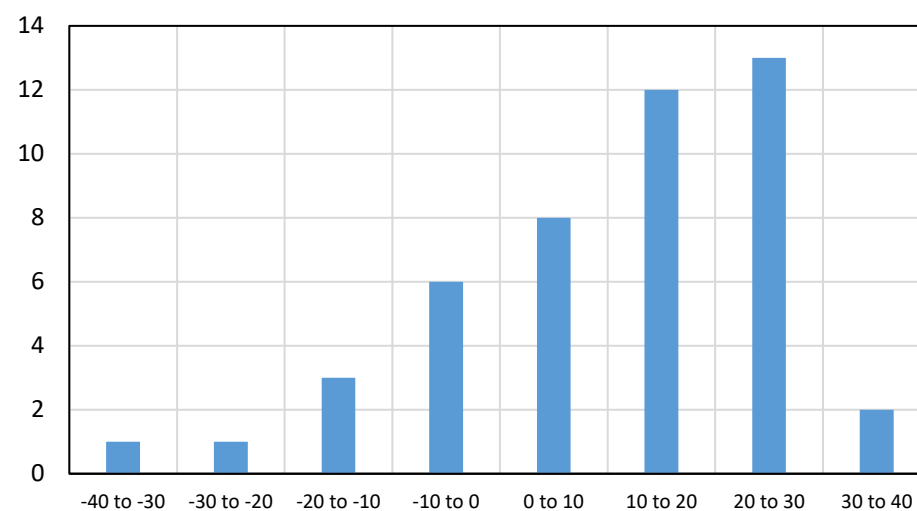
## The Nature of Market Returns

### Number of Firms Contributing to Half of Net Wealth Creation



Source: Bessembinder, Evercore ISI

### S&P 500 Annual Return Count By % Range (Since 1980)



Source: Bloomberg, Evercore ISI

## How Does This Look Relative To Past Bubbles

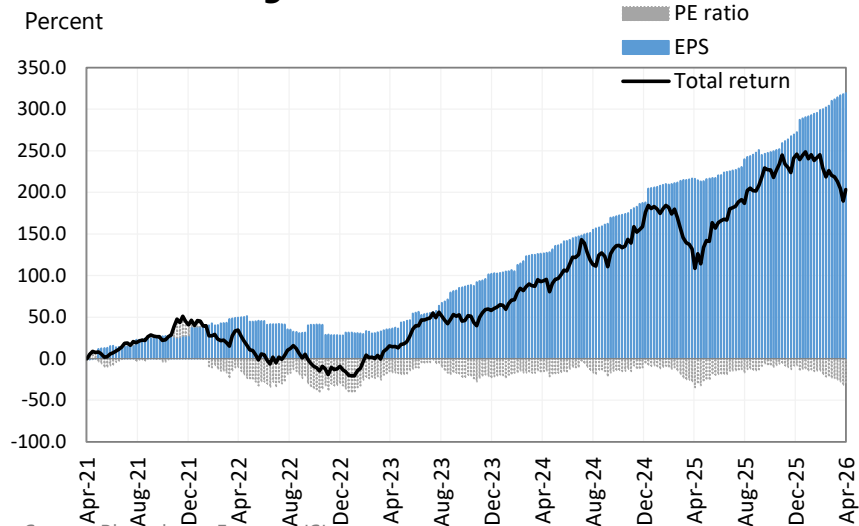
### Equity Gains Relative to Past Bubbles

Episodes	Key Benchmark	Years	Gains (%)	Top 10 Maximum Concentration (%)
The Roaring Twenties (1926-1929)	Dow Jones	3.43	153	29
Nifty Fifty (1966-1972)	Blue-chip NYSE stocks	6.26	153	29
"Black Monday" crash (1985-1987)	Dow Jones	1.93	111	15
Japan stock bubble (1986-1989)	Nikkei 225	3.19	149	
Dotcom bubble (1998-2000)	Nasdaq Composite	1.46	192	21
Saudi Arabia stock bubble (2004-2006)	Tadawul All Share Index	1.75	316	
China A-share bubble (2005-2007)	Shanghai composite	2.36	513	
FAANG stock rally (2020-2021)	NYSE FANG+ Index	1.63	229	27
Average		2.75	227	
AI stock rally (2023-)	Mag 7	3.25	282	38

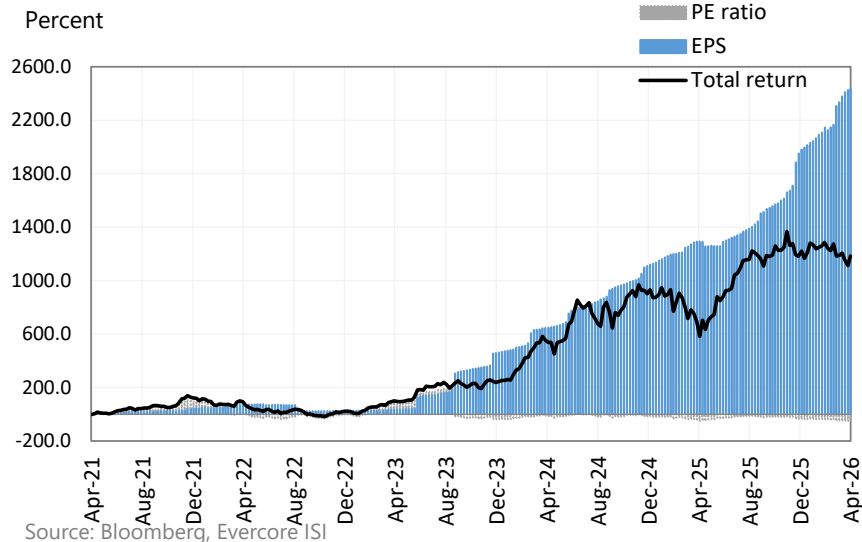
Source: Bloomberg, BofA, Evercore ISI

# More Earnings Than Multiples

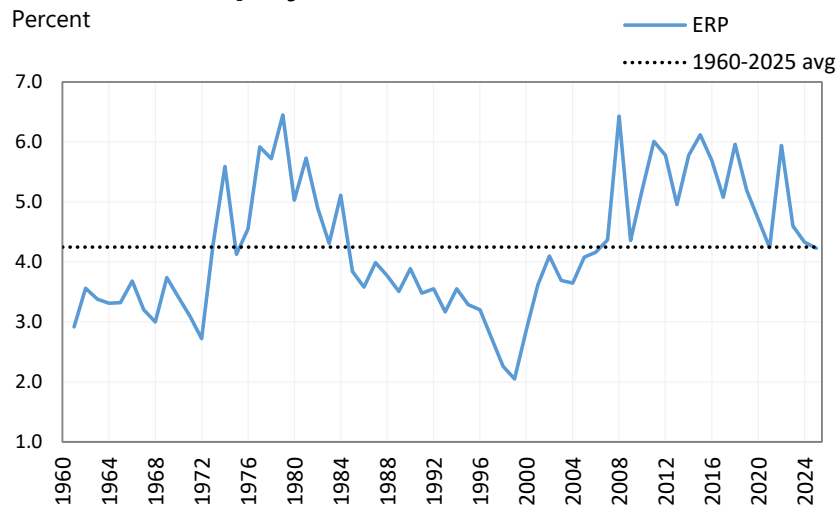
## Cumulative Mag 7 Total Return



## Cumulative NVDA Total Return

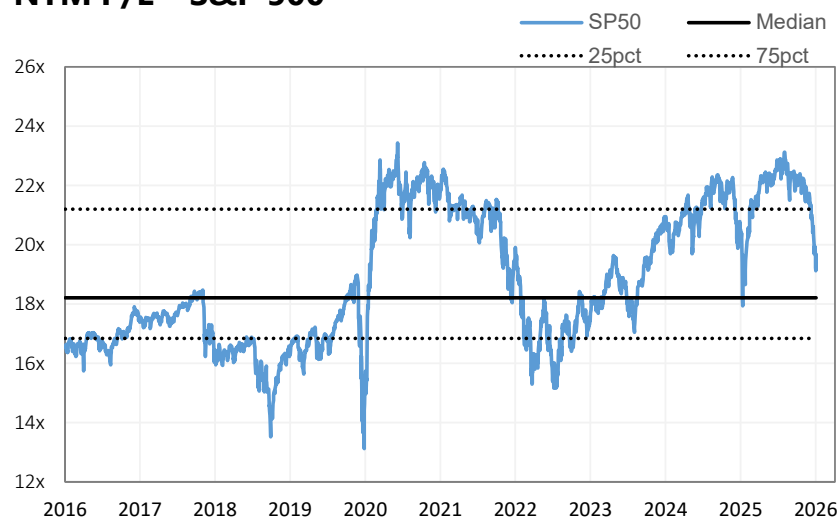


## Damodaran Equity Risk Premium



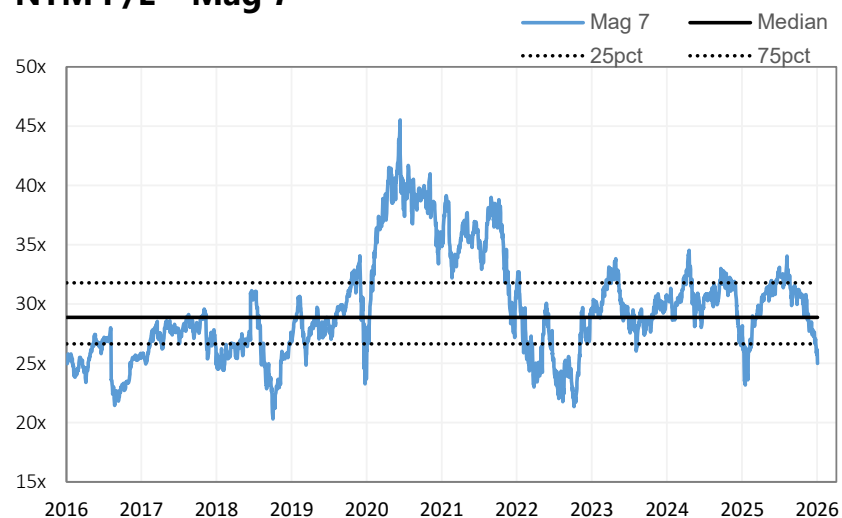
# P/E Has Been Falling...

### NTM P/E – S&P 500



Source: Bloomberg, Evercore ISI

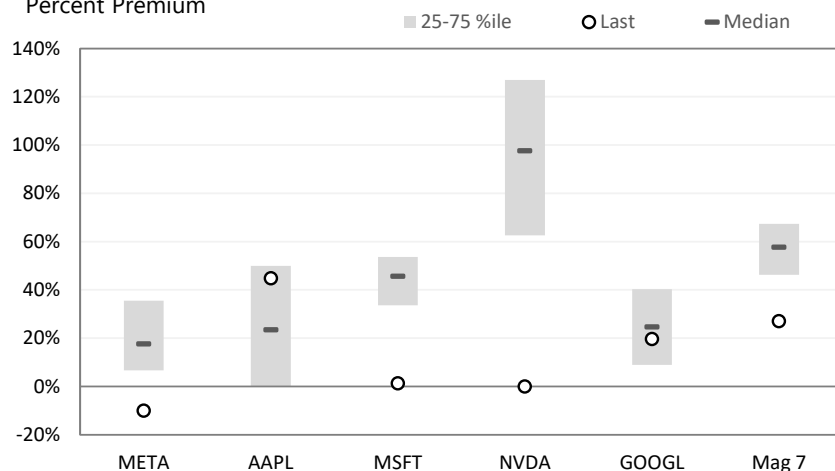
### NTM P/E – Mag 7



Source: Bloomberg, Evercore ISI

### NTM P/E vs S&P 500

Percent Premium

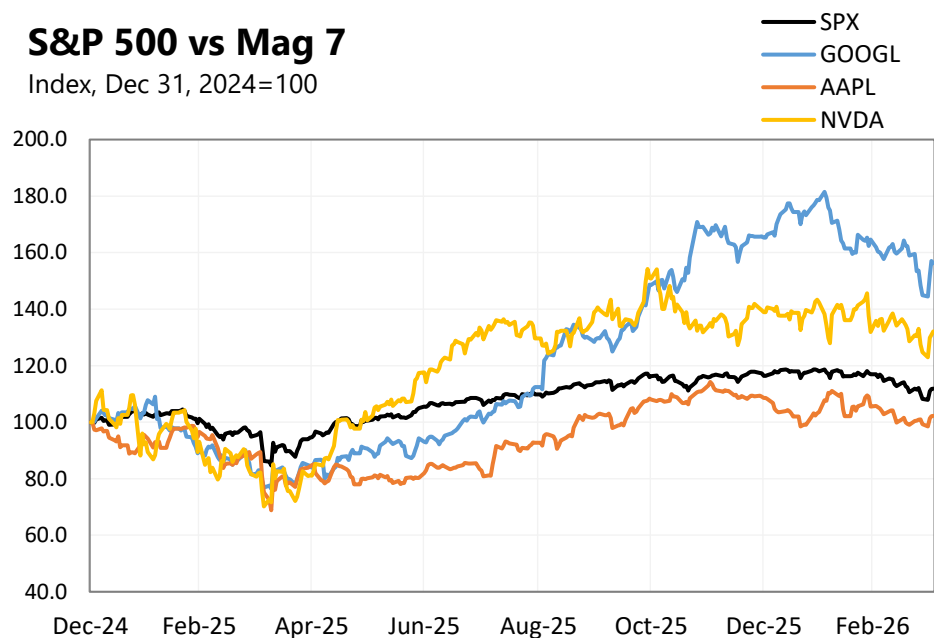


Source: Bloomberg, Evercore ISI  
 Note: TSLA and AMZN are excluded.

## ...And Dispersion Has Been Rising

### S&P 500 vs Mag 7

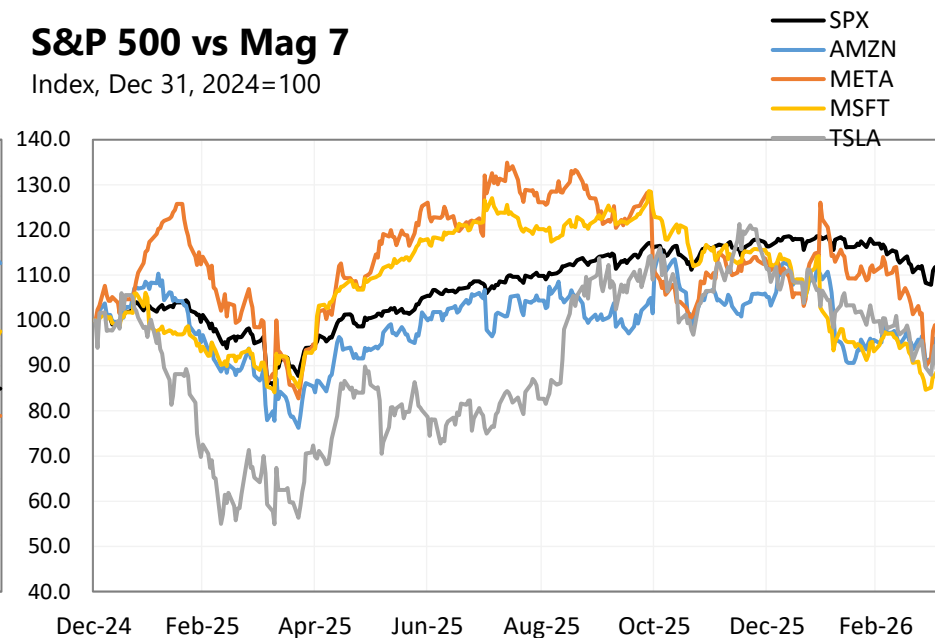
Index, Dec 31, 2024=100



Source: Bloomberg, Evercore ISI

### S&P 500 vs Mag 7

Index, Dec 31, 2024=100

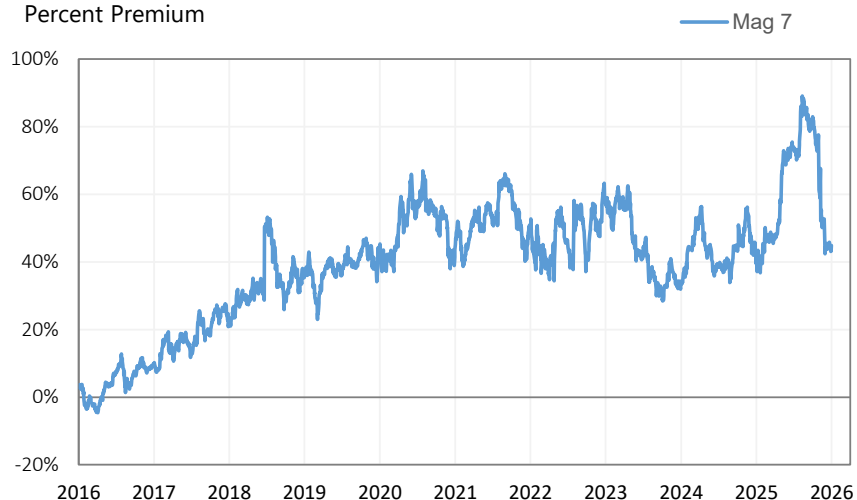


Source: Bloomberg, Evercore ISI

## Alternative Valuation Metrics Still Suggest Elevated Valuation

### NTM P/FCF vs S&P 500

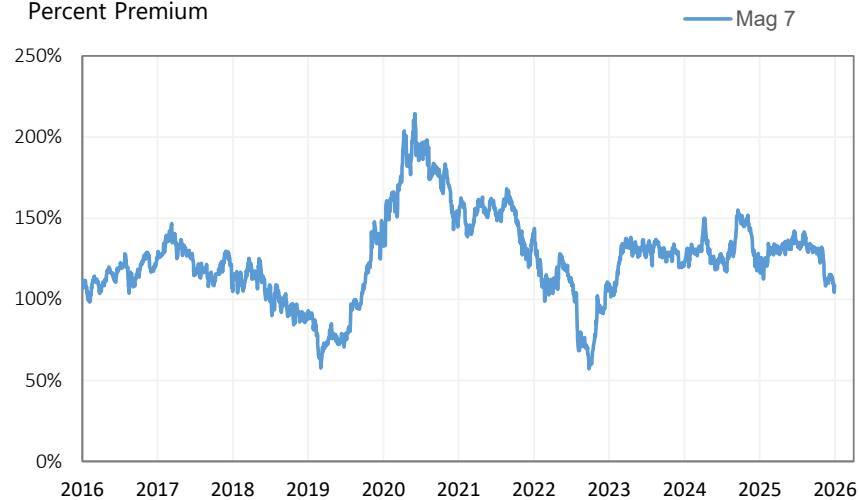
Percent Premium



Source: Bloomberg, Evercore ISI

### NTM P/S vs S&P 500

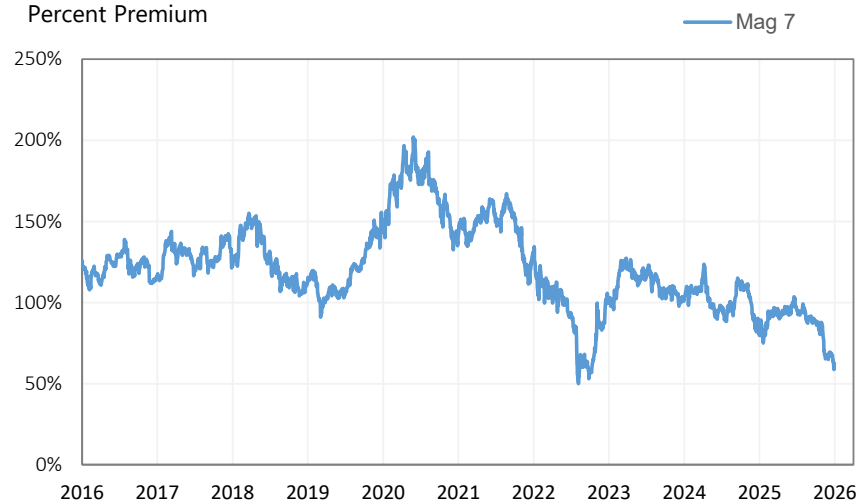
Percent Premium



Source: Bloomberg, Evercore ISI

### NTM P/Bk vs S&P 500

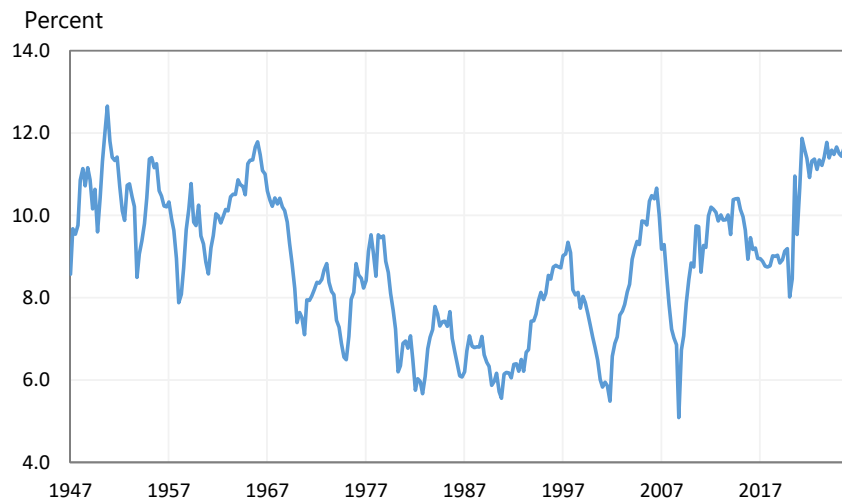
Percent Premium



Source: Bloomberg, Evercore ISI

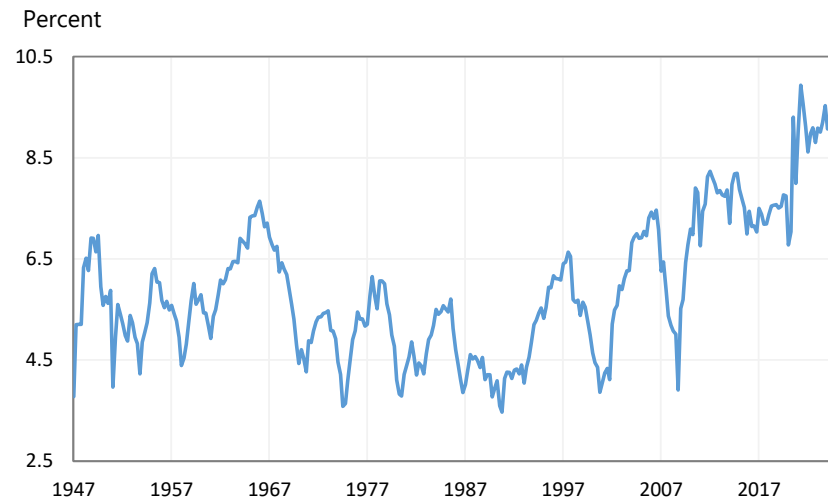
# Macro Feasibility

## Before Tax Profit Share of GDP

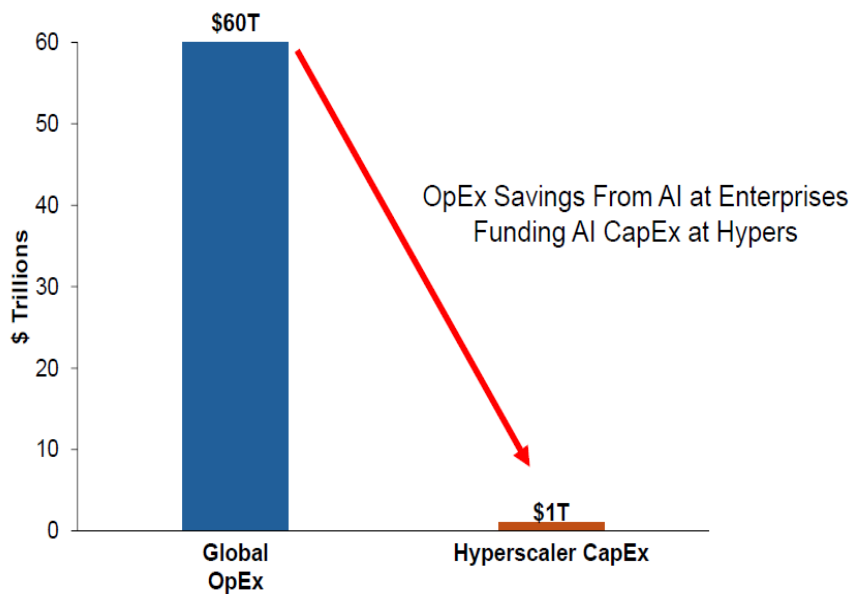


Source: Macrobond, Evercore ISI

## After Tax Profit Share of GDP



Source: Macrobond, Evercore ISI

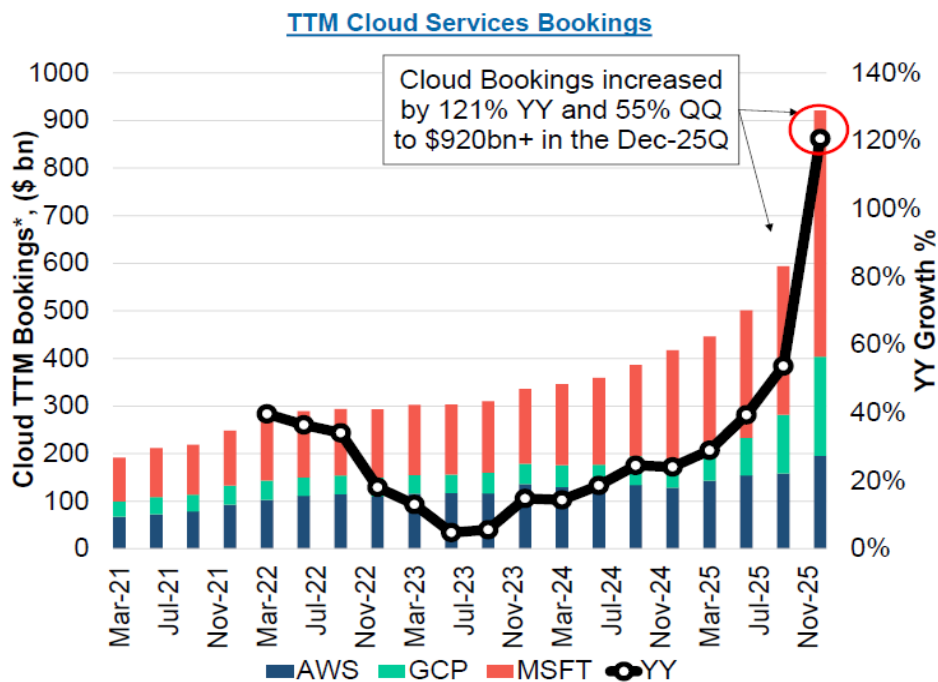
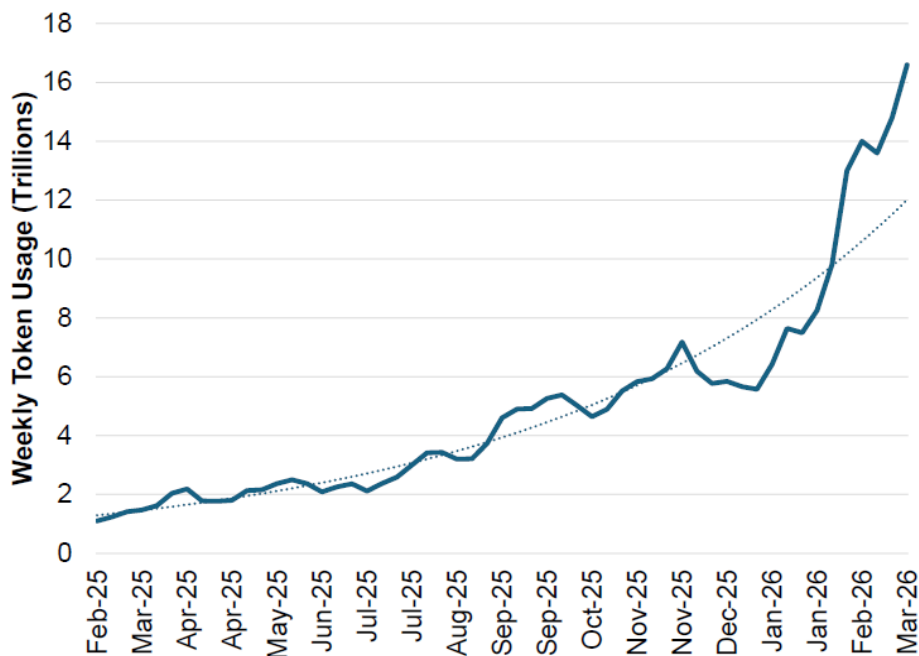


## Stylized Cash Flow Math

Item	Data
AI CapEx Commitment (\$,bn)	850
Assumed ROC	20%
Implied Return (\$,bn)	170
Assumed Margin	30%
Implied Revenue (\$,bn)	567
<hr/>	
Global OpEx (\$, bn)	60,000–100,000

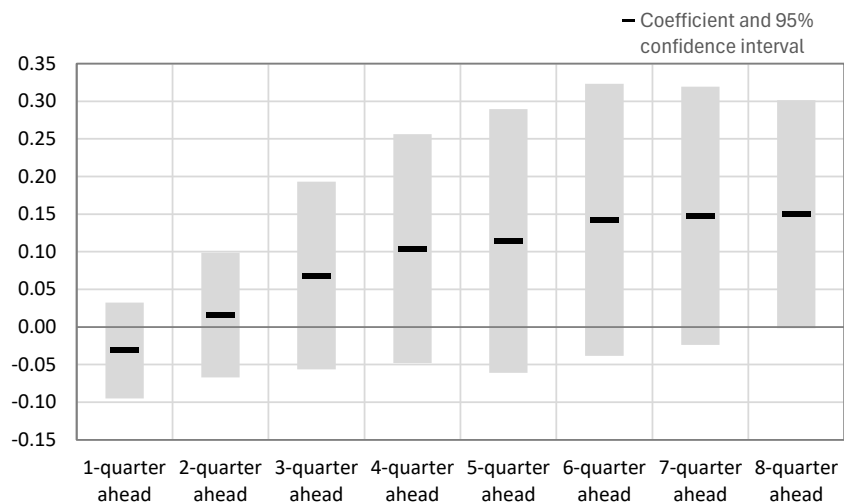
Source: Evercore ISI

# Explosive Demand Growth



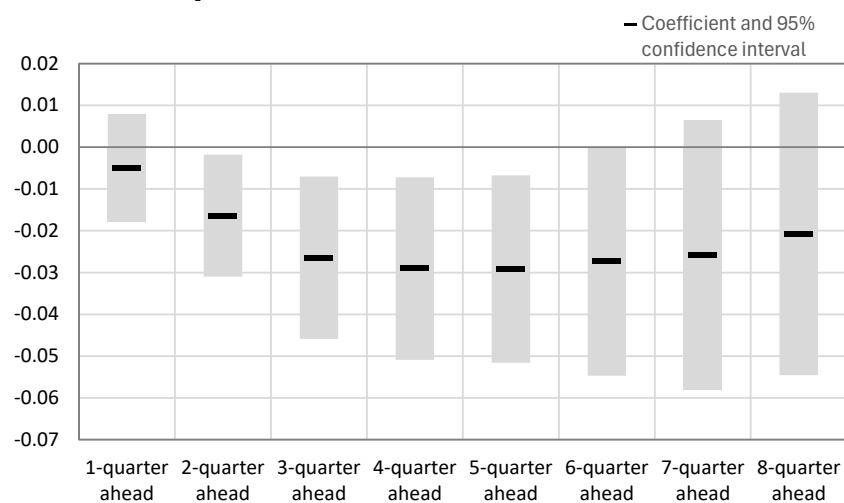
# Market Concentration And Financial Stability Risk

### Current P/E And Future NFCI



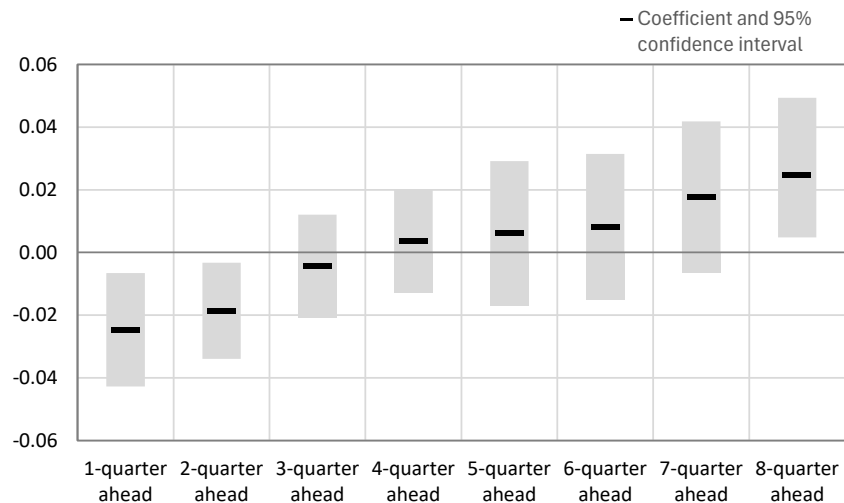
Source: Evercore ISI

### Current Top 10 Concentration And Future NFCI



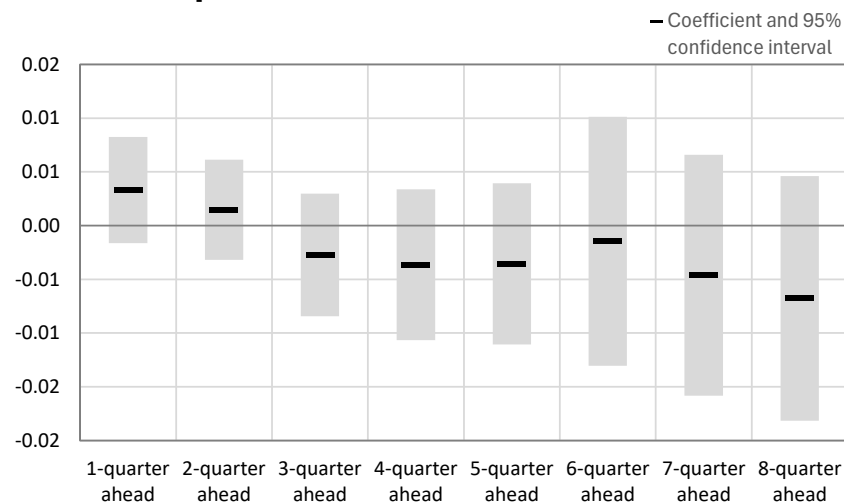
Source: Evercore ISI

### Current P/E And Future CISS



Source: Evercore ISI

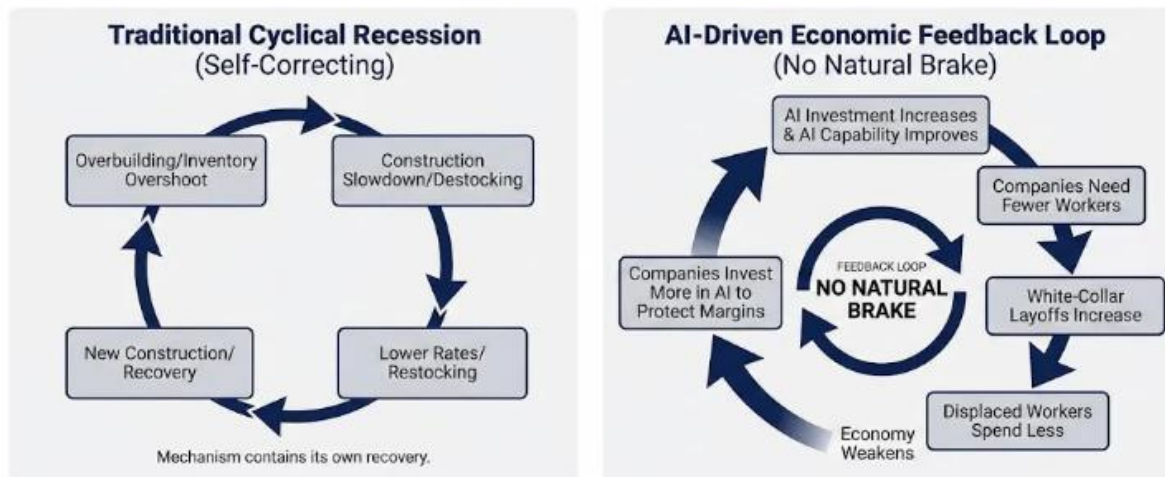
### Current Top 10 Concentration And Future CISS



Source: Evercore ISI

# Financial Stability Risk From AI Success

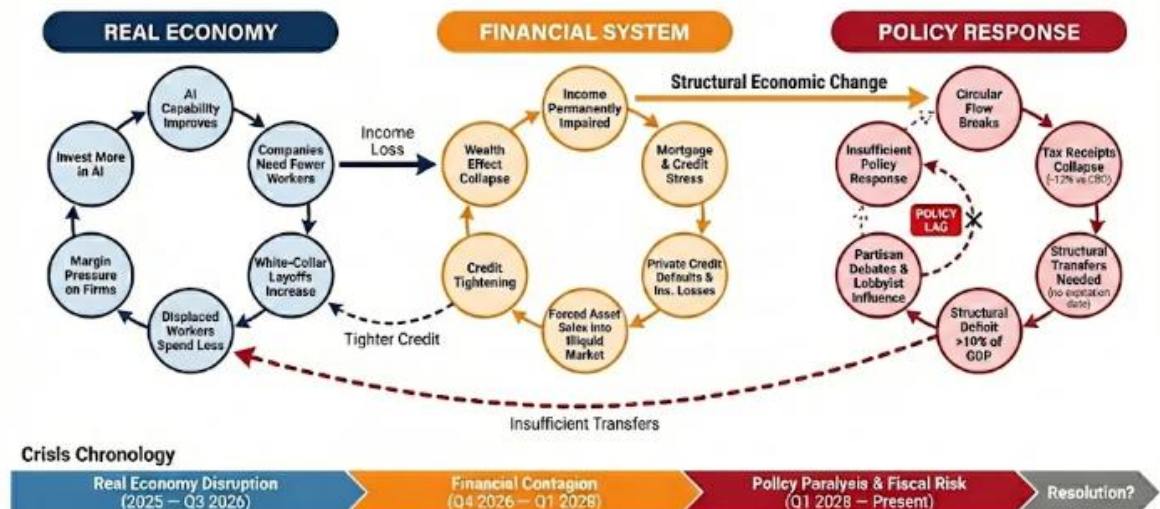
## The AI Feedback Loop: A Non-Cyclical Disruption



CitriniResearch

## The Three Drivers of the 2028 Global Intelligence Crisis

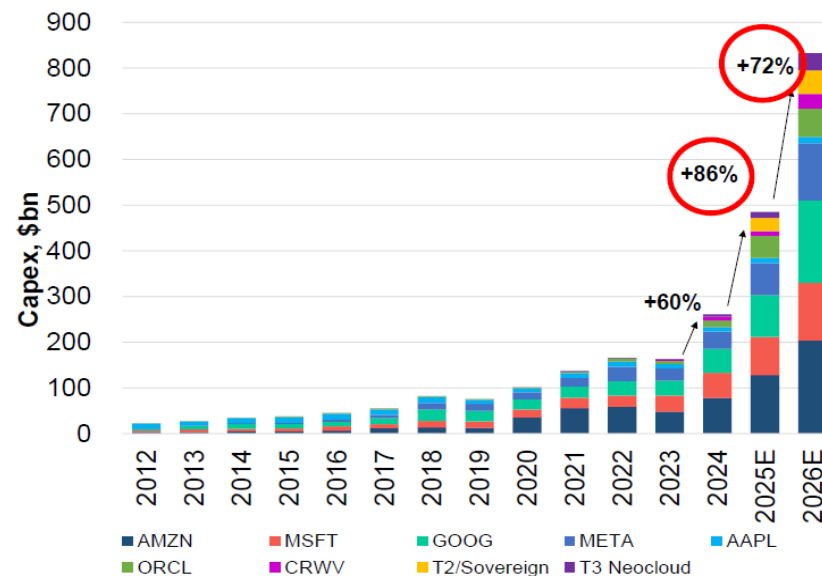
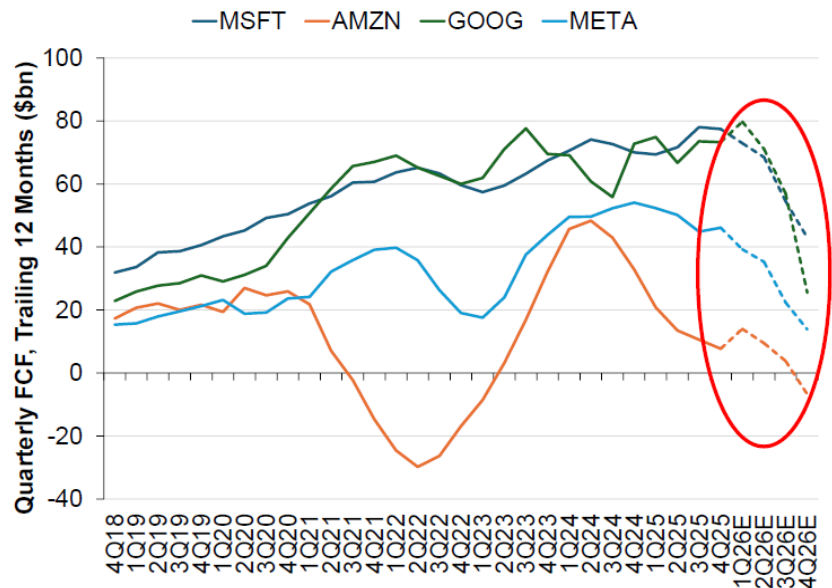
Interconnected reflexive loops with no natural brake



Source: CitriniResearch Macro Memo, June 2028

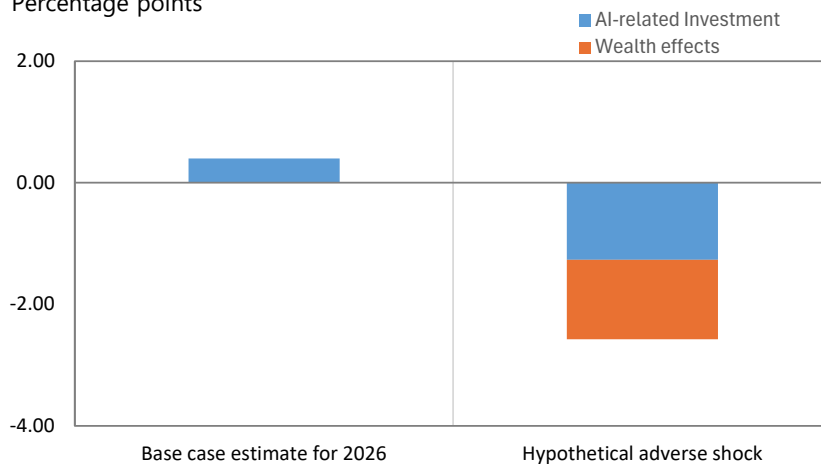
CitriniResearch

# Macro “Value-at-Risk”



## Contribution to Growth

Percentage points



Source: Evercore ISI