19 October 2026

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Important disclosures and certifications are contained on pages 83 and 84 of this document

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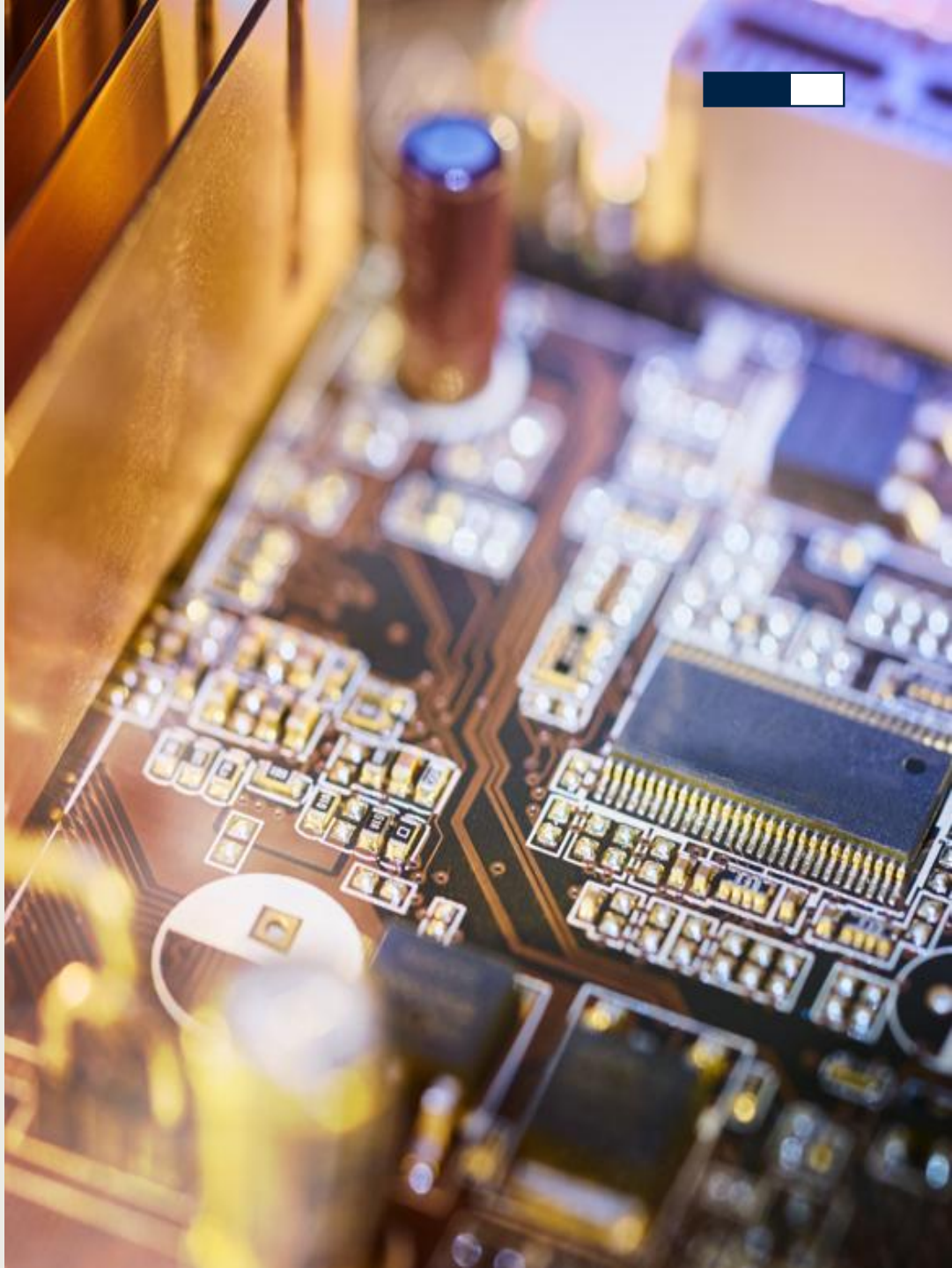
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AI Investment Tracker

Danske Bank

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Our new AI investment tracker

- **The AI investment cycle is one of the most important drivers of global macro as well as financial markets. The investments in data centres are massive, and the boom is the biggest and fastest infrastructure build-out the world has ever seen.**

- In the macro world, the global manufacturing upturn is to a wide extent driven by activity related to the build-out of data centres and the energy needed to run them. And shortages in parts of the supply chain create inflationary pressures. In the financial world, equity markets are dominated by tech companies at the centre of the AI investment boom and industrial companies that feel the trickle-down effects.

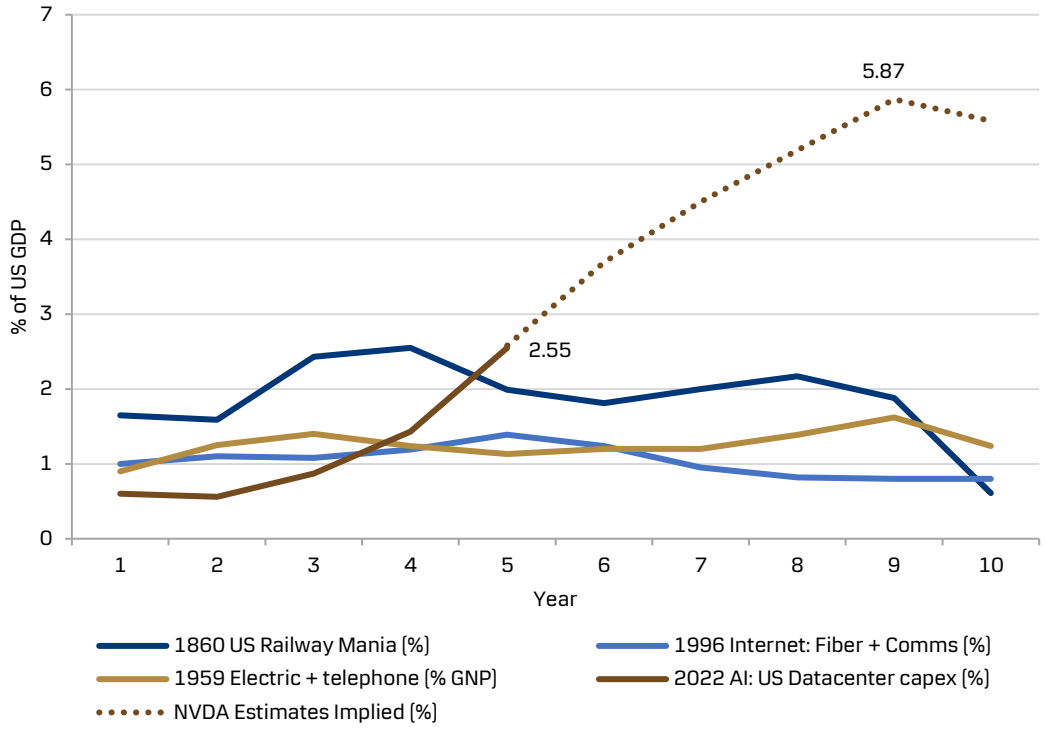
- At the same time the outlook for AI investments is highly uncertain. Whether we are heading for a scenario of continued strong build-out and extensive use of AI in the coming years – or a scenario of disappointing uptake and slowing investment growth, will have huge implications. We are also entering a phase of the build-out where external financing needs are increasing for hyperscalers adding a layer to the equation.

- Two crucial questions that arise are:

    1) **How long can the investment boom continue? *and***
    2) **Is it sustainable?**

- The answers are highly uncertain so to monitor which AI scenario we are heading for, we introduce this AI investment tracker where we will track a range of factors that are key to evaluate this.

The AI buildout is the fastest infrastructure endeavour in global history and is still in the early phase according to build-out plans



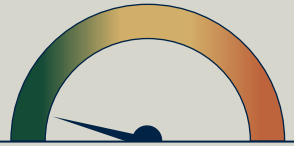
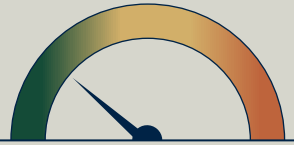
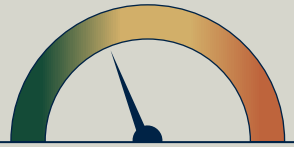
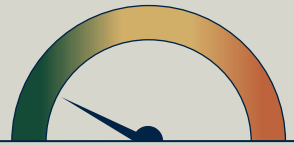
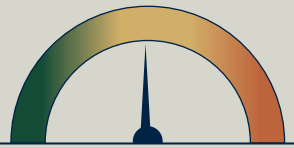
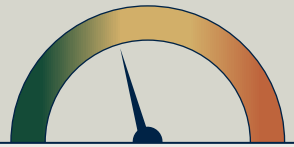
Source: Guiness Global Investors, Projection is based on Bloomberg consensus estimates for Nvidia

Scenarios for the AI buildout the next 3 years

- Many scenarios can play out for the AI build-out as numerous factors affect the path ahead.
- **Here we outline four scenarios to illustrate the most important drivers, that we will follow in the AI investment tracker.** Other scenarios are also possible with different combinations of the factors we describe.
- The time horizon for the scenarios is set at three years. Looking further out one could see other scenarios – for example where hyperscaler capex drops sharply because new innovations reduces the need for adding compute power. Or because the need for additional compute expansion slows if improvement of AI models reach a plateau.
- If hyperscalers cut capex sharply it would lead to overcapacity throughout the supply chain triggering a sharp drop in prices on chips and other inputs and declines in profits for companies on the supply chain. We see the risk of this limited on a 3-year horizon but relevant on a horizon beyond that.

Scenario 1 **AI boom accelerates**	Scenario 2 **AI boom continues**	Scenario 3 **Warning signs emerge**	Scenario 4 **AI bust**
• **AI investments:** capex plans continue to be revised higher among global hyperscalers. • **AI demand:** AI use takes off strongly; broadening with more users and deepening with more compute intensive tools. • **Bottlenecks:** present in certain areas but also adds to capex plans in supply chain • **The equity perspective:** AI-lab revenues and free cash flow surprise positively, lifting returns on capital and AI-related earnings growth above 20%. • **The credit perspective:** AI labs, hyperscalers etc. have to funding markets. • **Political environment:** Regulation discussed but not implemented. Protests over data centre build-out not able to halt investments.	• **AI investments:** capex plans no longer revised higher but strong build-out continues as planned. • **AI demand:** continues to grow at robust pace. • **Bottlenecks:** present in some areas but not serious enough to put a serious break on the capex boom. • **The equity perspective:** AI-related earnings growth moderates but remains superior, as margins normalize and equity-market gains broaden beyond technology. • **The credit perspective:** AI labs and hyperscalers continue to have access but at slightly higher price. • **Political environment:** concerns over AI safety continue but regulation generally stays loose. Citizen protests present but does not create barrier for investments.	• **AI investments:** uncertainty over monetization make hyperscalers slow investments. • **AI demand:** continues to grow but struggles to meet expectations. • **Bottlenecks:** more widespread bottlenecks could also force a slowdown in investments. • **The equity perspective:** AI-lab monetization disappoints, CAPEX intentions weaken and negative earnings revisions pressure valuations across the AI equity universe • **The credit perspective:** could start to worsen if investor confidence weakens creating difficulty to fund continued rapid capex expansion. • **Political environment:** regulation concerns and protests could escalate leading policy makers to put on more restrictions on the build-out.	• **AI investments:** sharp slow down as AI labs fail to monetize the models and questions arise over ability to pay hyperscalers. • **AI demand:** disappoints as model developments stall or the use of AI fails to deliver productivity gains needed to justify the investments by companies. • **Bottlenecks:** likely no longer an issue as investments drop and instead overcapacity in the data centre supply chain could start to build. Prices on chips drop sharply. • **The equity perspective:** AI earnings contract, weakness spreads across sectors, and broader recession-like dynamics emerge. • **The credit perspective:** deteriorate fast as confidence take a hit. • **Political environment:** AI safety incidents leading to strict regulation may also force the breaks on AI.

Key takeaways: AI boom continues amid looming challenges

6 factors defining the AI investment landscape		
AI data centre investments	Hyperscaler investment plans point to strong further build-out in 2027 and capex indicators continue to increase at a rapid pace	
AI demand	The adoption of AI is still not at a high level but is gradually rising. The broadening of AI and more use of AI agents is expected to lead to a sharp increase in compute demand in the coming years	
Bottlenecks	Bottlenecks are slowing but not stopping the datacentre build-out. Main shortage is in memory chips where prices have leaped with no resolve on horizon. Energy infrastructure is another challenge where supply constraints are present.	
The equity perspective	The equity perspective remains positive: demand continues to outpace supply, earnings delivery is strong, and valuations do not signal a broad bubble. Monetization remains uncertain, but current revenue trajectories support the possibility of adequate returns on substantial AI investment spending.	
The credit perspective	Debt markets are open but becoming more restrictive. IPO markets have shown sign of waning demand exemplified by postponed/cancelled Neocloud IPO's (Firmus, Nscale, Lambda)	
Political environment	Focus on safety issues have increased and the risk of a more severe incident seems to be rising. So far there are no signs the US government will step in to slow AI model development, though. Protests against datacentres are so far not a severe constraint, although it is slowing investments in some cases.	

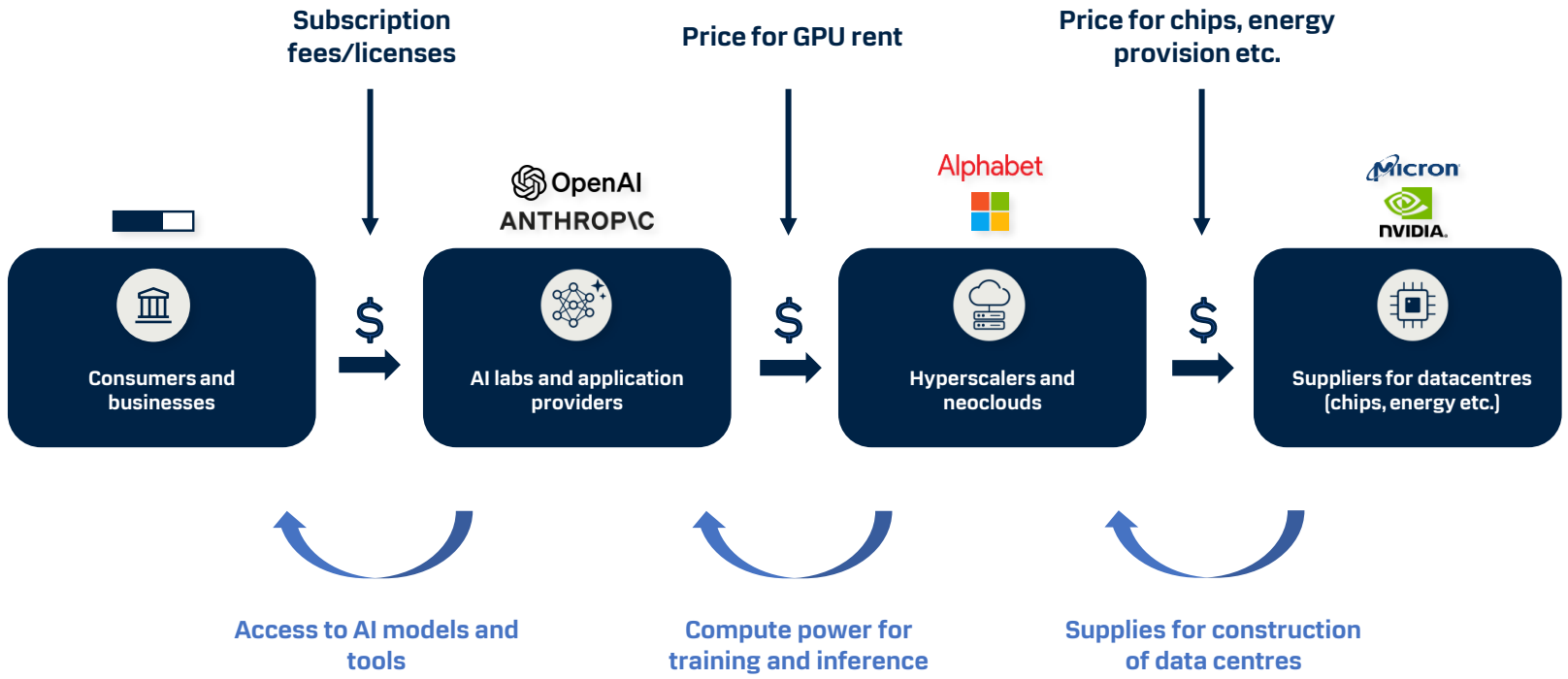
Conclusions

- There are no signs that the AI investment boom is about to end. Investment plans point to a further acceleration in 2027, CAPEX indicators remain strong, and AI adoption is gradually broadening and deepening.
- AI-related earnings growth remains robust, while valuations across much of the technology universe remain below historical averages.
- A few factors bear watching, though: bottlenecks, AI safety issues and the financing environment. The latter will become increasingly important over the next few years as financing requirements grow.
- It is too early to determine whether AI will generate sufficient productivity gains to make current investment levels profitable over the medium term.

Note: Colors in the barometers indicate whether each factor supports a continued investment boom (green) or reason for concern (red).

How money flows through the AI value chain

- Whether the AI boom is sustainable ultimately depends on whether it will be able to generate enough productivity gains for consumers and businesses to pay the needed bill.
- They will pay AI labs that need enough money to pay the hyperscalers for providing the compute power who again will need to pay their suppliers that will pay sub-suppliers etc.
- The bill for the datacentre build-out is paid up front by profits in the tech companies as well as through financing while most of the income for AI labs is expected in the future when AI adoption becomes more widespread and consumers and businesses are expected to pay big amounts for access to the tools.



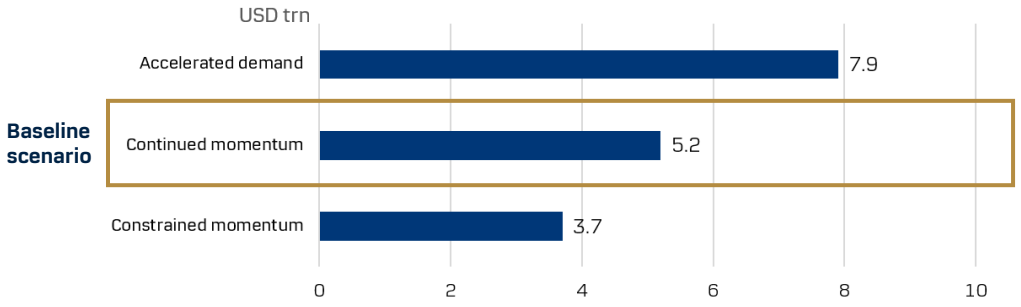

AI data centre investments

Outlook: Data centre build-out set to continue

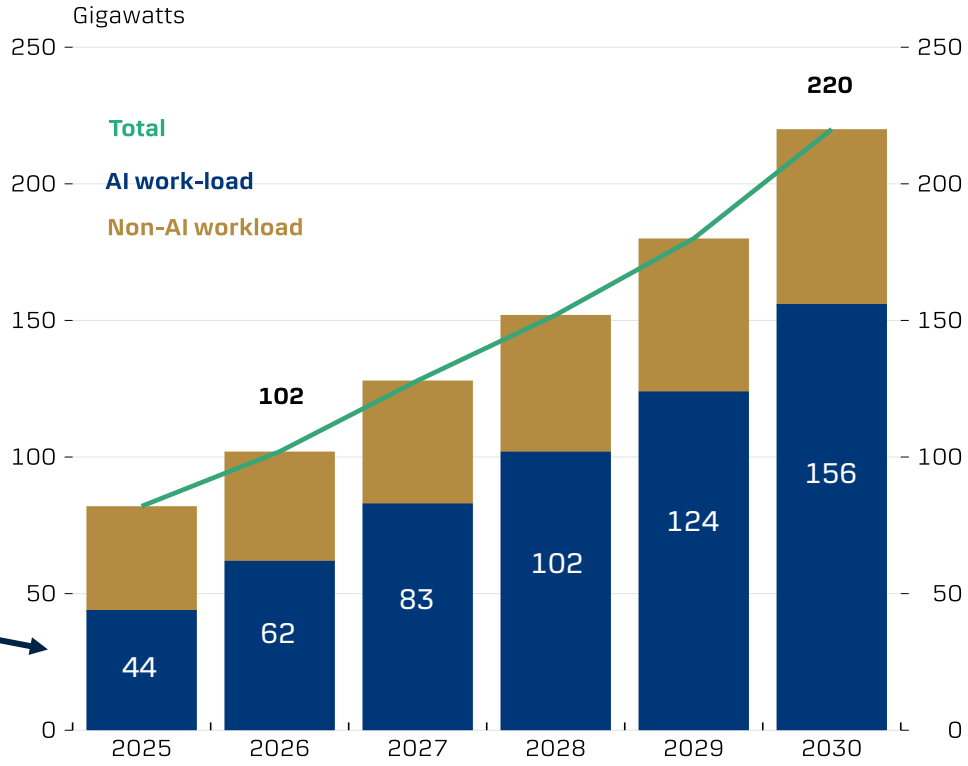
Needs for global data centre capacity looks set to rise more than two-fold from 2026-2030

- McKinsey projects global data centre capacity demand will more than double from 2026 to 2030 from 102 gigawatts to 220 gigawatts. Of this purely AI-related data centre needs are projected to rise from 62 gigawatts in 2026 to 156 gigawatts in 2030. To achieve this expansion, McKinsey estimates that investments need to be USD5.2 trillion.
- The projection is based on widespread adoption of AI among enterprises and households with new models and increased use of AI agents set to raise compute demand significantly (see next section on demand).
- McKinsey outlines alternative scenarios to the baseline (continued momentum). In the "accelerated demand scenario" use of AI spreads even more and lead to needed global investments of USD7.9 trn from 2025-2030, while a more pessimistic scenario of "constrained momentum" would reduce capex to USD3.7 trn.

Global data center investments driven by AI, 2025-30, McKinsey estimate, April 2025



McKinsey estimated global data centre capacity demand

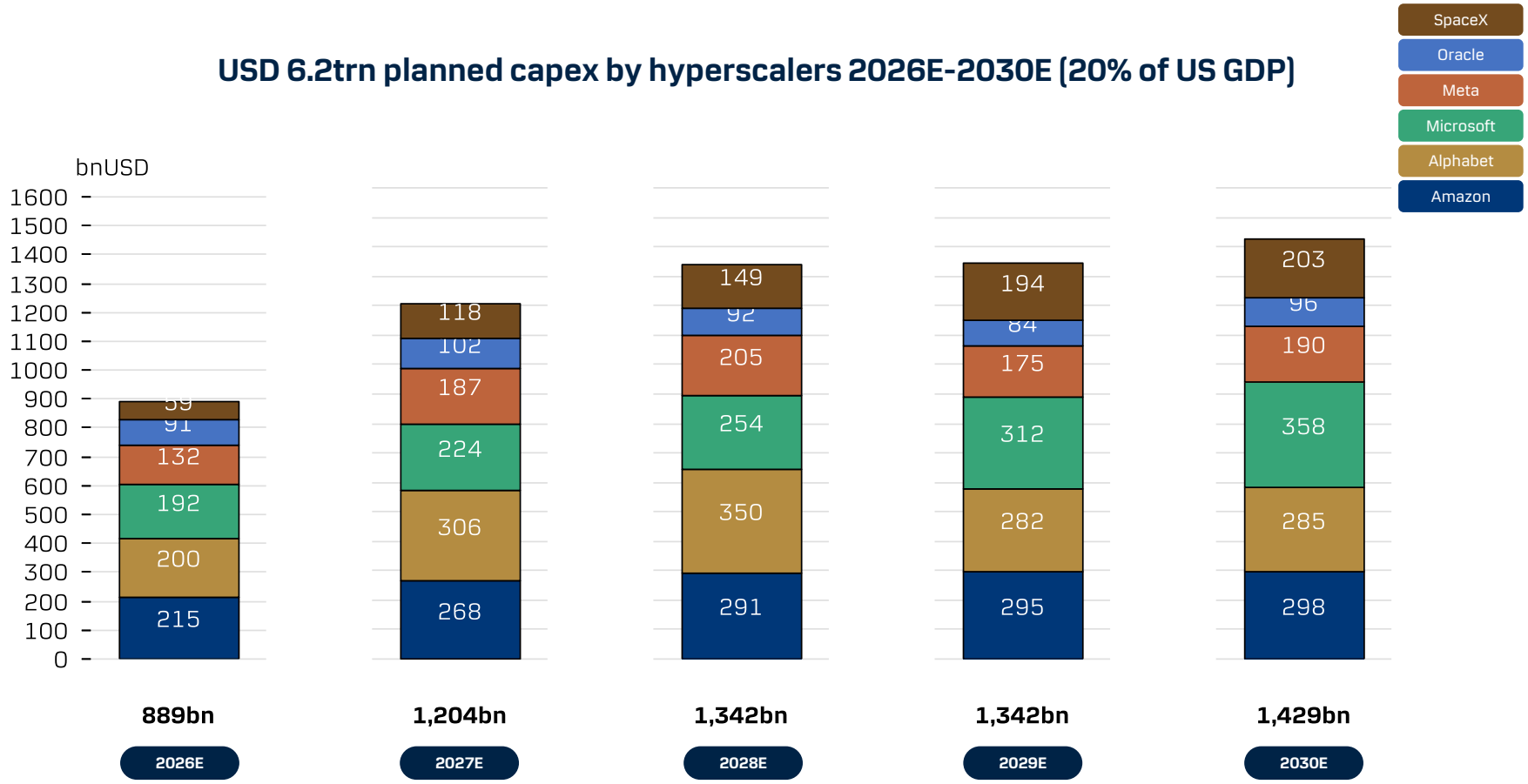


Source: McKinsey Quarterly, The cost of compute: A $7 trillion race to scale data centers, April 2025

Outlook: US hyperscaler plans point to continued boom

Investments planned to rise another 35% in 2027

- The data centre build-out has been massive, with US hyperscaler capex expected to increase by almost USD450bn from USD450bn in 2025 to USD893bn in 2026. Consensus estimates suggest it will rise even further in 2027, with another increase of around USD300bn to USD1,204bn.
- For the period 2026-2030, total capex by hyperscalers is planned to be around USD6,200bn, equivalent to around 20% of annual US GDP in 2025 and more than the entire 2025 GDP of Germany.
- Data centres are used for both AI and non-AI tasks, but the biggest build-out is within AI compute capacity.
- AI compute is used for both training of models as well as inference, i.e. running AI models and applications for users.

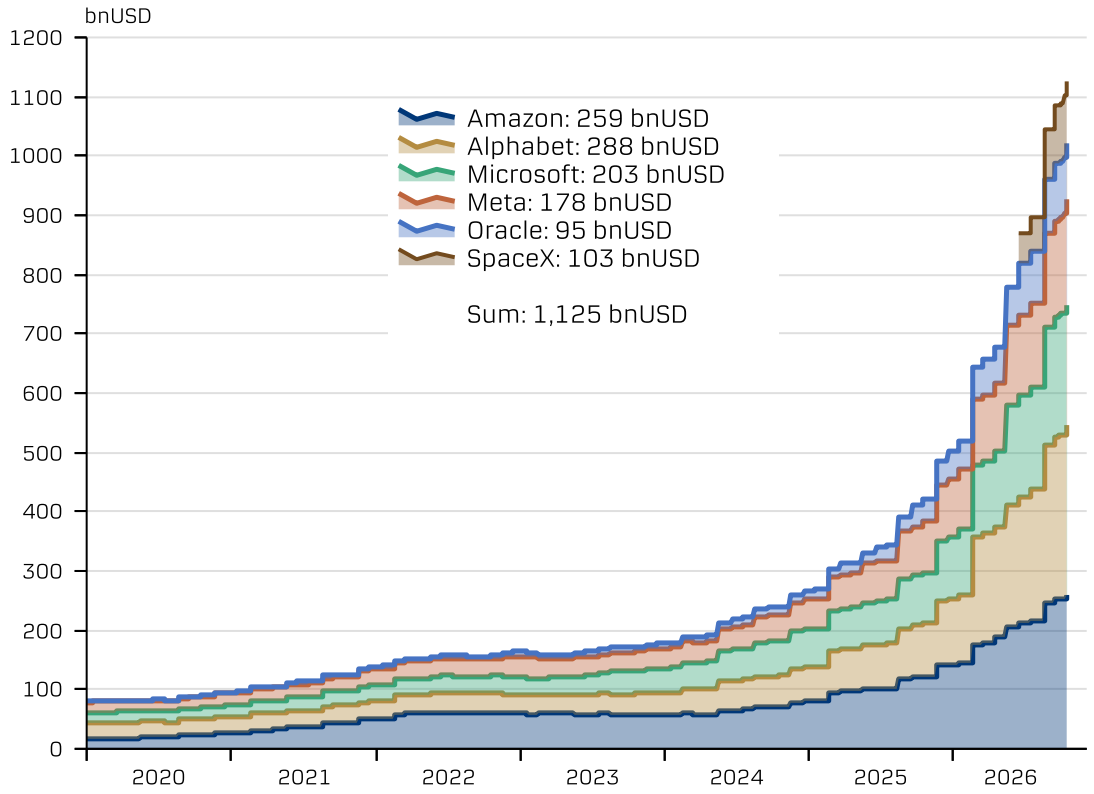


Source: I/B/E/S Consensus, LSEG Data & Analytics

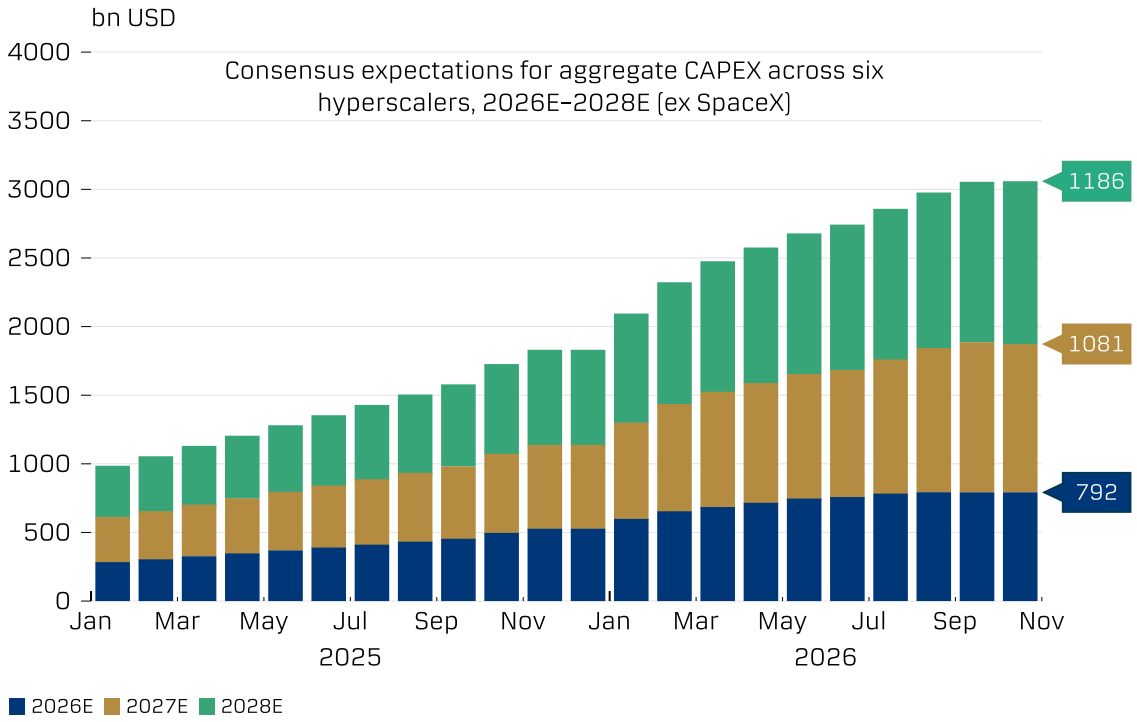
Realized capex: AI investments took off in 2025, continued strongly in 2026

Hyperscaler plans have been consistently revised higher

12M forward capex show capex boom taking off in 2025



Consensus hyperscaler CAPEX estimates for 2026E-2028E have tripled since the start of 2025



Source: I/B/E/S Consensus, LSEG Data & Analytics, Macrobond

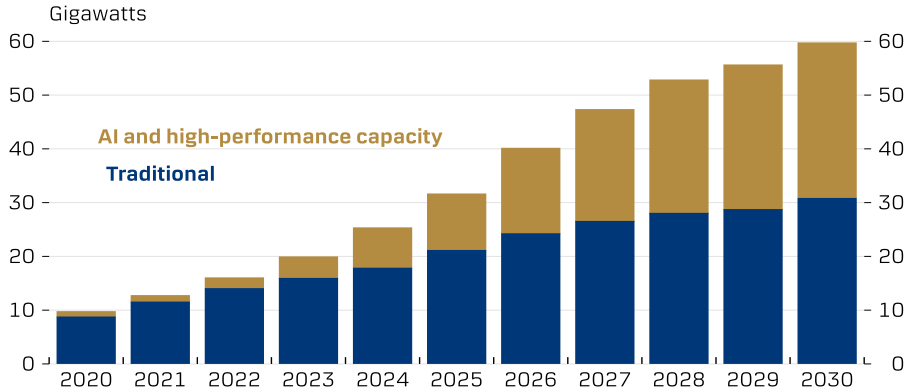
China and EU investments: Buildout continues but much lower scale than in US

US is far ahead when it comes to compute power

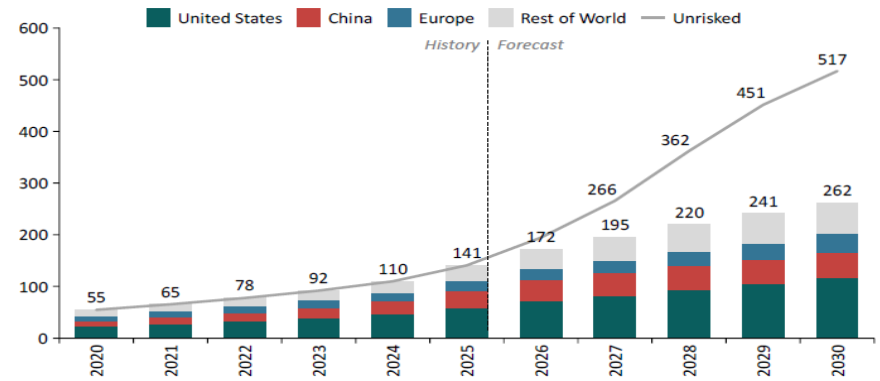
- **China's AI capex plans are much lower than US spending**. But also on a rising trajectory. China estimates RMB4 trn (app USD600 bn) in new computing-network investments over the Five-Year Plan (FYP) period for 2026-2030.
- The amount is significantly lower than the US hyperscalers investments of more than USD5 trn in the same period.
- Costs are generally lower in China, so in PPP terms China's investments are closer to around USD 1 trn. But compute power per gigawatt is also much lower as China does not have access to the most advanced GPUs due to US tech sanctions. Estimates indicate 1GW in US generates 4-8 times more training compute power compared to 1GW in China.
- Rystad Energy projects China's AI datacentre capacity to increase from 10.5 gigawatt in 2025 to 28.9 gigawatts in 2030 (around 1/3 of projected US capacity). The biggest increase is expected to take place in 2026-2028, where around 5 gigawatts per year is projected to be added each year. .

- **EU' Cloud and AI Development Act (CADA) aims for a trippling of EU data centre capacity in 5-7 years**. Still coming from a much lower level, EU is set to lag far behind the US.
- CADA aims to address challenges of long permitting procedures, limited access to energy, land and financing. CADA also states "over reliance on non-EU cloud service providers poses a significant risk to Europe's digital autonomy and resilience."

China data centre expansion to continue (projection by Rystad Energy)



Rystad projection of global data centre capacity



Source: Rystad Energy Data Center Report, April 2026

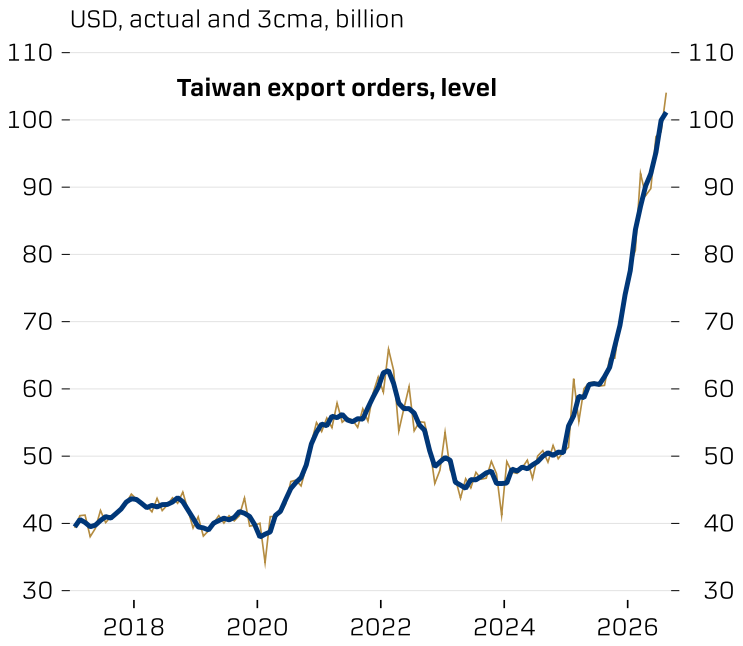
Capex indicators: Strong rise in chip exports from Asia

Shipments from key Asian chip suppliers point to strong datacentre investments in Q3

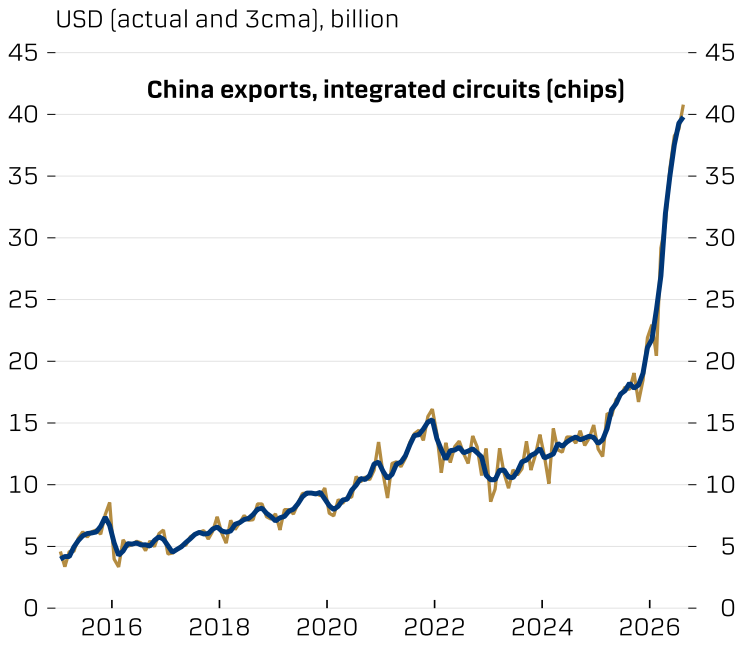
South Korea exports strong in Sep, lift to chip prices drive jump in values in 2026



Taiwan export orders keeps surging on chip sales for data centre build-out



Chinese chips exports also strong, but some slowing in momentum in Sep

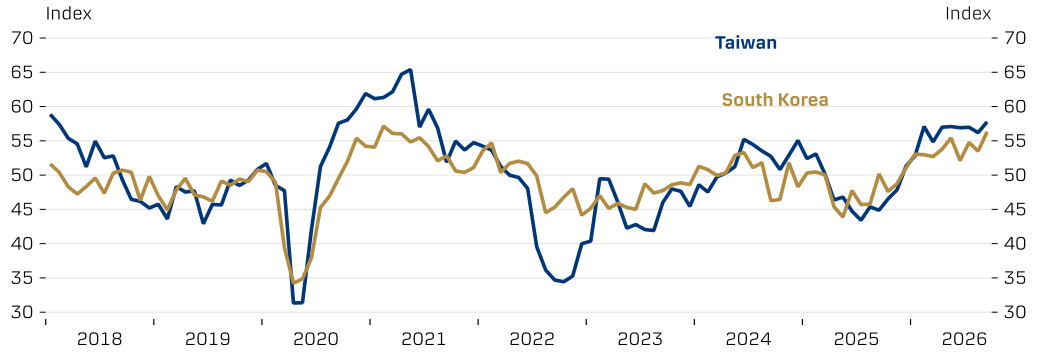


Source: Macrobond, Korea Customs Service, Bank of Korea, Taiwan Ministry of Economic Affaris, GAC

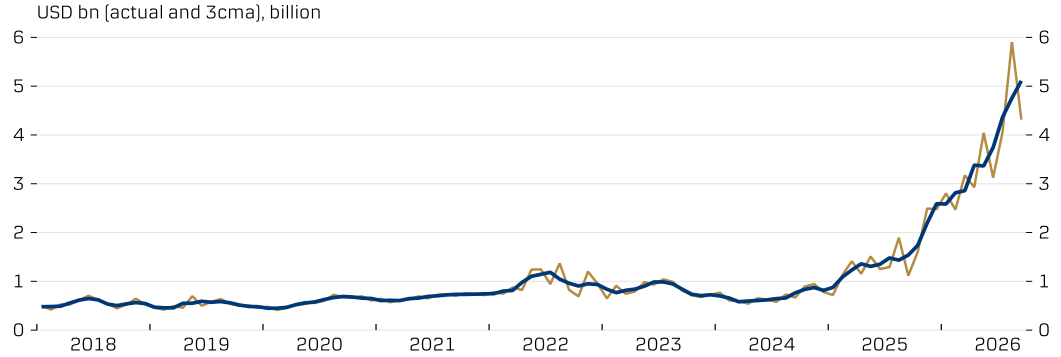
Capex indicators: Chip sales from key suppliers in Asia rising across the board

Asian countries dominate chip supplies for the AI supply chain

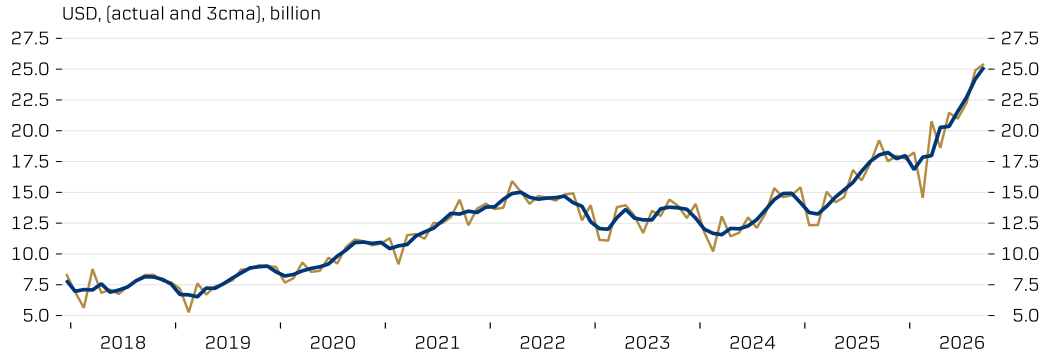
PMI manufacturing, new orders



Taiwan exports of DRAM memory chips



Taiwan exports of logical chips (GPUs etc)



Singapore AI-related exports

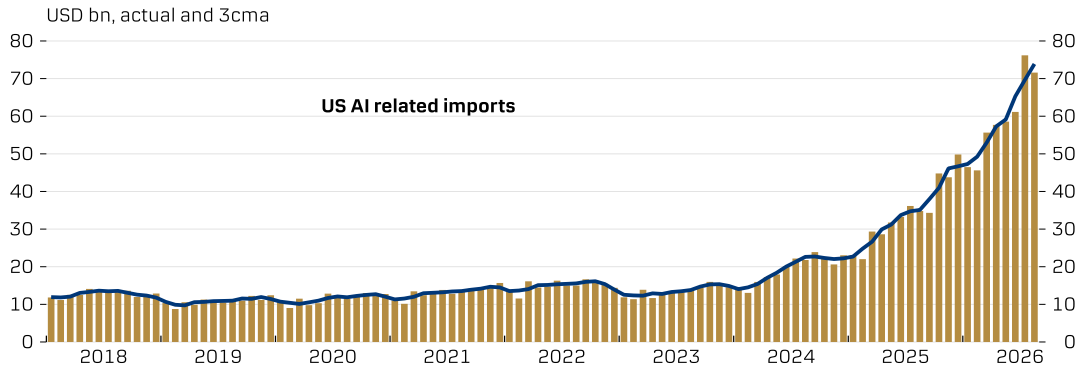


Source: Macrobond, S&P, Taiwan Ministry of Finance, SingStat

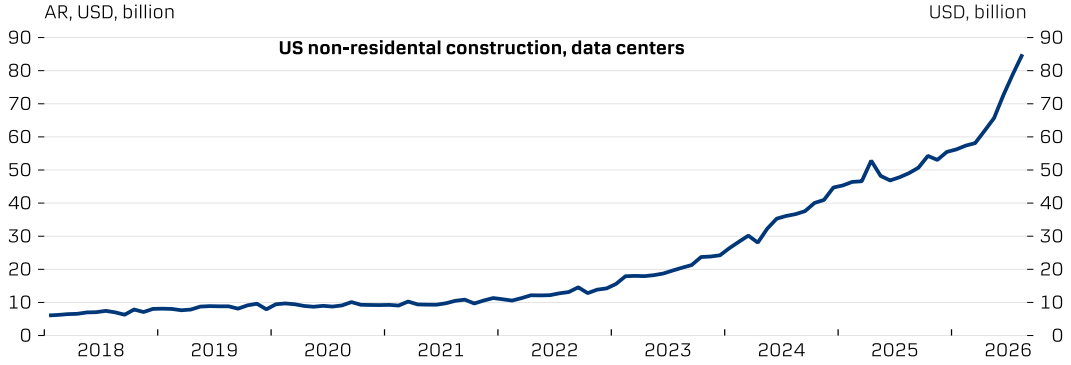
Capex indicators: US data mirror the boom seen in Asian exports

Strong growth in datacentre construction and AI related imports

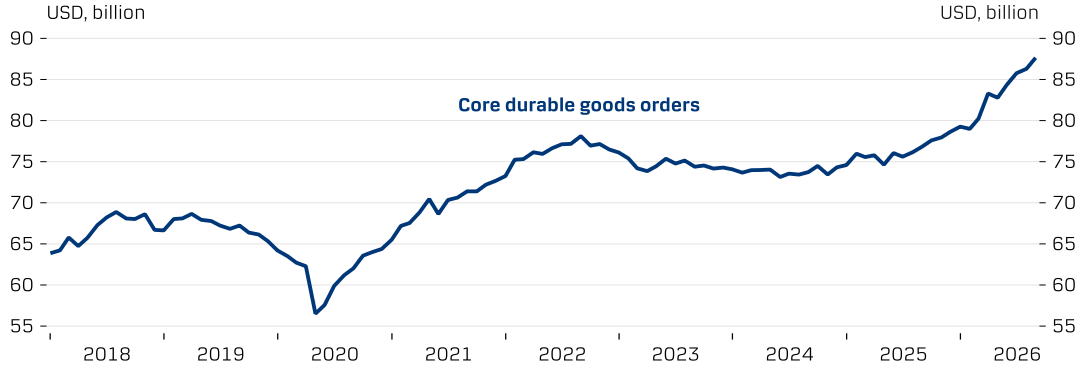
US buys most chips for AI in Asia leading to strong rise in imports



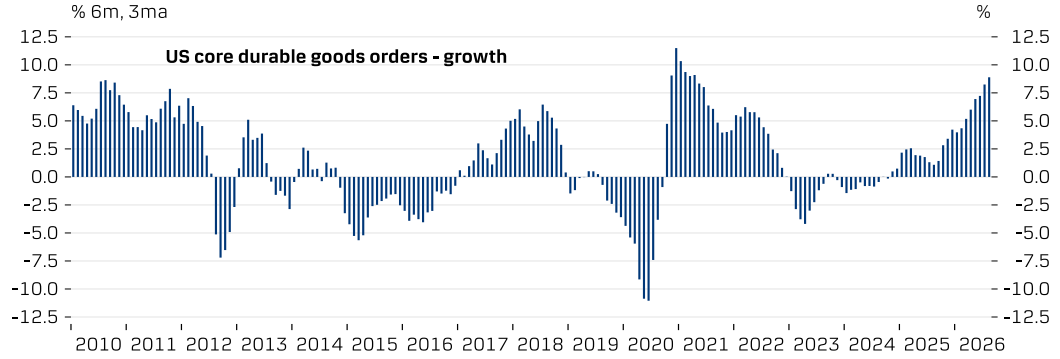
Construction of data centres jumped higher in 2026



Strength in US capex orders continues



Growth in capex orders highest since 2011 outside post-covid rebound



Source: Macrobond, US Census Bureau, Danske Bank

Metal prices: Some slowing of momentum

But copper prices still trending higher

- Building data centres require a lot of metals, not least copper for electricity transmission. Metals are also used in the construction. We thus track prices on metals as a real-time indicator of momentum in investments.
- Metal prices have increased strongly since spring 2025 when the AI data centre buildout took off.
- While metals prices are still rising, the momentum has slowed since Q1, suggesting the rise in metals demand has slowed. The strong trend in chips exports from South Korea and Taiwan suggest it may be more due to supply constraints or crowding out of other investments, rather than less appetite for data centre investments.

Copper prices more volatile after Iran war but still trending higher



Overall metals index lost momentum



Growth rate in metal prices clearly come down



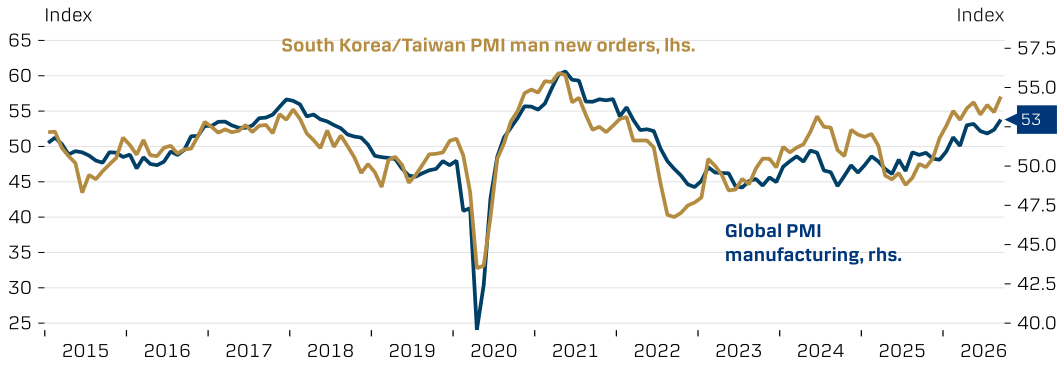
Source: Bloomberg, Danske Bank
Note: Past performance is not a reliable indicator of current or future results

Impact on global manufacturing cycle: Still positive

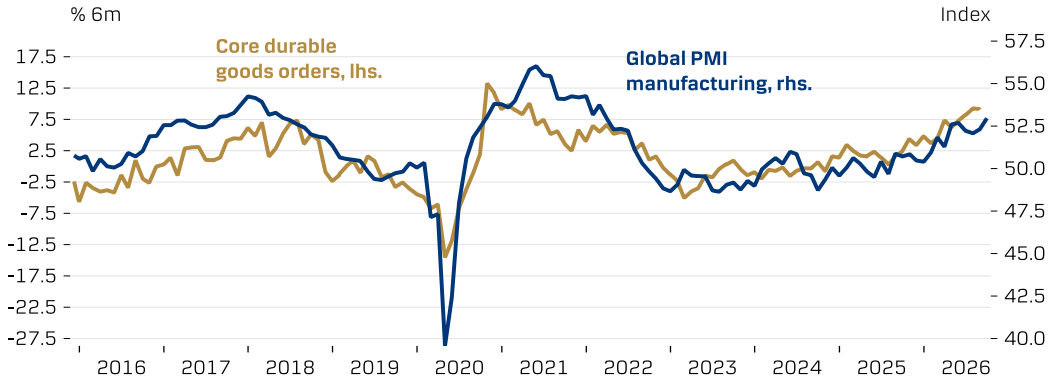
Trickle down effects lift activity across regions, including Europe

- The magnitude of the AI data centre build-out makes it a key driver of the global manufacturing cycle. Global PMI manufacturing has seen a decent lift since the AI investment boom took off in H1 2025.
- Trickle down effects from the AI investment boom benefit all regions that play a part in the supply chain for AI data centres. Europe, for example, is strong in the energy supply chain and has companies in the chip supply chain (ASML etc.)
- Current positive AI investment signals from South Korea and Taiwan as well as US suggest, global manufacturing is still underpinned by the strong AI demand cycle.

South Korea/Taiwan PMI vs Global PMI manufacturing



US durable goods orders vs Global PMI manufacturing



Taiwan/South Korea PMI vs. Euro PMI manufacturing



Source: Macrobond, S&P, US Census Bureau

Anecdotal evidence

Statements from key tech players

How much hyperscalers plan to spend

Amazon: *Andy Jassy (CEO), Q2 2026 earnings call, 30 July:*

- *"We now believe we will spend approximately $220 billion in cash capex in 2026. The higher cost of memory is pushing this number up from our prior estimate of about $200 billion. Even at that amount, we will not have enough capacity to meet all the demand we have in 2026, and I believe this dynamic will also be true in 2027. In fact, the demand we already have for 2028 is striking."*

Alphabet: *Anat Ashkenazi (CFO), Q2 2026 earnings call, 22 July:*

- *"... we are updating our full-year 2026 CapEx guidance range to $195 billion-$205 billion, up from our previous estimate of $180 billion-$190 billion. The increase in the range is primarily due to an acceleration in the delivery of capacity to meet growing demand.."*

Meta: *Mark Zuckerberg (CEO), Q2 2026 earnings call, 29 July:*

- *"There's just nowhere near enough compute for all the demand."*

Whether chip suppliers can deliver

Nvidia: *Colette Kress (EVP & CFO), Q2 FY2027 call, 26 August:*

- *"Customers' forecasts point to our growth doubling next year. However, (...) we expect to grow approximately 70% as we are supply-constrained".*

TSMC: *C.C. Wei, (Chairman & CEO), Q2 2026 earnings call, 16 July:*

- *"Our packaging capacity is so tight that now it limits my customers' growth"*

Samsung: *Soon-Chul Park (EVP & CFO), Q2 2026 earnings call, 29 July:*

- *"The supply constraints are expected to become even more severe in 2027 than 2026, reinforcing our view that the supply shortage will persist through 2028".*

ASML (equipment): *Christophe Fouquet (CEO), 14 October*

- *"Our customers continue to increase their short- and medium-term equipment demand forecasts with us... In light of their demand visibility, some customers are expressing an interest in placing orders with us for 2029 and even 2030.... We now expect that our supply as currently planned for both 2027 and 2028 will not fully meet the demand of our customers"*

Source: Earnings calls and statements from companies

AI demand



Outlook: AI use set to multiply, driven by agents

Goldman Sachs expects token use to rise 24-fold from 2026 to 2030 as AI agents take off

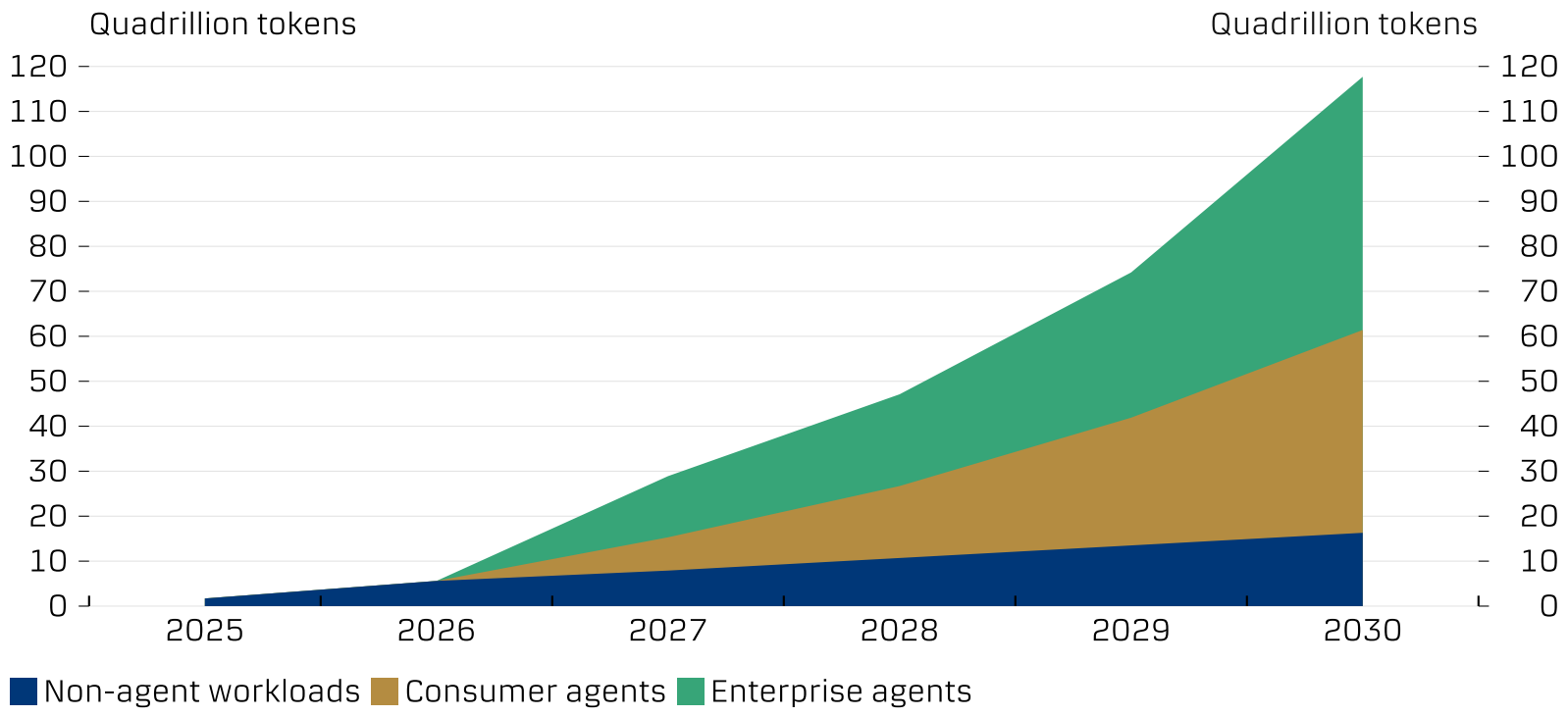
The AI build-out rests on the expectation that AI use will multiply in the coming years. Data centres and chips are being built for demand still to come, so actual use growth is key to whether the investment boom can continue.

Forecasts are steep. Goldman Sachs expects token use to rise 24-fold from 2026-2030. Almost all of the increase comes from AI agents, which use far more compute than simple chats.

The outlook is highly uncertain. Use could disappoint if agents spread more slowly than expected, or if firms fail to get enough value from AI to keep paying for it.

In this section, we track whether actual use is on the expected path: how many people and firms use AI, how intensively they use it, whether compute keeps up and whether the use is paid for.

Goldman Sachs estimate of monthly token use by workload



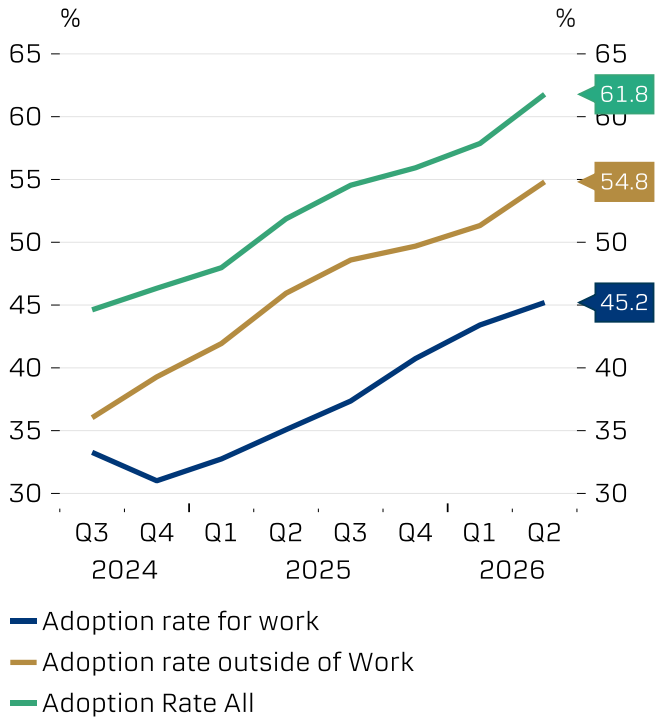
Source: Goldman Sachs Research (estimates as of May 2026), Danske Bank

AI users – consumers: More people use AI, but use is still shallow

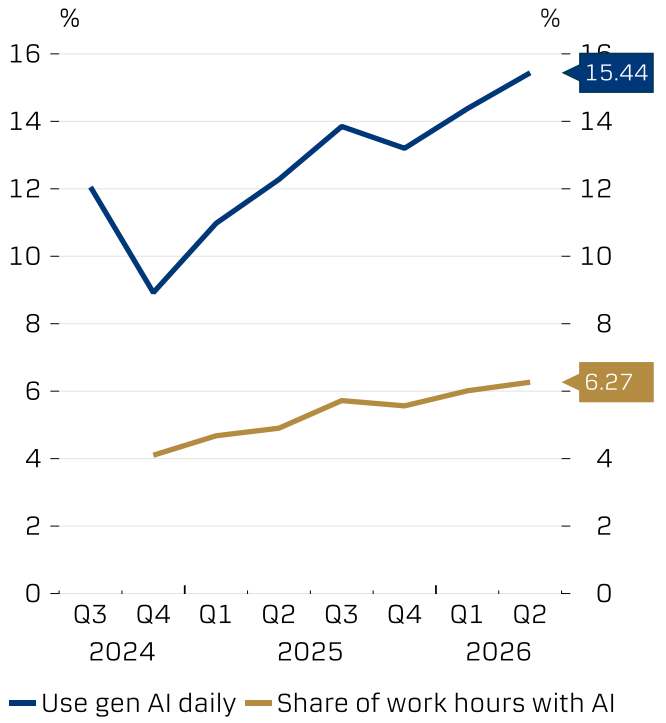
Use is rising steadily across the world, but few use AI daily and it assists in only a small share of work

- How many people use AI, and how much, determines how much compute is needed – and ultimately, whether the investments in data centres will pay off.
- The US has the most detailed data. Here six in ten adults use generative AI, up from 45% in 2024. But only 15% use it daily, and AI assists in just 6% of all work hours.
- Globally, use is lower but rising. According to Microsoft's usage data, 19% of people aged 15-64 worldwide used AI in Q2 2026, up from 15% in H1 2025, 29% in the Global North and 16% in the Global South.
- Use is thus **"widespread but shallow",** as the researchers behind the US survey put it.
- Both the number of users and the intensity of users are rising, however, pointing to continued growth in demand for compute.

Share of US adults aged 18-64 using generative AI



Daily use and AI's share of US work hours



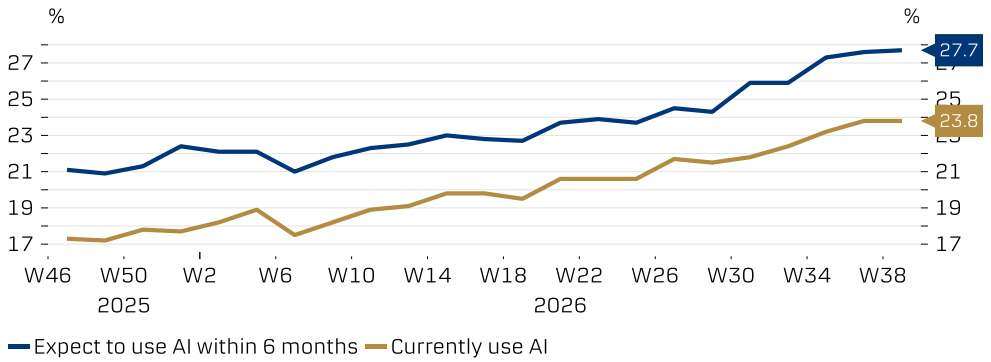
Source: Microsoft (Global AI Diffusion), FRED (Real-Time Population Survey: Generative Artificial Intelligence Adoption Tracker), St. Louis Fed, Danske Bank
Note: Microsoft estimates the share of people aged 15-64 using AI services such as ChatGPT, Gemini and Copilot from its own usage data. The Real-Time Population Survey asks US adults aged 18-64 about their use of AI every quarter.

AI users – businesses: Adoption keeps rising, but more slowly

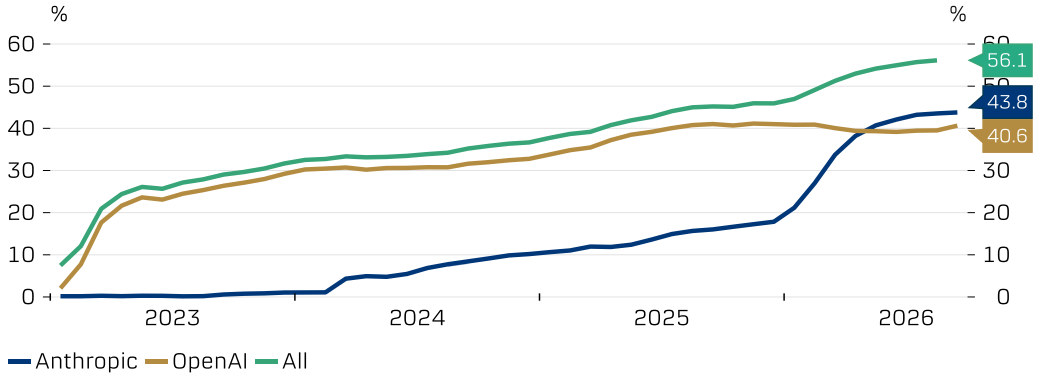
One in four US firms uses AI, and more than half of the firms on Ramp pay for AI tools

- Business use is key for AI demand, as it is what turns AI into lasting revenue for the AI labs.
- Adoption is still broadening. In the two weeks to 4 October, 24% of US firms reported using AI, and 28% expect to do so within six months.
- Weighted by employment, the picture is broader: 78% of the US labour force works at firms that have adopted AI (Atlanta Fed Survey).
- More firms also pay for AI: 56% of the tech-forward firms on Ramp did so in September, up from 44% a year earlier. Of these, 44% pay Anthropic and 41% pay OpenAI.
- Microsoft has over 30 million paid Microsoft 365 Copilot seats, with net additions more than doubling from the previous quarter.
- But growth in new users is slowing. The share of paying firms on Ramp rose just 0.4 and 0.6 percentage points in August and September, against around 2 points a month in February-April. Ramp notes that **"the growth in new AI customers has slowed down significantly… growth in the market will have to come from more intense adoption rather than more customers".**

Share of US firms using AI



Share of US firms on Ramp paying for AI tools



Source: US Census Bureau (BTOS), Ramp Economics Lab (Ramp AI Index), Atlanta Fed (via FEDS Notes, April 2026), Microsoft, Danske Bank

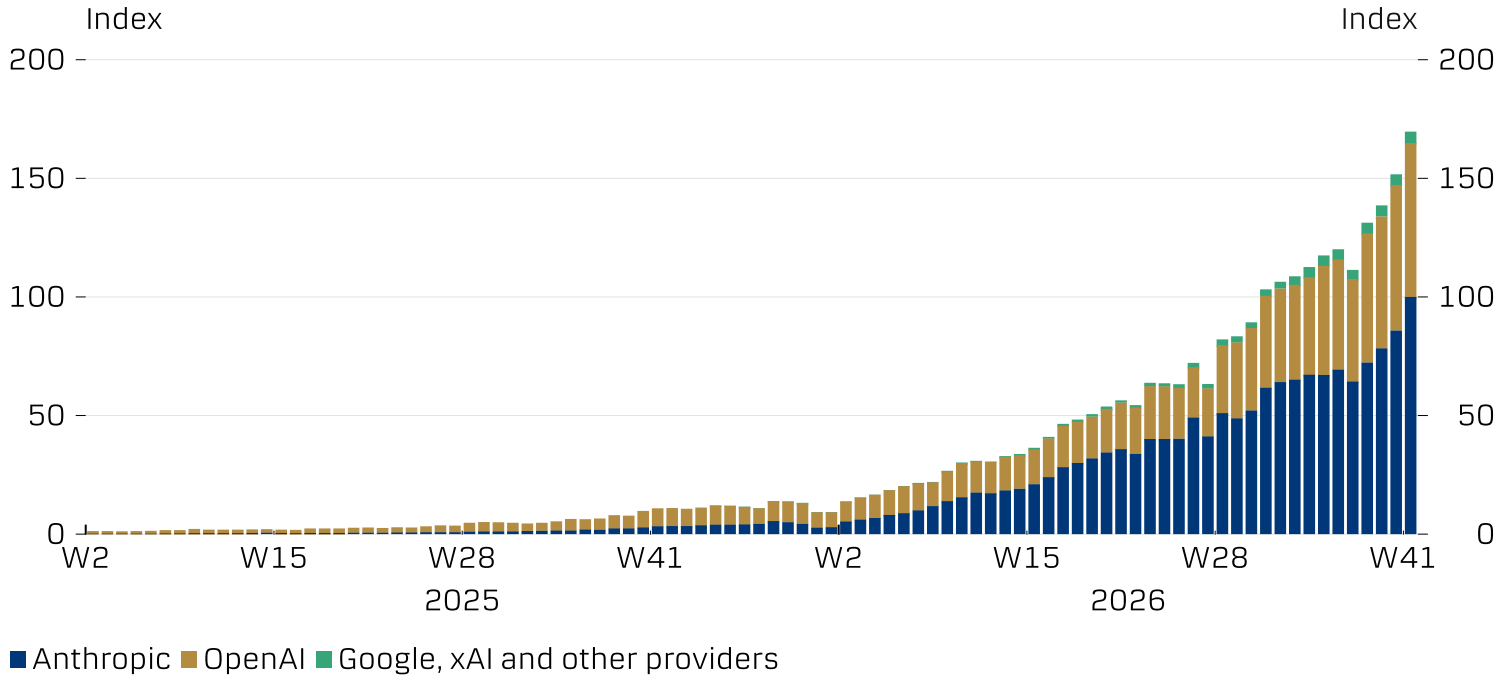
Note: BTOS: share of firms using AI in any business function in the past two weeks. Ramp: share of its 70,000+ US business customers with at least one AI payment in the month; they are more tech-forward than the average firm.

Token use: US firms' token consumption keeps multiplying

Tokens consumed by US firms on Ramp are almost 15 times higher than a year ago

- Tokens are the most direct measure of AI use and compute needs.
- No official statistic exists, but US firms on Ramp use more than 15 times as many tokens as a year ago. Anthropic and OpenAI account for 97%. These firms are early adopters, so their growth likely overstates the wider market.
- Other sources point in the same way: Google's model APIs processed three times as many tokens in Q2 2026 as in Q3 2025, and China's official daily token use rose 40% in Q1 2026 alone.
- Volumes are rising faster than spending: in the past two months, token use on Ramp rose by more than half, while spending was broadly flat as prices fell.

Token use by US firms on Ramp, by AI provider, index (Anthropic = 100 in latest week)



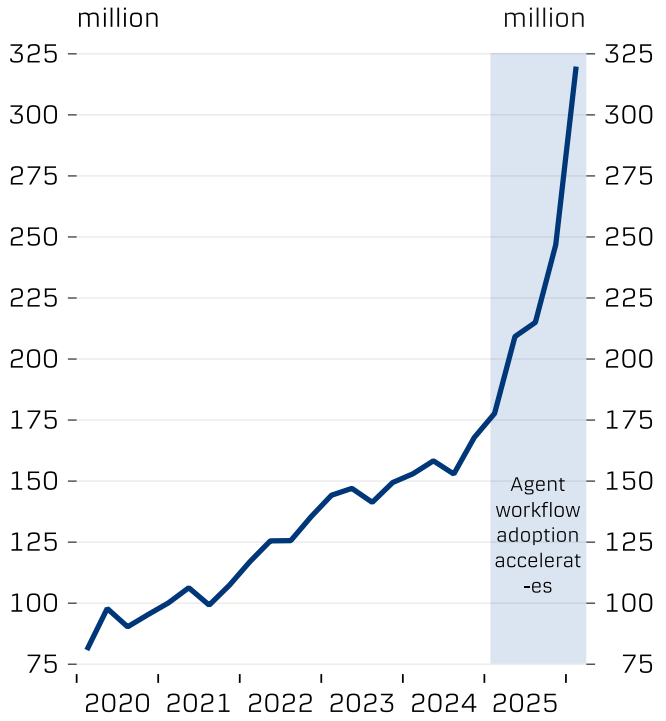
Source: Ramp Economics Lab (Ramp AI Index), Alphabet (earnings calls), National Data Administration of China (via China Daily), Danske Bank
Note: Ramp covers API token use of US firms using Ramp's AI Token Spend Management. Google's figures are global.

AI agents: Spreading fast, led by coding and large firms

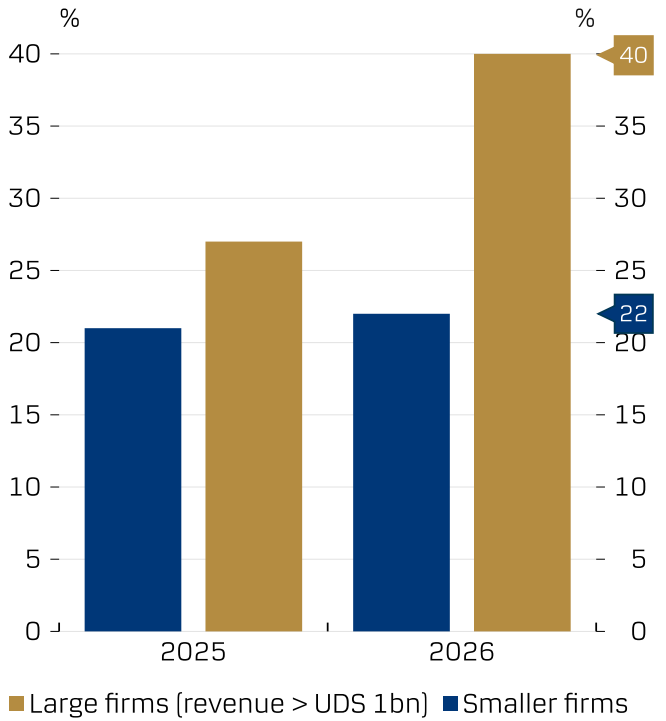
Code uploads to Github are up 80% y/y, and 40% of large firms now scale AI agents, up from 27% a year earlier

- AI agents are expected to drive most of the growth in AI use, as agents use 5-30 times more tokens per task than a chatbot (Gartner).
- Coding is the first mass market. Code uploads to GitHub rose 80% y/y in Q1 2026, against 16% a year earlier. Microsoft links the jump to coding agents such as OpenAI's Codex, Anthropic's Claude Code and GitHub Copilot.
- Beyond coding, large firms are moving from testing to scaling agents: 40% now use agents at scale in at least one business function, up from 27% a year earlier (McKinsey).
- This points to continued strong growth in compute demand – but so far mainly from coding and large firms. Costs are a growing concern: 43% of large US firms now set budgets for token use (KPMG).

Code uploads to GitHub (git pushes)



Share of firms scaling AI agents in at least one business function



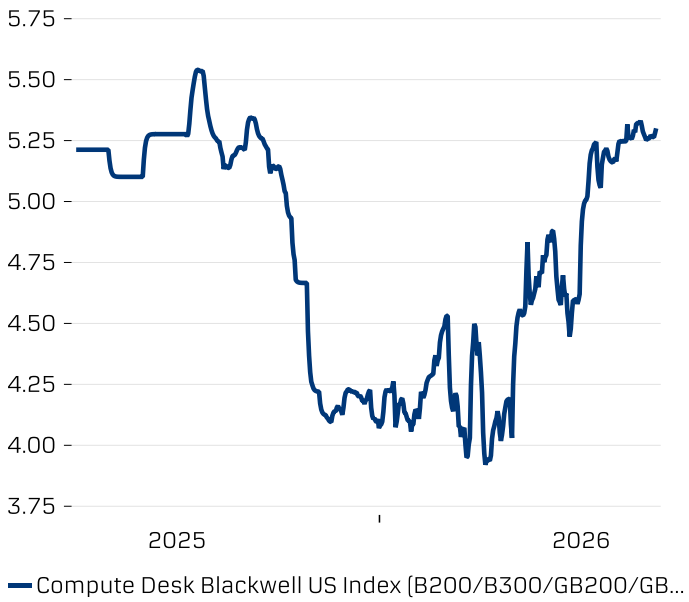
Source: Gartner (Mar & Jun 2026), GitHub (Innovation Graph), Microsoft (AI Diffusion Report Q1 2026), McKinsey (The state of AI in 2026), KPMG AI Quarterly Pulse Survey Q3 2026), Danske Bank
Note: GitHub: git pushes in all countries. McKinsey: large firms have revenue above USD1bn, global survey of 1,719 respondents, May-June 2026. KPMG: 314 US firms with revenue > USD1bn.

Compute: Input prices rise as output prices fall

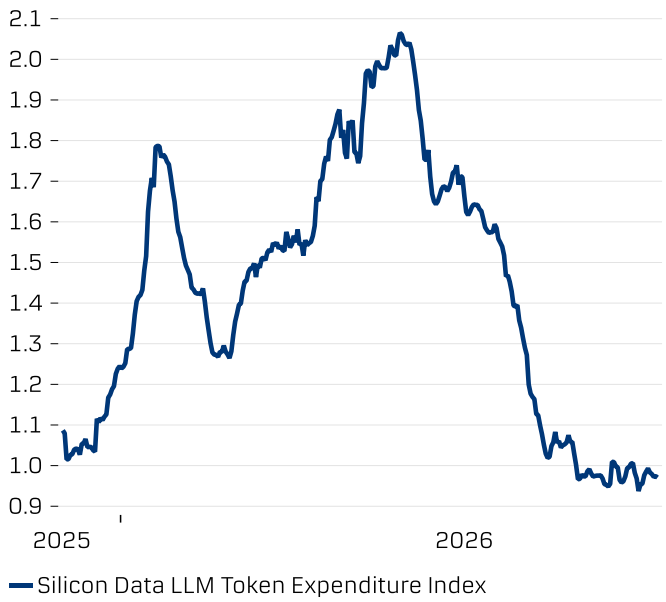
GPU rents are up about a third since April, while the price per token has roughly halved since May

- The rental price of AI chips (GPUs) shows the balance between demand and supply for compute, while the price per token is a measure of the cost of AI.
- GPU rents have risen about a third since April and are back near last year's level, pointing to compute again being short in supply.
- The average price paid per token has roughly halved since its peak in May. This may reflect price cuts, a shift to cheaper models or changes in how AI is used (the index does not separate these).
- The two trends fit the **Jevons paradox**: when AI gets cheaper, use can rise so much that total demand for compute – and spending on it – goes up. Agents are an example, each token gets cheaper, but agents use so many more tokens.
- AI labs are caught in between: they rent compute at rising prices and sell tokens at falling prices. Unless AI use and efficiency rise fast enough, their margins will narrow. Owners of compute – hyperscalers and neoclouds – benefit from higher rents.

AI labs Input price: Rental price of Nvidia Blackwell GPUs, USD per GPU-hour



AI labs output price: Silicon Data LLM Token Expenditure Index



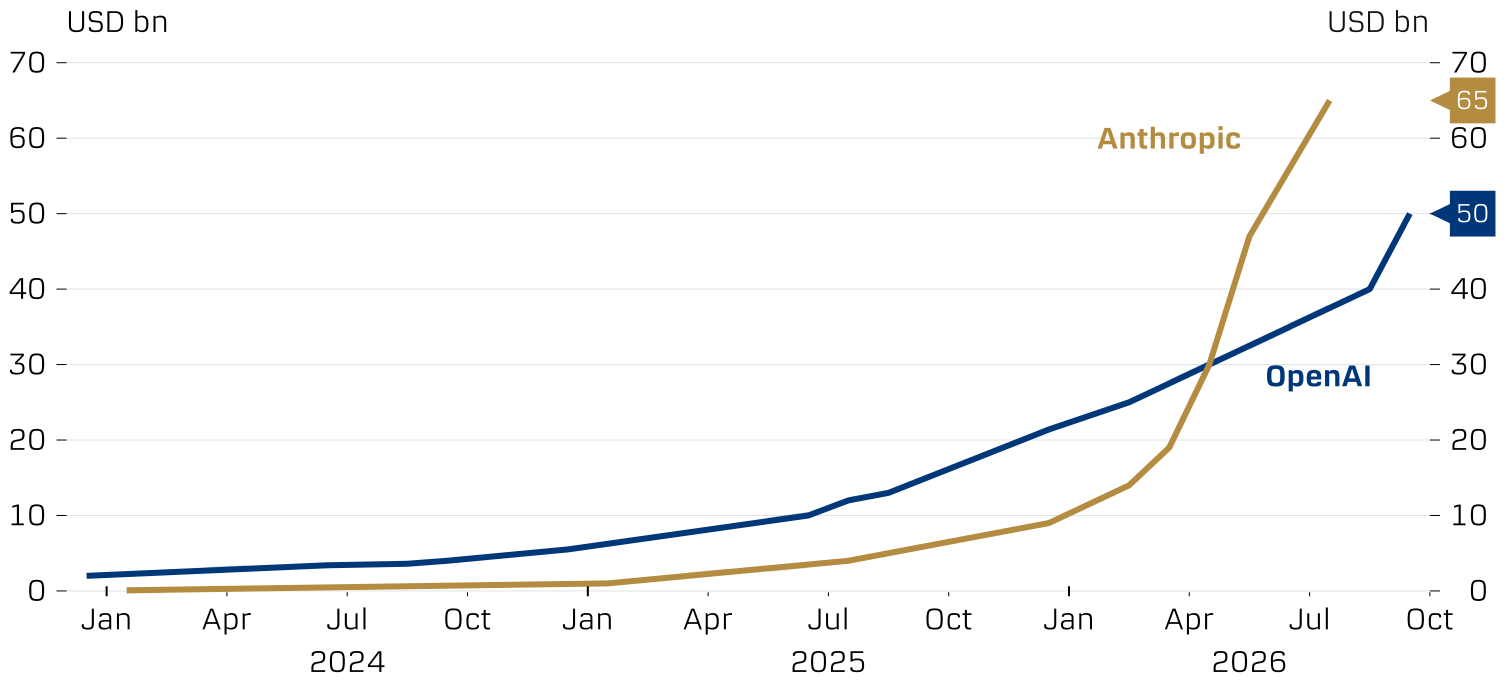
Source: Compute Desk (The Compute Index, Inc.), Silicon Data, Danske Bank.
Note: Compute Desk Blackwell US Index, one-year rental contracts. Silicon Data: effective spend per million tokens across 300+ AI models.

AI revenue: Spending on AI multiplies, even as prices fall

OpenAI and Anthropic earn about USD115bn a year – six times more than a year ago

- OpenAI and Anthropic are the two largest AI labs. Almost all their revenue comes from AI, so it shows directly what users pay for AI (for their IPO plans, see the equity perspective on pages 59-64).
- Revenue has multiplied over the past year. Anthropic has overtaken OpenAI, driven by strong demand from businesses, and both labs expect continued strong growth this year.
- Spending rises although prices fall, because use grows faster. Among US firms on Ramp, Anthropic's price per token has fallen by about two-thirds over the past year but spending on its models has risen tenfold.

Annualised revenue run rate (ARR)

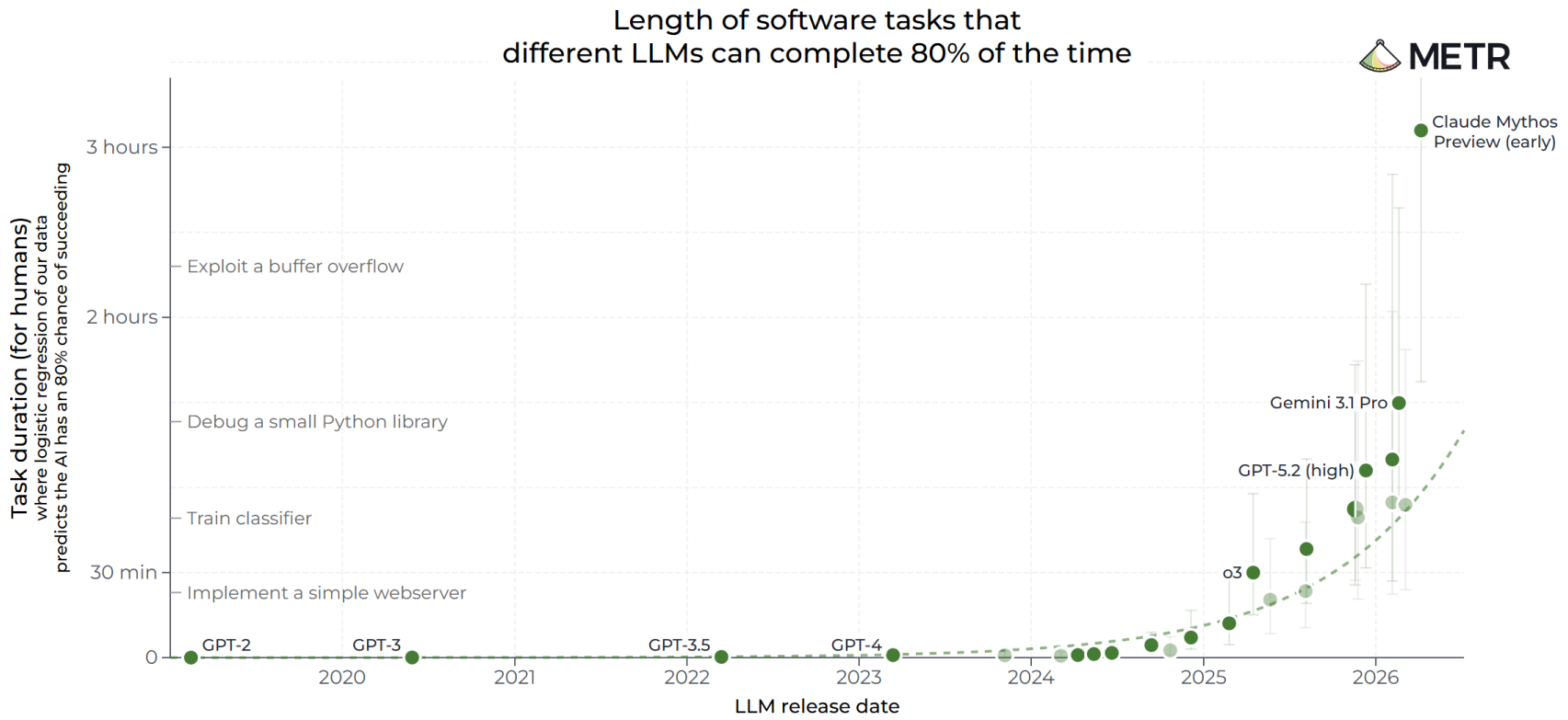


Source: Epoch AI, Bloomberg, Financial Times, The New York Times, Ramp Economics Lab (Ramp AI Index), Danske Bank
Note: Run-rate is recent monthly revenue extrapolated to a full year; company figures and press reports, unaudited. Anthropic books sales via cloud partners in full, OpenAI only its share.
Ramp: US firms using Ramp's AI Token Spend Management, Sep 2025 vs Sep 2026

AI model development: Models improve at exponential rate

- As AI models improve, more complex tasks can be performed by AI agents.
- METR is among the leading trackers of improvements in frontier models. Their research shows that AI models have improved at an exponential rate and at times an accelerating exponential rate.
- The scope of tasks AI is able to perform is thus constantly expanding.
- AI agents have mostly been directed at business use, but product releases by AI labs have expanded to AI agents for households, such as Meta's Muse and OpenAI's Dots.
- As AI agents improve and increasingly gets integrated into businesses and households, the need for compute is set to increase significantly and AI labs revenues increase from rising token use.

Models have improved at an exponential rate and at times accelerating exponential rate leading to significant improvement in 2026 compared to two years ago*



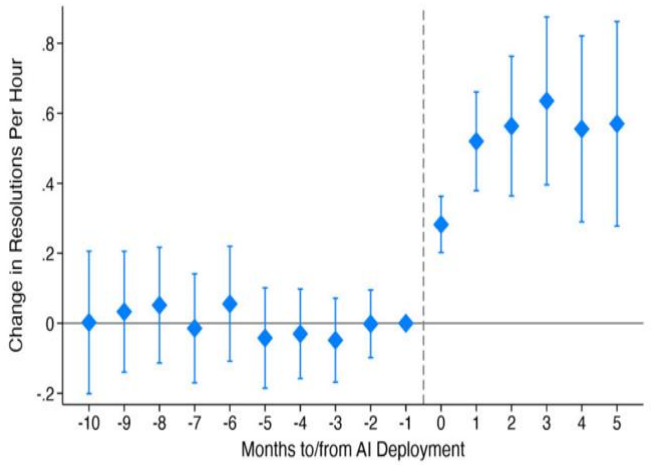
Source: METR.org
Note: METR measures AI performance in terms of the length of tasks AI agents can complete with a certain probability (in this chart 80%)

Productivity: Few signs of broad productivity gains but too early to assess

J-curve effect normal in new technology

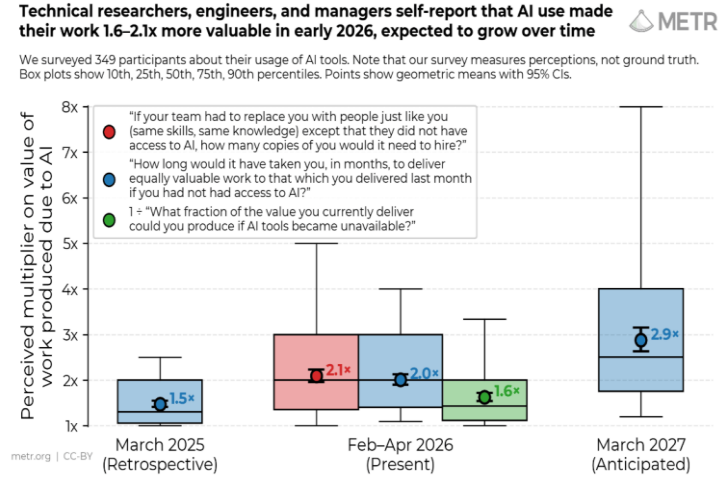
- For AI to be monetized it ultimately has to generate productivity gains big enough for businesses and consumers to be willing to "pay the bill" for the massive investments going into AI development.
- So far, there are few signs that AI has led to broad productivity gains. The main gains so far links to specific areas such as software coding and customer support, where tools have been easy to adopt and improved efficiency right away.
- As new technologies tend to show a J-curve effect on productivity, it is too early to assess broader gains. The J-curve effect is the pattern that introduction of new technologies often leads to lower productivity start with due to cost of investing in the tools and costs of learning how to benefit from it. Productivity gains show up at a later stage (see for example Is the AI productivity story at a turning point?)

Study of technical support functions show clear lift to productivity



Note: The chart shows number of cases solved ("resolutions per hour") in a technical support firm before and after AI was available.

Some areas already experience more efficiency using AI tools



Sources: METR, Quartly Journal of Economics: Generative AI at work

Anecdotal evidence: AI use is soaring, with more to come

Statements from key tech players

How fast AI use is growing

OpenAI: Sam Altman (CEO), to Bloomberg at DevDay, 29 September:

- *"People are clearly willing to spend more on AI than ever before, but they want to do so much with it." … "Our belief is that if we continue to drive the quality up and the price down, people will use our tools in tremendous ways."*

Alphabet: Sundar Pichai (CEO), Q2 2026 earnings call, 22 July:

- *"Our model APIs are now processing approximately 22 billion tokens per minute. That's up from 16 billion just a quarter ago."*

Meta: Mark Zuckerberg (CEO), Q2 2026 earnings call, 29 July:

- *"Since we rebuilt Meta AI and integrated Muse Spark, we have seen a 60% increase in the number of people interacting with the assistant each day, and that continues to grow quickly week-over-week"*

Agents and enterprise adoption

Nvidia: Jensen Huang (CEO), Q2 FY2027 earnings call, 26 August

- *"The amount of compute necessary for an agent versus a human using it is probably 15 to 100 times depending on the type of problem you're trying to solve".*
- *"I believe that this last month it has crossed. Most AI are now agentic".*

Amazon: Andy Jassy (CEO), Q2 2026 earnings call, 30 July:

- *"Remember, enterprises are still very early in using inference at scale in their current production applications."*

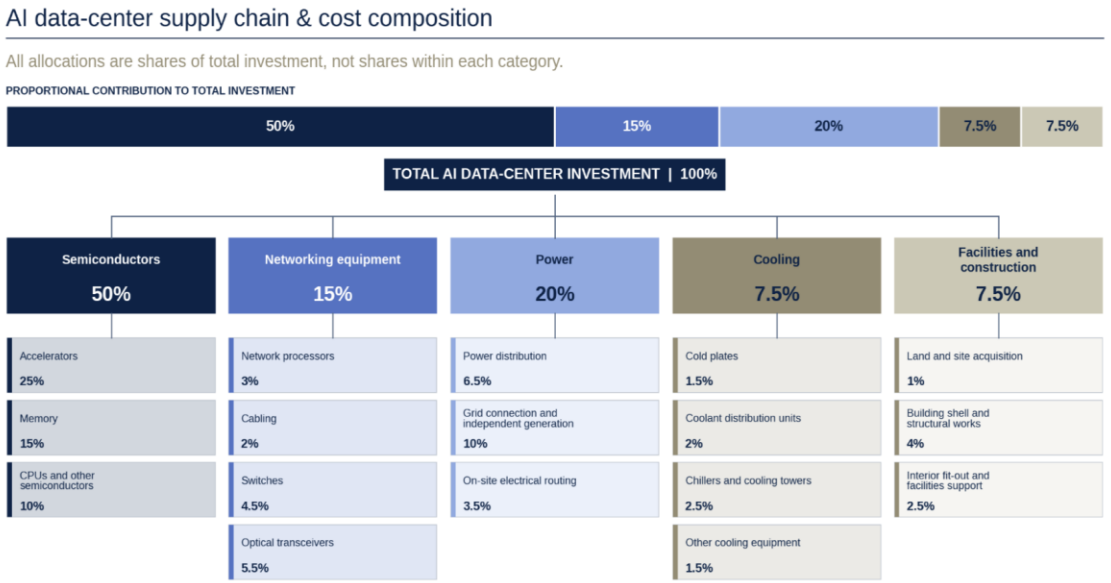
Source: Earnings calls (Alphabet, Meta, Nvidia, Amazon), Bloomberg, Danske Bank.


Bottlenecks

Bottlenecks in chips and energy slowing AI built-out, but not stopping it

As AI capex is planned to increase by another 50% in 2027 bottlenecks could emerge as bigger headwind

Semiconductors 50% of data centre cost, power and cooling close to 30%



Most important bottlenecks over the next 12-24 months:

1. **Semiconductors: HBM and DRAM – worsening**
   Micron and SK hynix both point to a tighter memory market in 2027 than in 2026. Nvidia is already flagging extreme memory pricing. This is becoming both a volume constraint and a margin issue.

   Advanced packaging and test – unresolved
   TSMC is explicit that packaging capacity is limiting customer growth.

   Leading-edge wafers – tight but manageable
   TSMC, ASML and AMD suggest wafer and tool supply is tight but not currently the most binding constraint.

2. **Energy: Power and grid connection – worsening**
   Looks like the most critical constraint. Interconnection timelines are measured in years, turbine delivery slots are extending into the next decade and grid operators are warning that load growth is outpacing supply. On-site power is a workaround, but introduces new constraints such as permits, fuel supply and turbine availability.

   Transformers, switchgear and electrical equipment – unresolved but improving
   Lead times remain long.

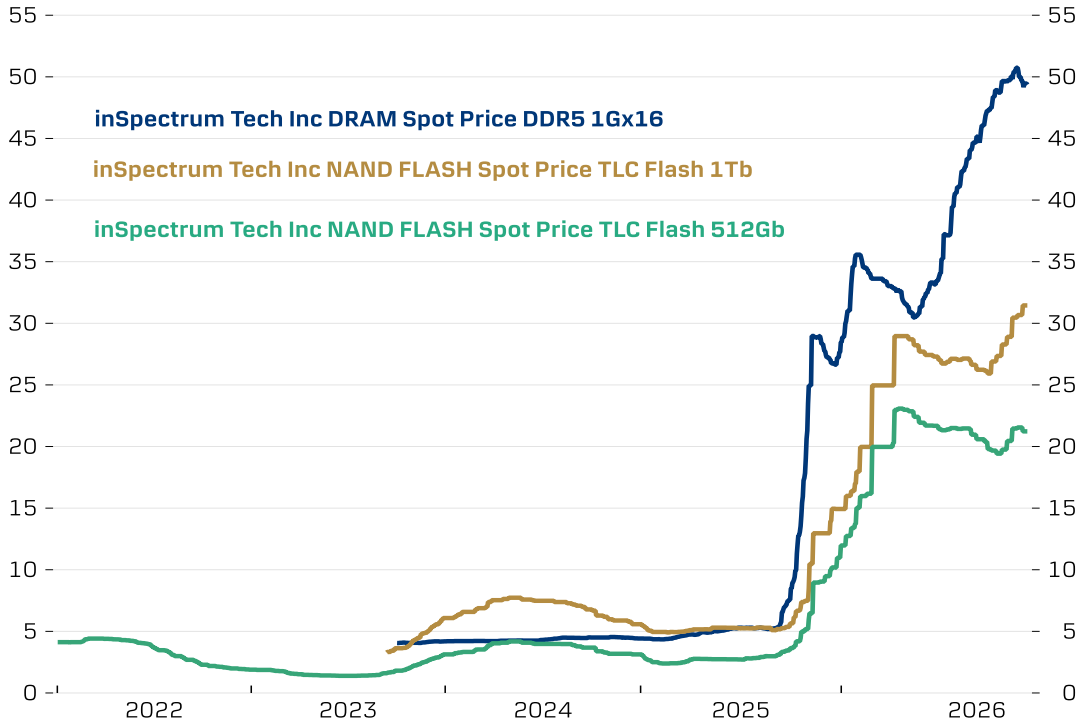
3. **Cooling: Not yet a binding constraint**
   Cooling appears more like an execution risk than a structural bottleneck. Vertiv and Schneider Electric both indicate that capacity is being added and lead times remain manageable.

4. **Construction: Land, permitting and local opposition – worsening**
   This is unlikely to stop AI infrastructure demand, but it will change where capacity is built. Moratoriums, air permits and local resistance are pushing developers into smaller sites, new geographies and potentially less efficient builds.

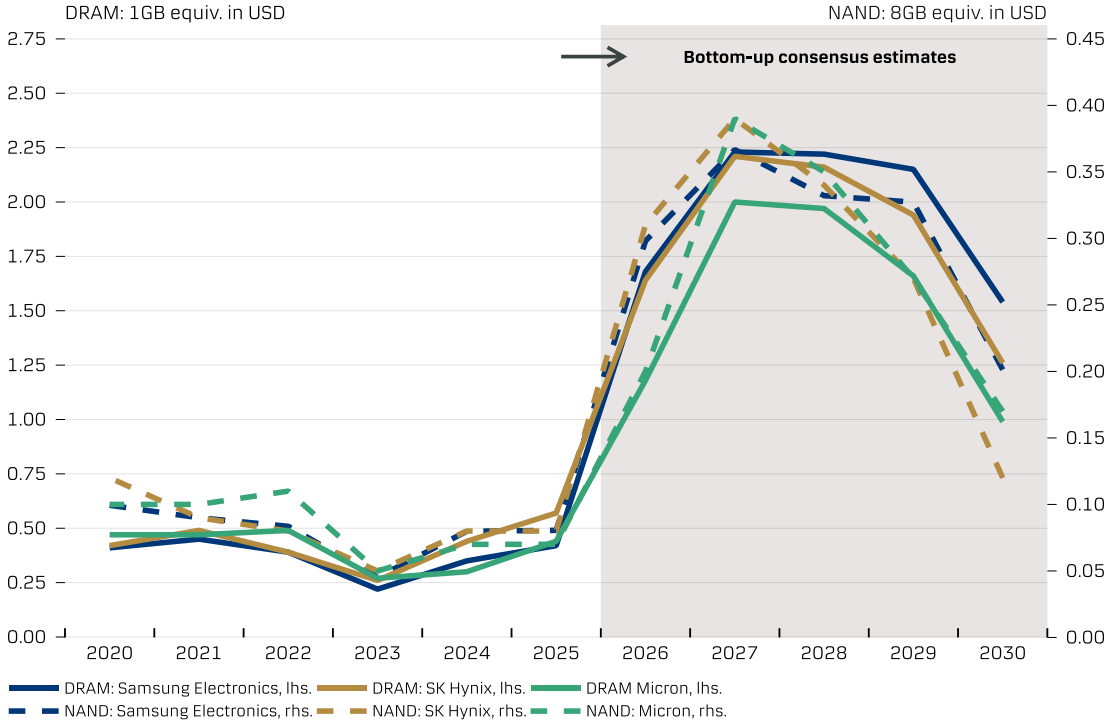
Source: Danske Bank, It's time to build

Semiconductors: Shortages of memory chips have pushed up prices

Prices on memory chips have increased substantially due to shortages. Memory chip producers plan to double capacity by 2030 to meet demand



Analysts expect memory chip prices to peak in 2027/28

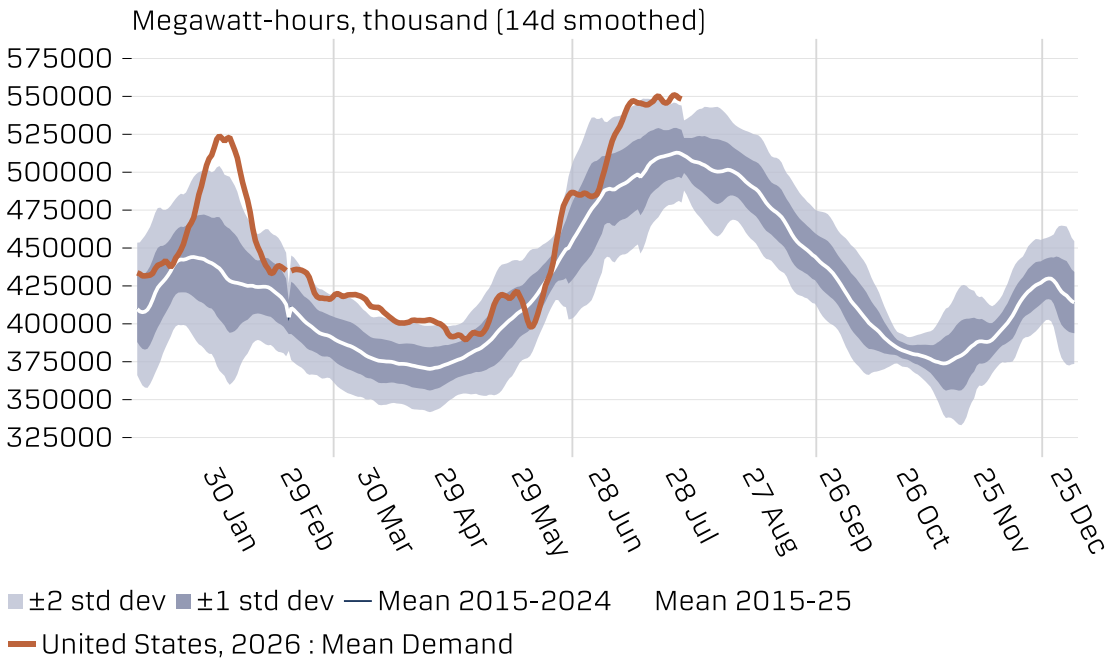


Source: Visible Alpha consensus estimates, Macrobond

Energy: US grid under pressure as demand increases

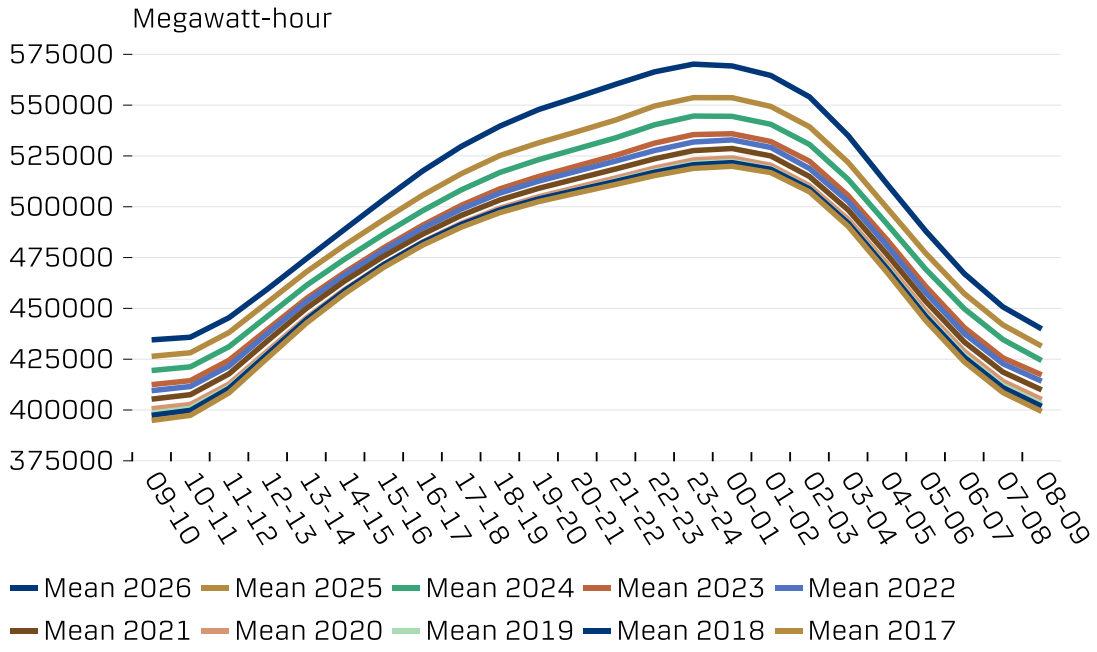
2026 is already large energy consuming year

Seasonal Trends & Patterns in U.S. Electricity Demand



Mean demand for electricity is moving higher increasingly the last couple of years

US Electricity Demand Hourly - UTC Time



Source: Macrobond, EIA

Energy: Data centres may need to bring their own electrons

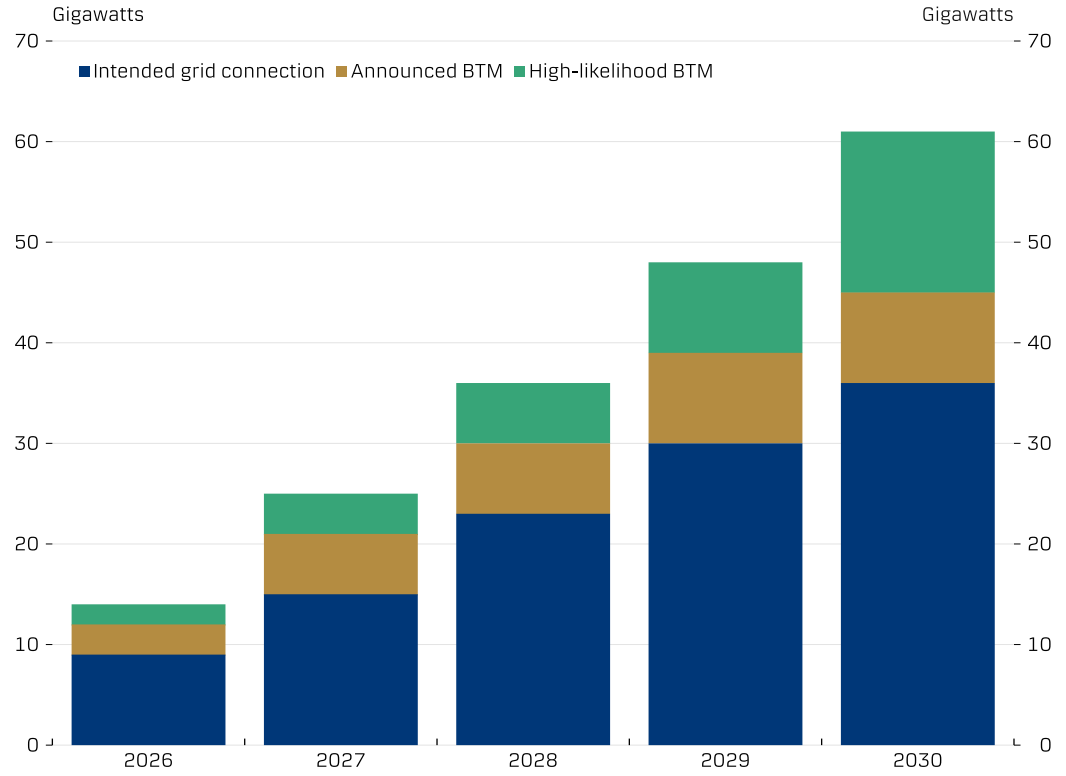
BTM adoption is accelerating across the US as grid constraints delay and freeze projects

Behind-the-meter (BTM) vs. standard Front-of-the-meter (FTM)

- FTM connection is the standard approach to electricity supply, providing access to grid services and broader market-based power procurement options. Waitlist can be up to 5 years for larger data centre projects posing a clear bottleneck
- BTM refers to energy installations located on-site or directly connected to a facility, enabling power generation without relying solely on the public grid. This can help secure power supply, reduce exposure to grid congestion and bypass long grid connection queues.
- Hybrid BTM models combine grid access with on-site generation, providing both flexibility and resilience. On the other hand, adds regulatory exposure, longer equipment lead times, and project complexity.
- BTM adoption is most relevant for large-load facilities where the cost and complexity are justified, typically above 100 MW.

Note: Inter connection queue is the official waitlist and engineering review process that power generation, energy storage, and large transmission projects must complete before connecting to the public electricity grid.

US data center electricity expansion to be mainly driven by BTM grids (located on-site)

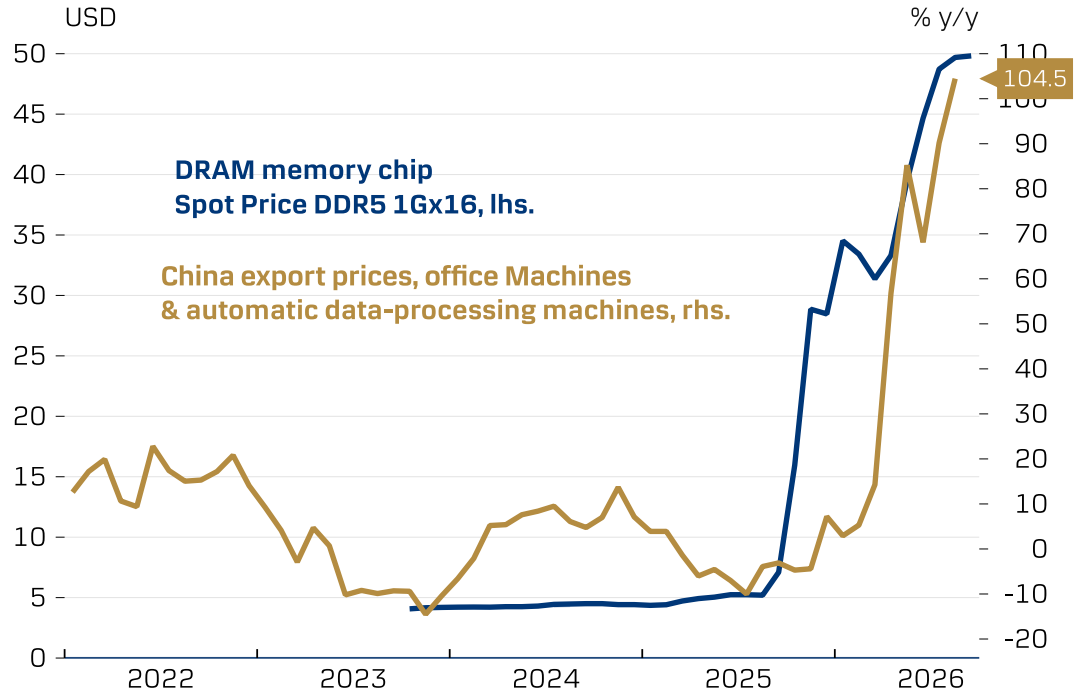


Source: Rystad Data Center Report 2026

Inflation: Rise in memory chip prices creates inflationary impulse globally

Chinese export price inflation has jumped to highest level in 20 years apart from the covid years

The sharp rise in prices of memory chips has lifted Chinese export prices on mobile phones, lap tops and other electronics...



... leading to highest rise in export price inflation since covid



Source: Macrobond, Bloomberg, GAC

Anecdotal evidence: Supply is the limit, not demand

Statements from key tech players

Chip supply chain

ASML: *Christophe Fouquet (CEO) 14 October 2026*

- *"Supply shortages across advanced logic and memory nodes continue to increase in size and in time horizon."*

TSMC: *C.C. Wei (CEO) and Wendell Huang (CFO) 16 Jul 2026 · Q2 earnings call:*

- *"The demand and the supply, the gap is so big."*
- *"We do not foresee any bottlenecks to our capacity expansion plans.".*

Nvidia: *Jensen Huang (CEO) 26 Aug & 10 Sep 2026 · Q2 earnings call:*

- *"You've got to go secure the land, power and shell, which oftentimes is a couple 2, 3 years out." "There is no question land, power and shell is a problem."* The neoclouds *"secure land power and shelf for us that the CSPs have already exhausted.".*

Power

PJM Interconnection: *David Mills (CEO) · 14 Jul 2026:*

- *"Demand for electricity continues to grow faster than electricity supply.".*

CBRE (infrastructure services): *At the European Commission May–Aug 2026:*

- *"Demand continues to outpace supply, mostly due to a lack of available power."* (Only 37% of Q2 additions went to the five big hubs (Frankfurt, London, Amsterdam, Paris, Dublin). The Commission says grid connection queues exist in at least 16 EU countries. The Euronews-cited report puts the wait in those hubs at 7–10 years.)

ERCOT: *29 Jul 2026 · Texas Senate testimony:*

- *"ERCOT is tracking about 474 GW of large loads seeking connection, about 90% of them data centres. That compares with roughly 3.9 GW of large load expected to energise in Q4 2026. "*

Source: Earnings calls and statements from companies



The Equity Perspective

The Equity Perspective

Scope and analytical framework

The Equity Perspective provides a comprehensive framework for understanding how the AI investment cycle is developing across global equity markets. We have tried to put together the key indicators required to assess the scale, direction and financial implications of the AI buildout.

The purpose is to give investors a transparent and regularly updated framework for identifying the most important developments, dependencies and potential imbalances within the AI investment cycle.

AI cannot be understood through a single sector, industry classification or group of companies. The investment landscape encompasses several distinct, but highly interconnected, parts of the value chain. These include hyperscalers, semiconductor companies, hardware and infrastructure providers, software companies, AI laboratories and the broader group of companies adopting or benefiting from AI. Each segment has different business models, capital requirements, competitive dynamics and sensitivities to the AI investment cycle. The tracker therefore distinguishes clearly between the companies financing the buildout, those supplying the necessary infrastructure and those seeking to monetise AI through products, services and productivity improvements.

AI is increasingly shaping sector and industry performance, while the geographical distribution of AI capabilities is creating substantial differences across countries and regions. Exposure to hyperscalers, semiconductor manufacturing, data-centre infrastructure, software and AI applications varies significantly between the US, Asia, Europe and the broader global equity market. Consequently, sector and industry composition will dominate traditional regional equity comparisons. The Equity Perspective maps these differences and illustrates how the AI cycle is changing the composition, concentration and earnings profile of major equity markets.

The tracker follows the cycle through a consistent set of financial and market indicators. These include equity performance, revenue growth, earnings expectations, capital expenditure, free cash flow, profitability and valuation. The analysis also includes supply-and-demand conditions and relevant capacity constraints across the AI value chain.



The evidence has yet to disqualify the buildout

Our current assessment of the AI equity landscape

- Assessing an investment cycle of this speed, scale and potential economic impact inevitably involves considerable uncertainty. There is no historical playbook for the AI buildout. Nevertheless, the indicators we monitor continue to support a constructive view on AI-related equities.
- Demand is still outpacing supply across important parts of the AI value chain, with infrastructure and capacity constraints limiting the pace of deployment. This remains supportive of aggregate earnings, although outcomes differ markedly between the companies financing the buildout, particularly hyperscalers, and those supplying it, most notably semiconductor and hardware companies. Earnings revisions remain positive, while reported results continue to exceed expectations.
- Valuations also vary substantially across hyperscalers, AI laboratories and semiconductor companies. However, the broad valuation picture does not resemble the extreme pricing normally associated with an equity bubble. Multiples have compressed significantly across parts of the technology universe, while some semiconductor and memory producers trade at relatively low valuations despite strong AI-related demand.
- Monetisation remains the central uncertainty. However, the revenue trajectories and run rates reported by leading AI companies do not currently invalidate the possibility that future revenues and cash flows will generate an adequate return on today's substantial capital expenditure.
- Investor uncertainty is correspondingly elevated and reflected in higher required risk premia and market volatility. From a tactical perspective, we consider cautious healthier than widespread exuberance. Overall, the available evidence has not disqualified the AI investment cycle, although the distribution of risks and returns remains highly uneven.

	Semiconductors Chip suppliers for data centres	**AI labs & application providers** Model developers and AI software	**Hyperscalers & neoclouds** Cloud and AI compute capacity
Share price performance	Clear market leaders: best performance industry group the last 12M	High dispersion: Palantir up 17% YTD, AppLovin down 60%	Solid but lagging semis
Earnings	Exceptional: aggregate earnings expected to more than double in 2026E	Revenue soaring at the labs, but they remain deeply loss-making	Strong growth, broadly in line with expectations
Capex	Hyperscaler capex is their revenue: NVIDIA sales seen +92% in 2026E	Huge compute needs, funded by partners and record equity raises	Big six capex c. USD 893bn in 2026E, still rising to 2030E
Free cash flow	Cash machines: NVIDIA alone c. USD 192bn of FCF in 2026E	Labs burning cash; listed app providers solidly cash-generative	Negative 2026E FCF at Amazon, Alphabet, Meta, Oracle and neoclouds
Valuation	Undemanding: c. 15x 12M fwd. P/E for NVIDIA and c. 5x for Micron	Stretched: Anthropic IPO talk above USD 2tn, Palantir c. 90x 2027E P/E	Reasonable: c. 22-27x 2027E P/E for the big six (ex SpaceX)

1) Boom accelerates | 2) Boom continues | 3) Warning signs | 4) AI bust

Mapping the AI value chain across equities I

Many of the most important AI leaders in the US are companies classified outside the IT sector

Magnificent 7

Company	Market cap (USDbn)
Apple	4.900
Microsoft	4.000
Nvidia	5.500

Company	Market cap (USDbn)
Amazon	2.800
Tesla	1.400

Company	Market cap (USDbn)
Alphabet	4.300
Meta	1.800

#	Global sectors	Weight (%)
1	**Information Technology (IT)**	**33.2**
2	Financials	16.2
3	Industrials	10.3
4	Health Care	8.4
5	**Consumer Discretionary**	**8.2**
6	**Communication Services**	**8.0**
7	Consumer Staples	4.5
8	Energy	4.0
9	Materials	3.5
10	Utilities	2.3
11	Real Estate	1.5

Other semiconductors

Company	Market cap (USDbn)
AMD	970
Applied Materials	400
Broadcom	1.700
Intel	540
Micron	1.200

Other hyperscalers

Company	Market cap (USDbn)
Oracle	420

Company	Market cap (USDbn)
SpaceX	2.100

Source: MSCI GICS Classification, LSEG Data & Analytics

Mapping the AI value chain across equities II

The global leaders across AI, hyperscalers and semiconductors, ranked by market capitalisation

AI labs & application providers

Country	Company	Sector	mCap (USDbn)
	Alphabet**	Comm. Services	4,229
	SpaceX**	Comm. Services	2,065
	Meta Platforms**	Comm. Services	1,878
	Tesla	Cons. Disc.	1,450
	Anthropic*	IT	965
	OpenAI*	IT	852
	Palantir	IT	485
	Tencent**	Comm. Services	482
	Alibaba**	Cons. Disc.	276
	SoftBank Group	Comm. Services	194
	Salesforce	IT	192
	ServiceNow	IT	144
	Snowflake	IT	118
	AppLovin	Comm. Services	87
	Baidu**	Comm. Services	28

Hyperscalers and neoclouds

Country	Company	Sector	mCap (USDbn)
	Alphabet**	Comm. Services	4,229
	Microsoft	IT	3,962
	Amazon	Cons. Disc.	2,740
	SpaceX**	Comm. Services	2,065
	Meta Platforms**	Comm. Services	1,878
	Tencent**	Comm. Services	485
	Oracle	IT	395
	Alibaba**	Cons. Disc.	276
	IBM	IT	214
	Equinix	Real Estate	98
	NTT	Comm. Services	88
	Digital Realty	Real Estate	63
	Nebius	IT	51
	CoreWeave	IT	36
	Baidu**	Comm. Services	28

Semiconductors (chip suppliers for datacentres)

Country	Company	Sector	mCap (USDbn)
	NVIDIA	IT	5,343
	TSMC	IT	2,006
	Broadcom	IT	1,652
	Samsung Electronics	IT	1,100
	Micron	IT	1,034
	AMD	IT	931
	SK Hynix	IT	770
	ASML	IT	654
	Intel	IT	515
	CXMT	IT	466
	Applied Materials	IT	359
	Lam Research	IT	354
	Arm	IT	256
	Texas Instruments	IT	254
	KLA	IT	233

Source: MSCI GICS Classification, LSEG Data & Analytics

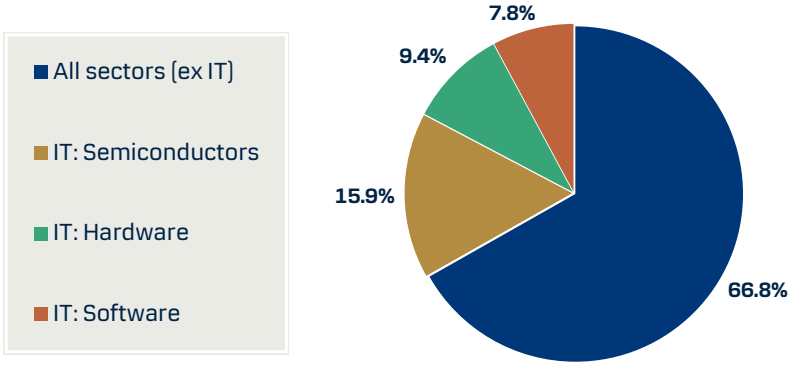
**Note: Not public listed. Ranked on estimated valuation - see section about IPOs; expected GICS sector: IT.*

***Note: Included in both AI and Hyperscalers due to own frontier AI models and large-scale cloud/AI compute capacity.*

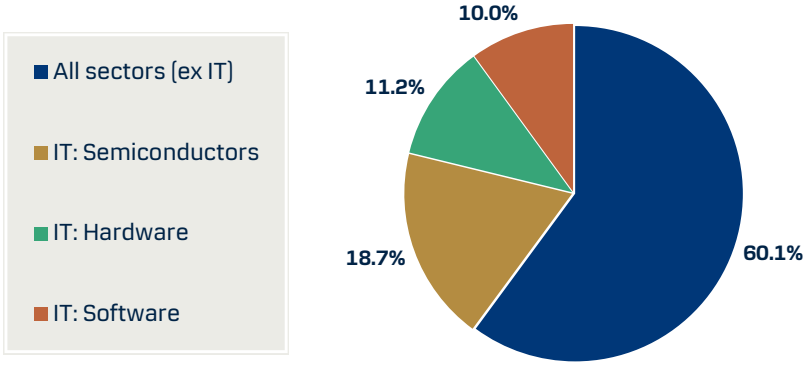
Technology shapes regional equity markets very differently

IT exposure varies widely across regions, driving significant differences in equity market composition

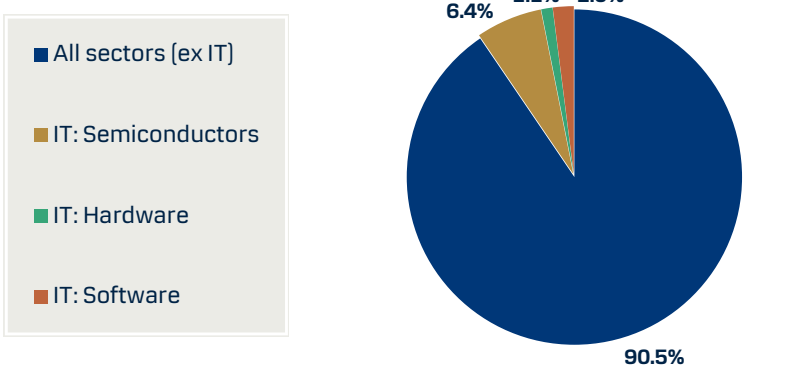
Global



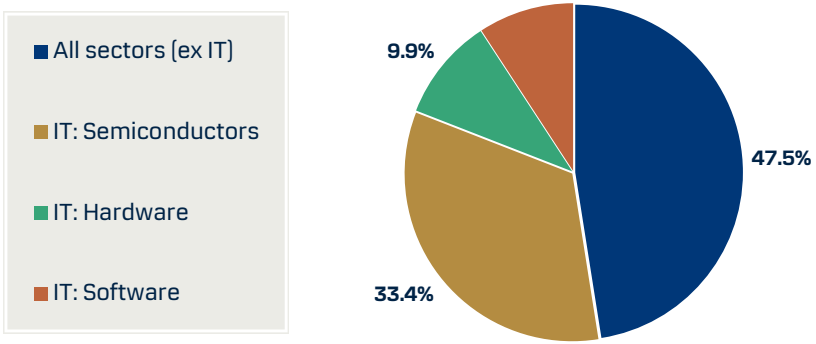
United States



Europe



Emerging Markets (Asia)

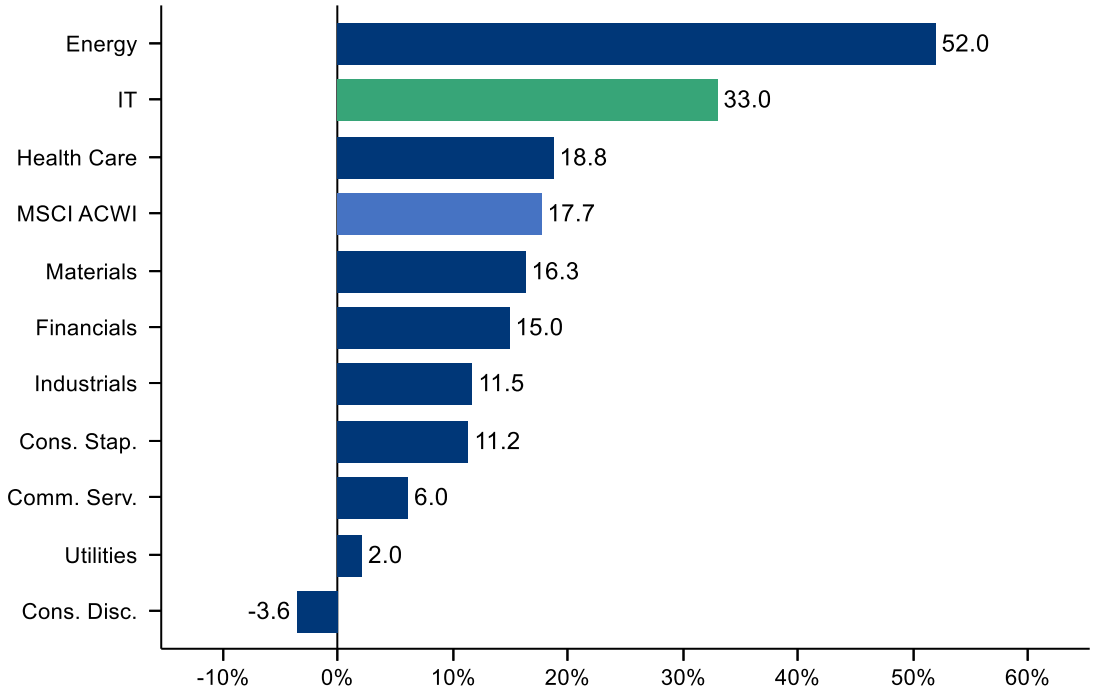


Source: LSEG Data & Analytics, Bloomberg

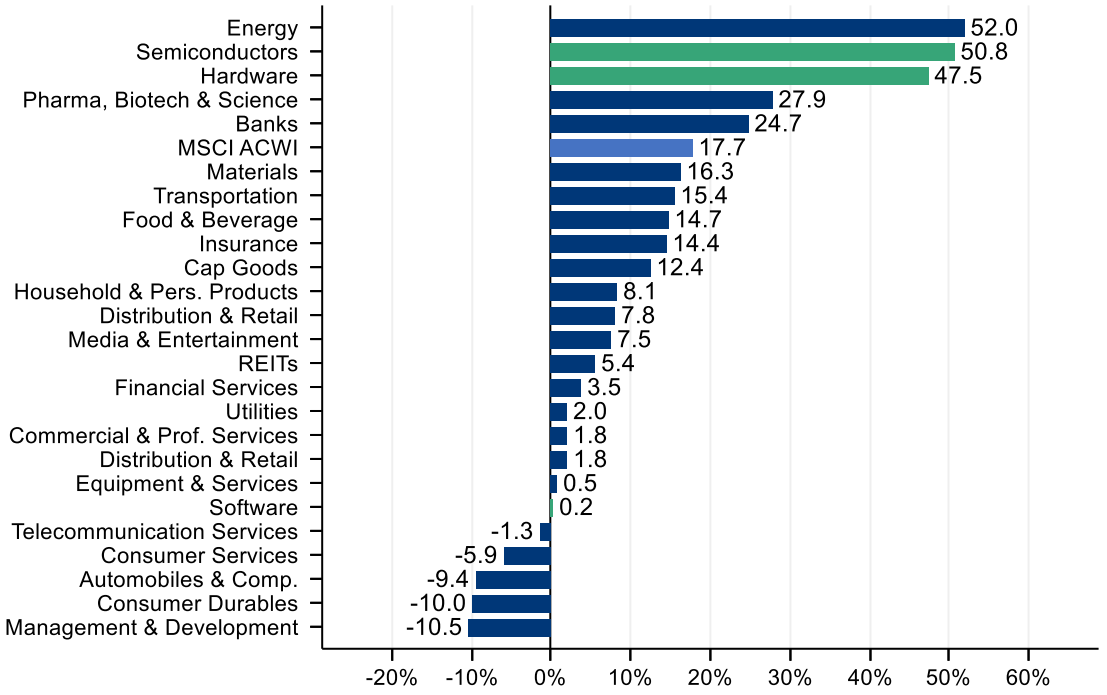
Performance: Technology leadership masks a sharp divide within the sector

Semiconductors and hardware have led global equities, while software has lagged over the past 12 months

12M total return by GICS Sector



12M total return by GICS Industry Group



Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

Earnings: Technology's exceptional earnings growth stands out

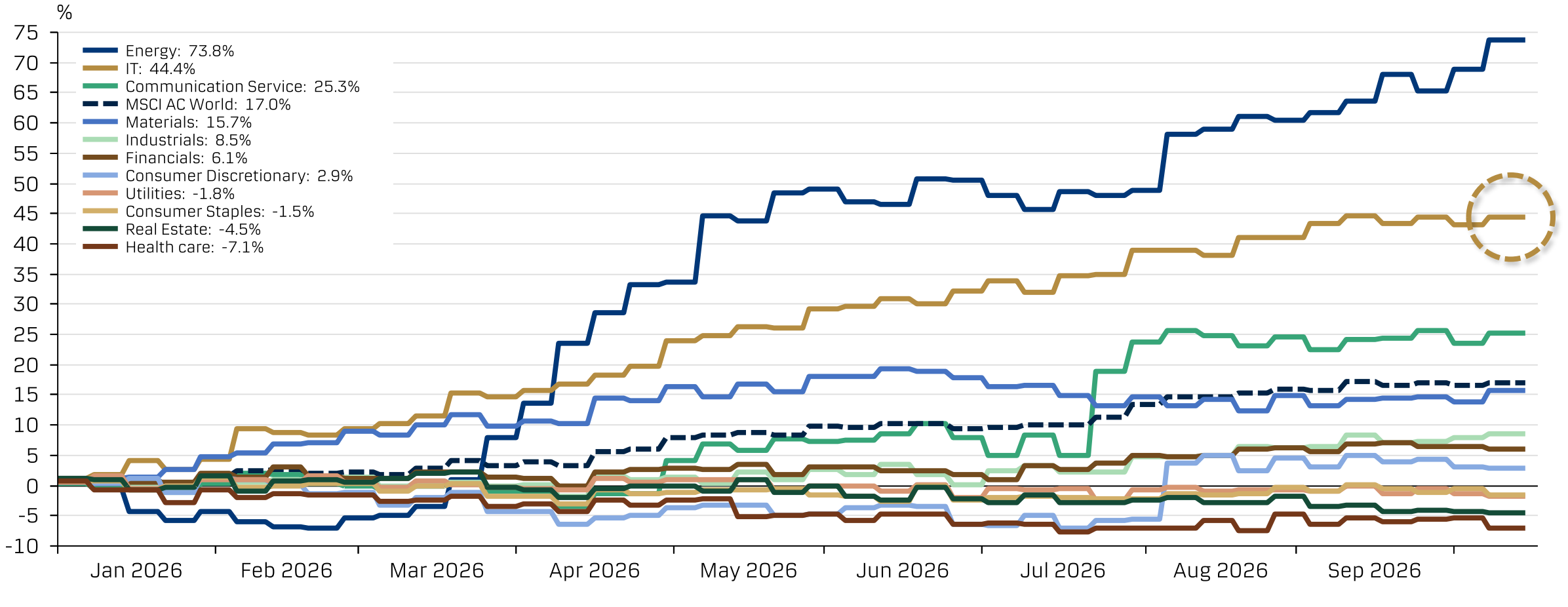
Global IT earnings are expected to nearly double in 2026, while valuation multiples decline sharply towards 2028

	EPS Growth (E)			P/E		
	2026E (%)	2027E (%)	2028E (%)	2026E (x)	2027E (x)	2028E (x)
MSCI ACWI	**37**	**17**	**14**	**19**	**16**	**14**
Industrials	25	15	14	22	19	17
Cons. Disc.	42	8	20	20	19	16
Cons. Stap.	7	8	8	20	18	17
Health Care	4	19	11	20	17	16
Financials	13	9	10	13	12	11
IT	**93**	**45**	**21**	**24**	**17**	**14**
Comm. Serv.	37	-7	16	17	18	16
Utilities	8	9	9	16	15	14
Energy	79	-10	-7	11	12	13
Materials	50	10	7	15	14	13
Real Estate	-7	4	22	16	15	12

Source: I/B/E/S consensus, LSEG Data & Analytics

Earnings: IT's earnings upgrades amount to several years of normal growth

YTD IT earnings estimates have risen more than 40% YTD, equivalent to roughly 4-5 years of normal earnings growth



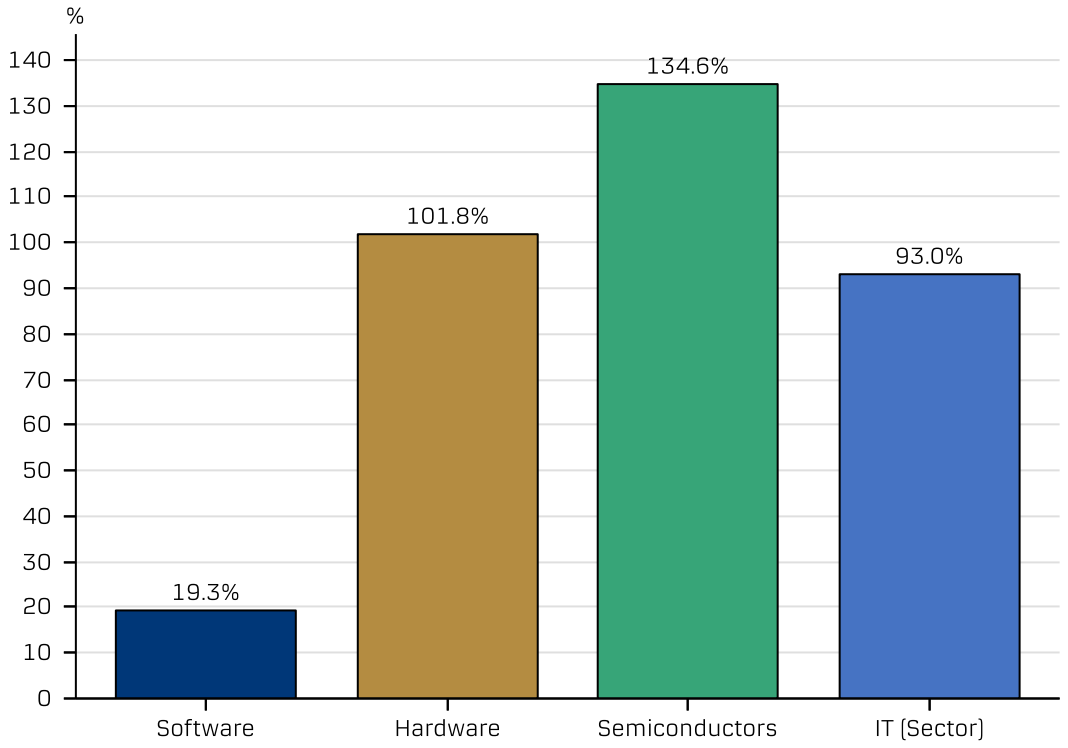
Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

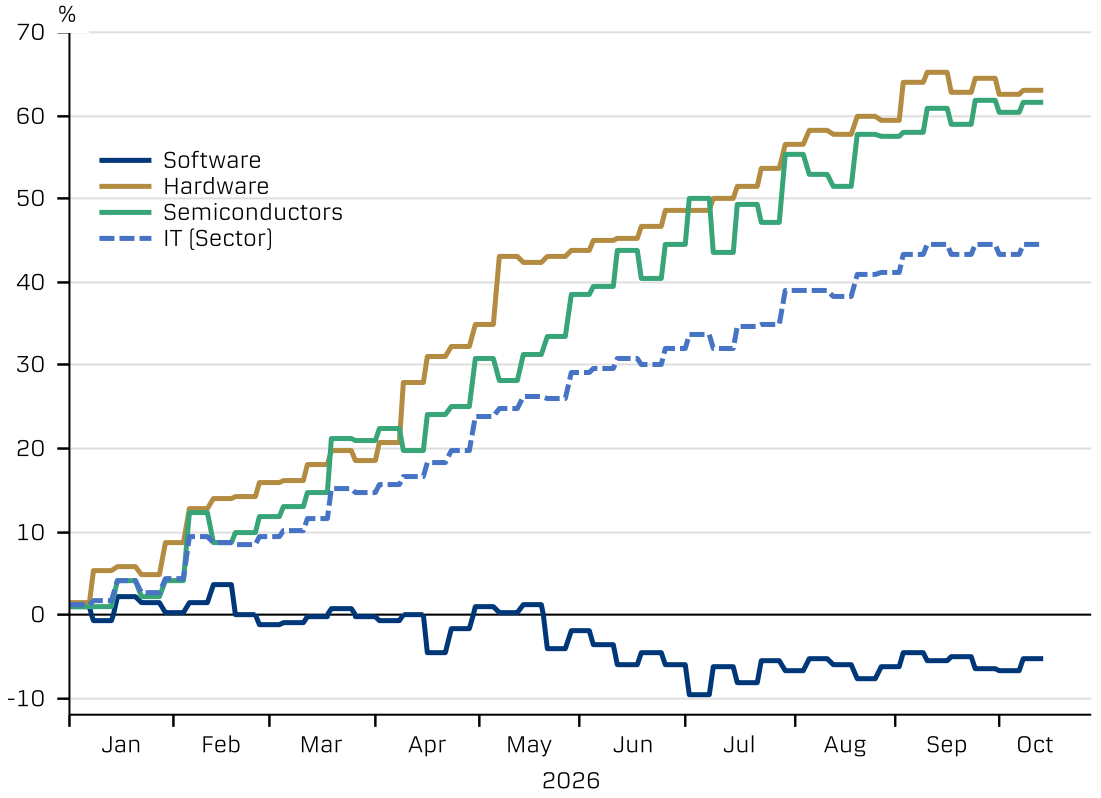
Earnings: Hardware and semiconductors are powering IT earnings

Both industries lead 2026 earnings growth and upgrades, while software remains the clear laggard

Expected 2026 earnings growth by IT industry group



YTD revisions to 2026 earnings estimates by IT industry group



Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

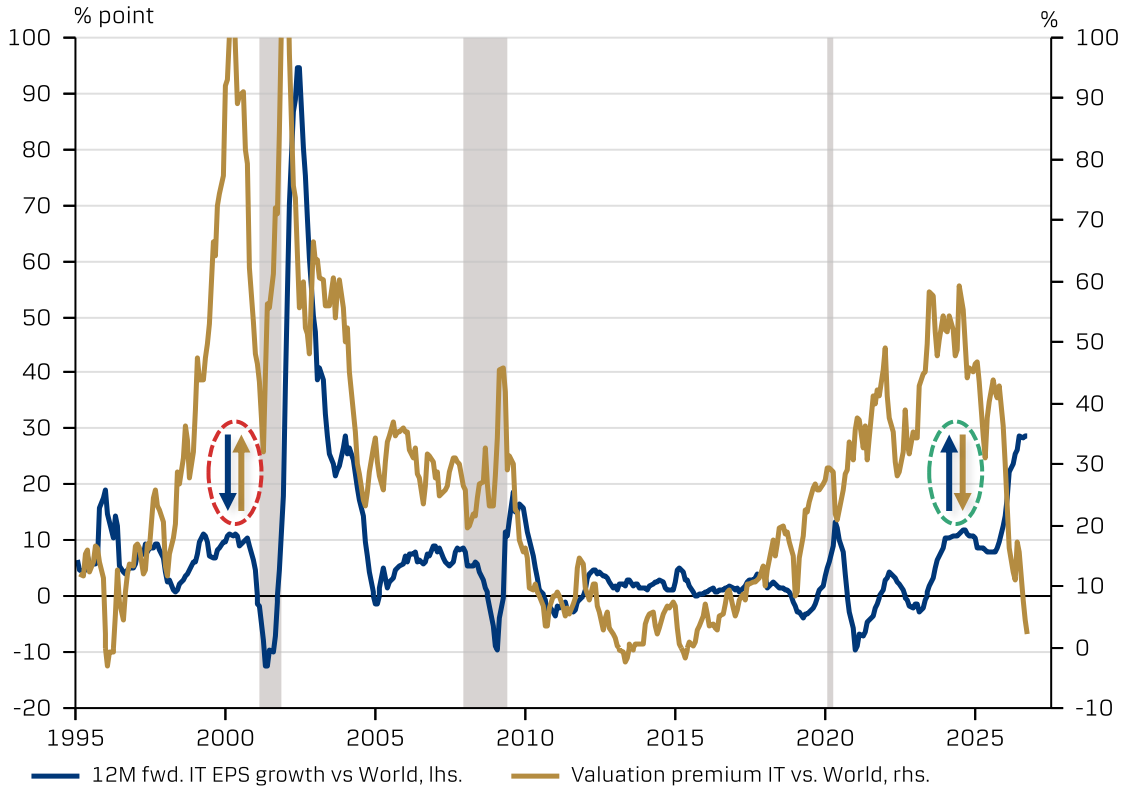
Valuation: Technology's earnings boom is not a valuation bubble

Unlike during the dot-com era, strong relative earnings growth has coincided with multiple compression

IT versus global market P/E



IT relative earnings growth versus valuation premium

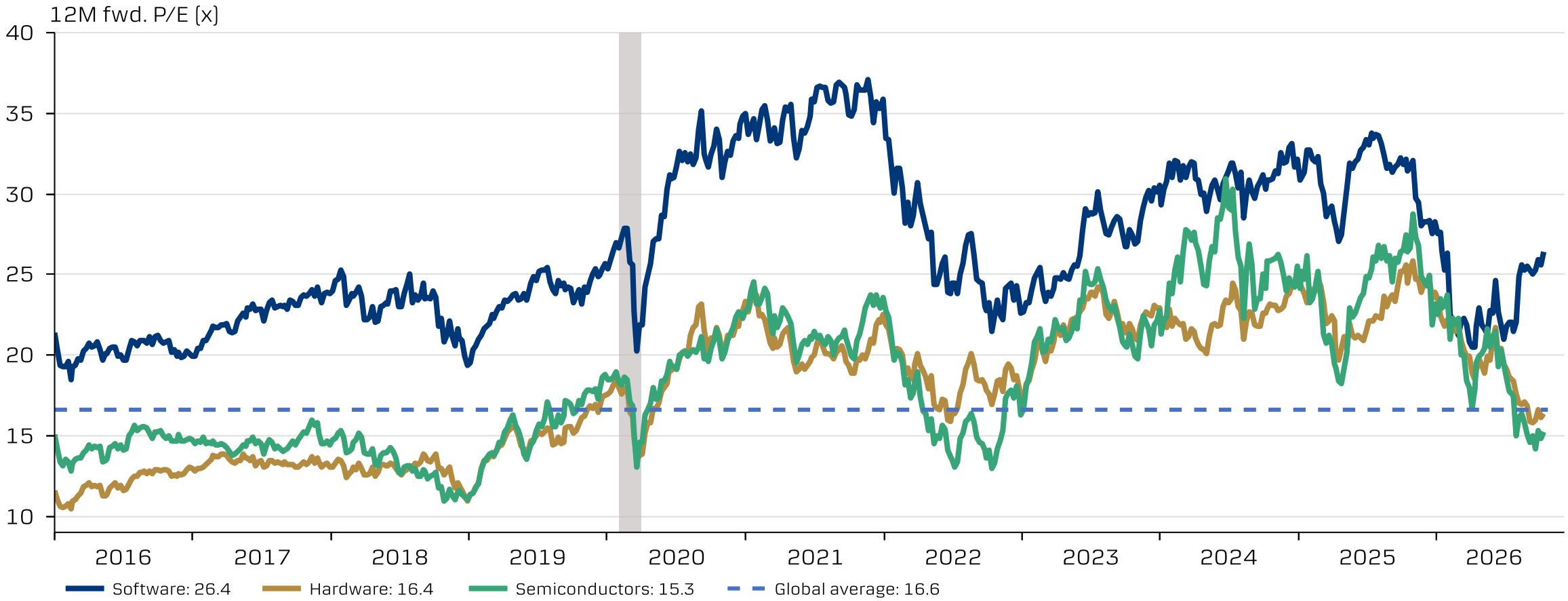


Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

Valuation: Technology valuations are below their post-2010 average

The IT sector currently trades at 17.0x 12M forward earnings, below its 18.5x average since 2010



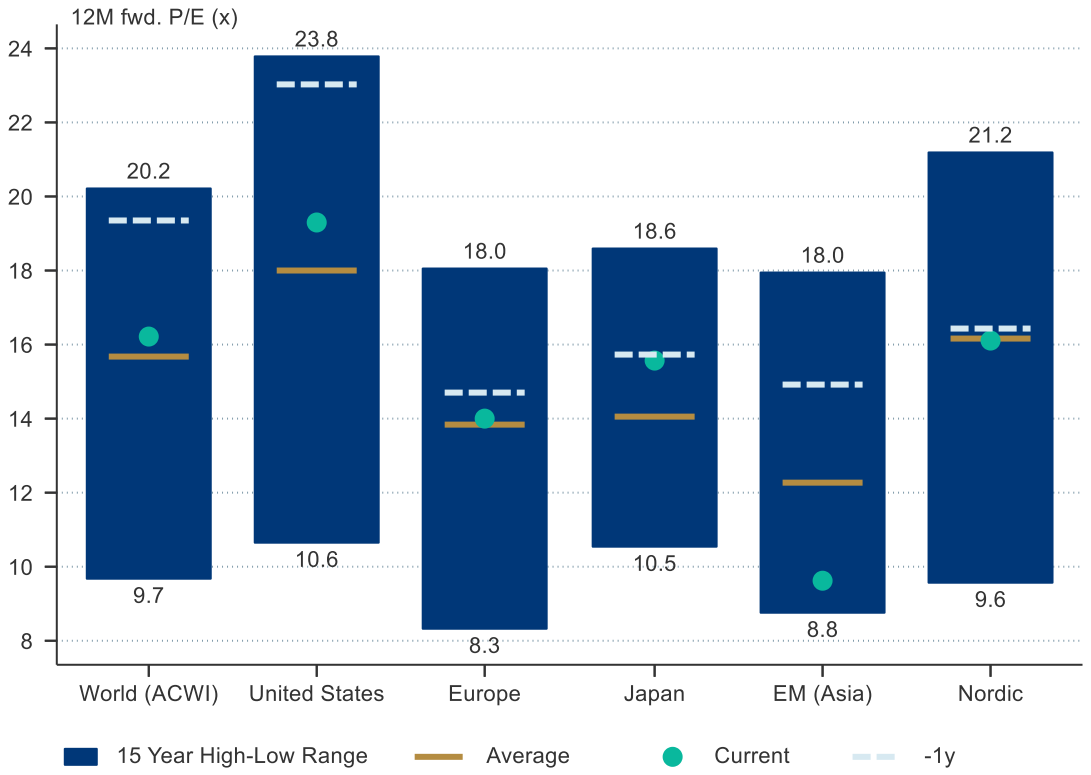
Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

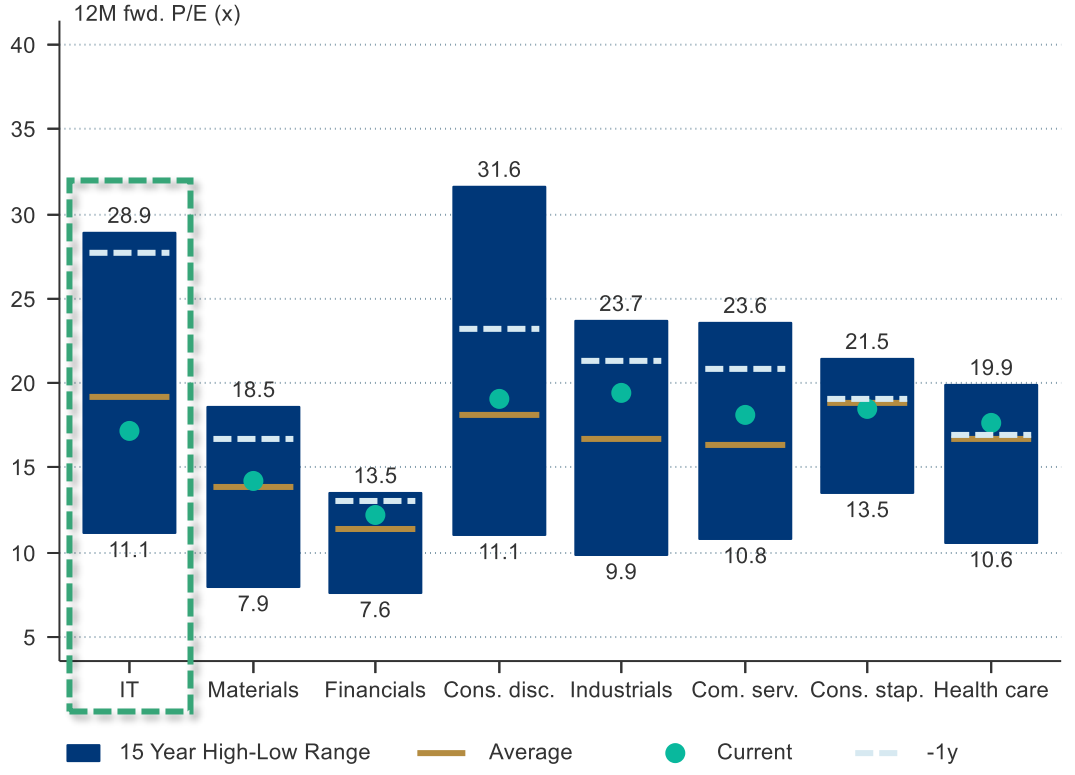
Valuation: The valuation data challenge the "expensive technology" narrative

IT valuations have declined over the past year, alongside significant multiple compression in the US and EM Asia

12M forward P/E across regions: current vs. 15y range



12M forward P/E across sectors: current vs. 15y range



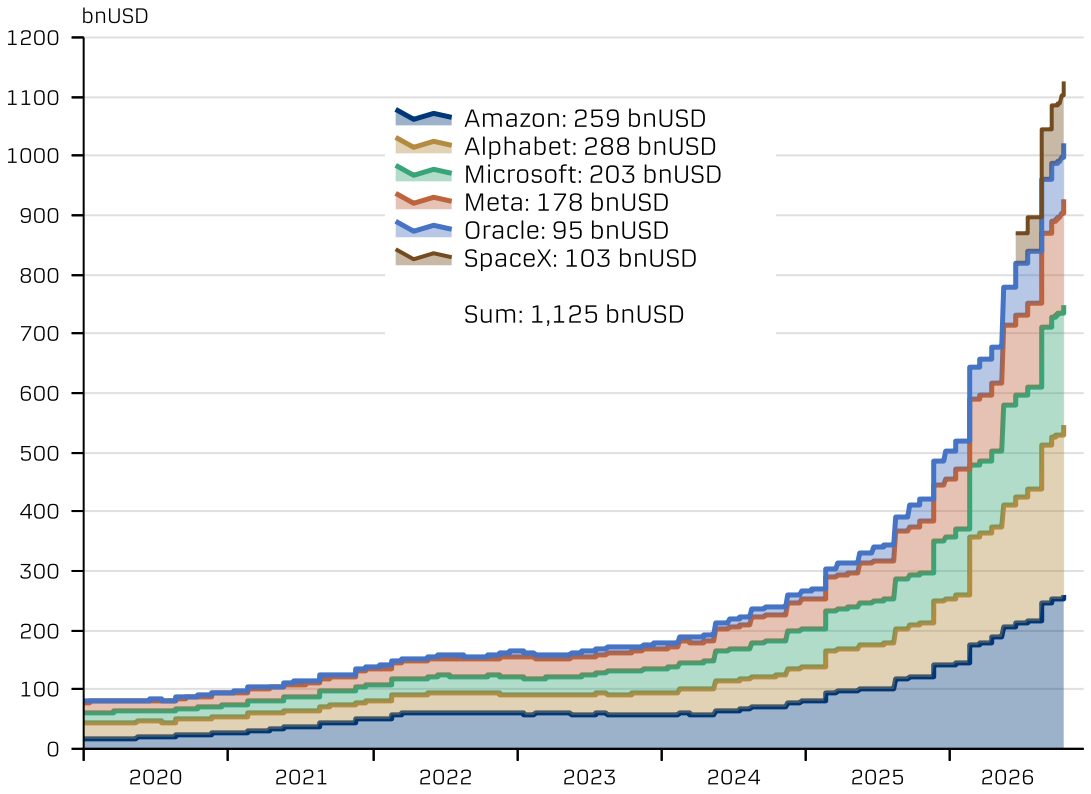
Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

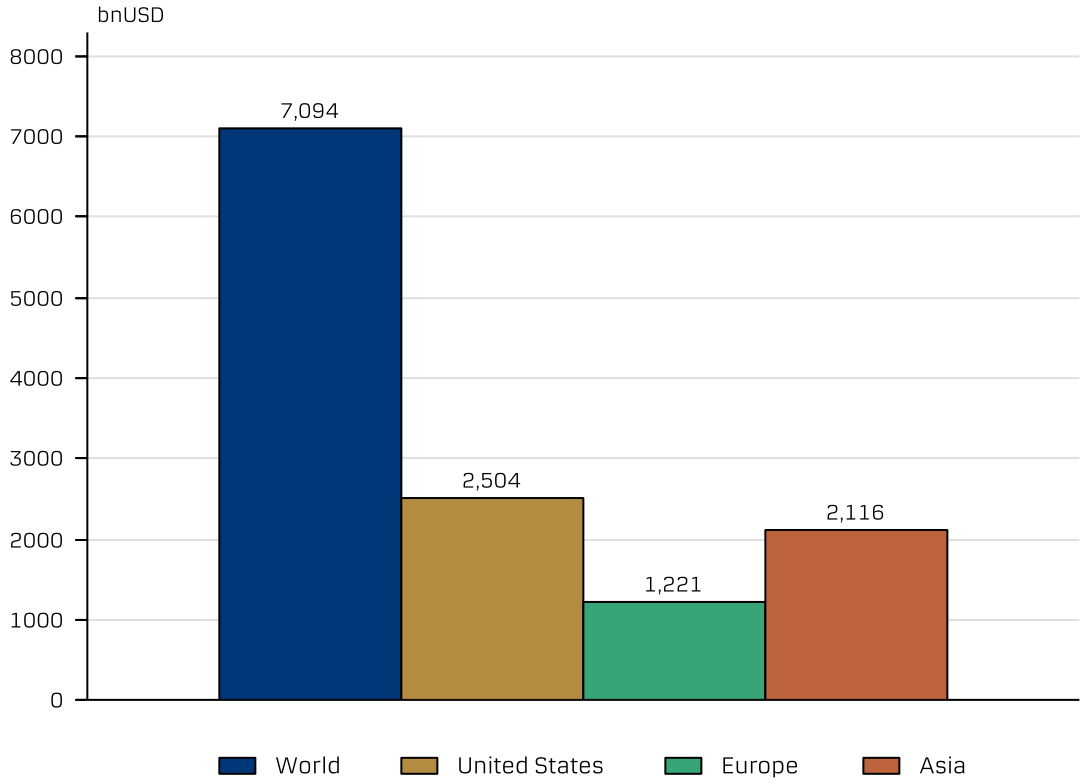
Capex: 6 hyperscalers are set to account for 44% of US equity market

Their combined 12M forward capital expenditures (CAPEX) has reached USD 1.1tn amid the AI buildout

12M forward capex across the six US hyperscalers



12M forward capex across World and regional equity markets

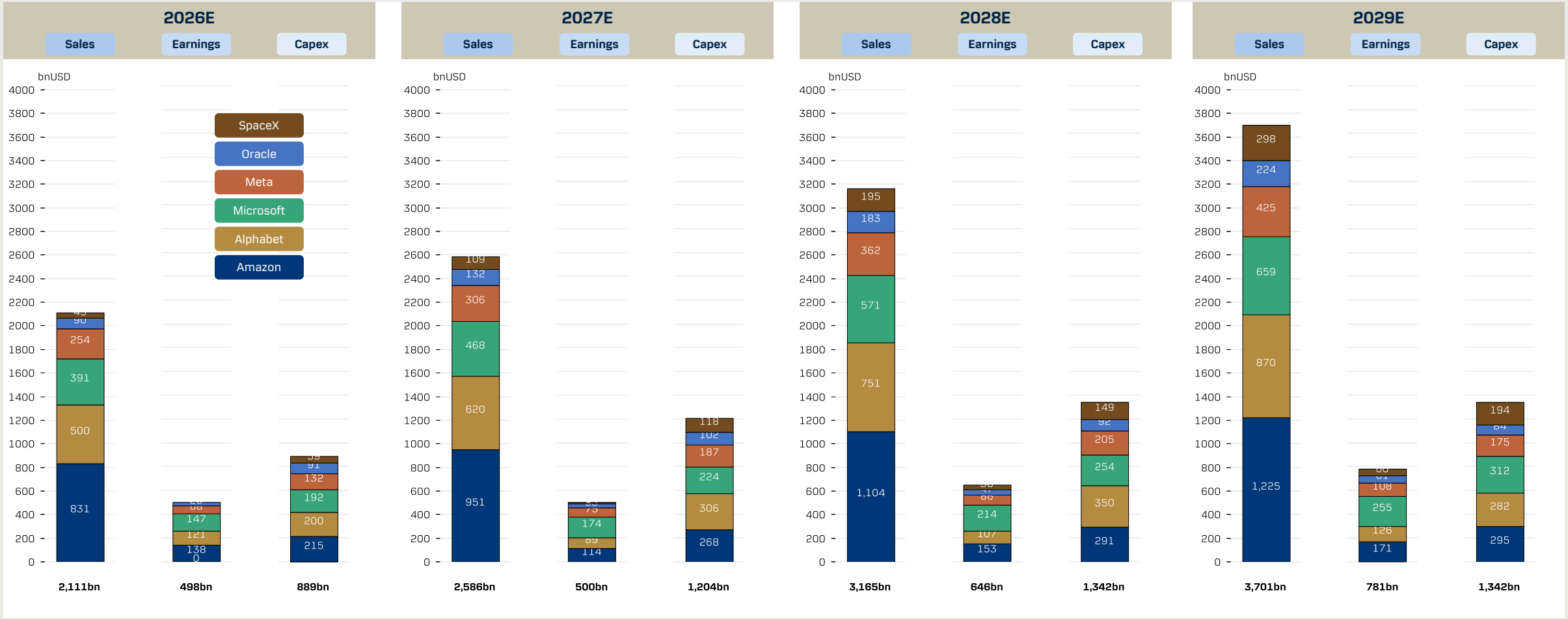


Source: I/B/E/S Consensus, LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

Capex: The AI investment bill is large, but so is the revenue opportunity

By 2029E, hyperscaler capex is projected at roughly 1/3 of sales as the AI buildout scales across the industry



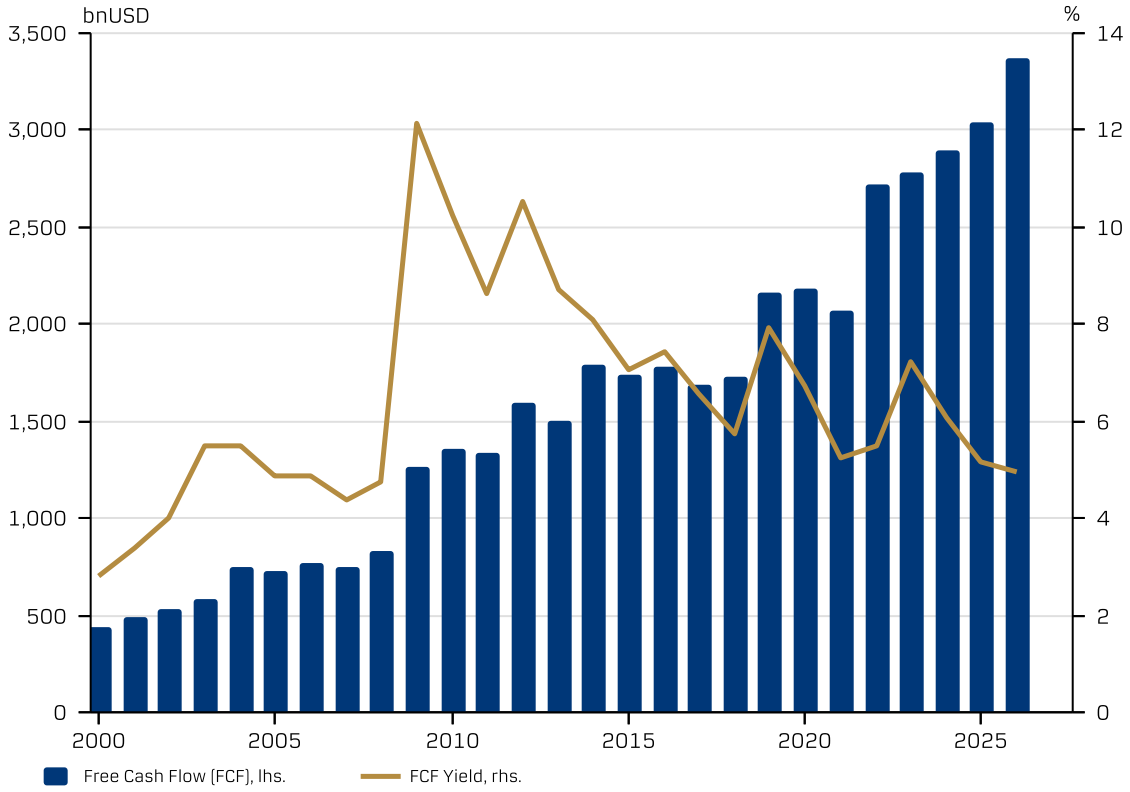
Source: I/B/E/S Consensus, LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

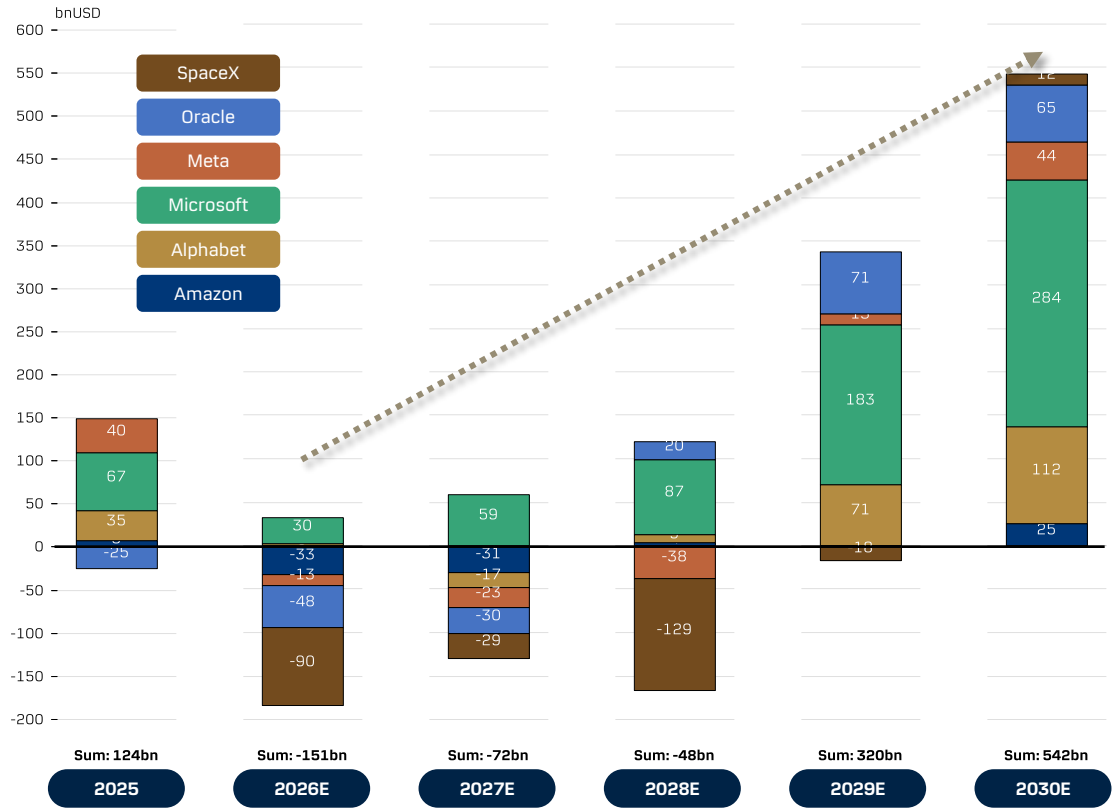
Cash flows: The AI buildout is putting hyperscaler cash generation to the test

Record AI investment is squeezing hyperscaler FCF today, but consensus expects a sharp recovery towards 2030

Free cash flow generation across the total US equity market



Hyperscaler FCF shifts from negative in 2026E to strongly positive by 2030E



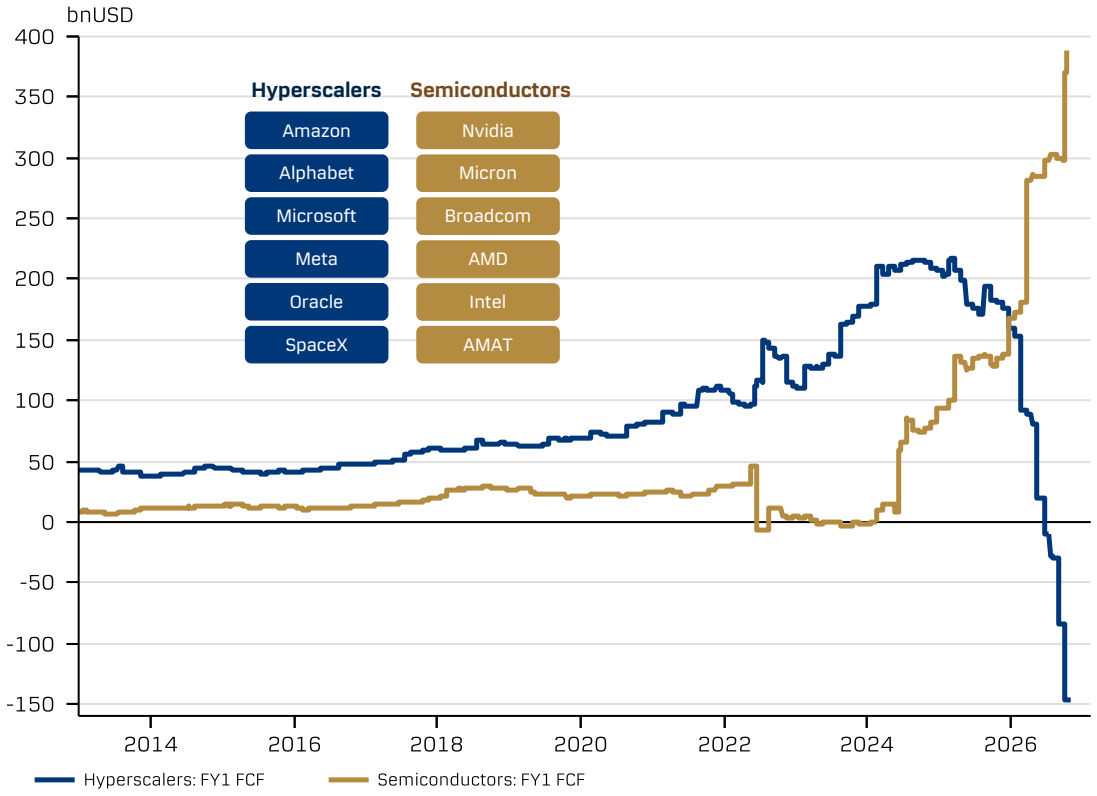
Source: I/B/E/S Consensus, LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

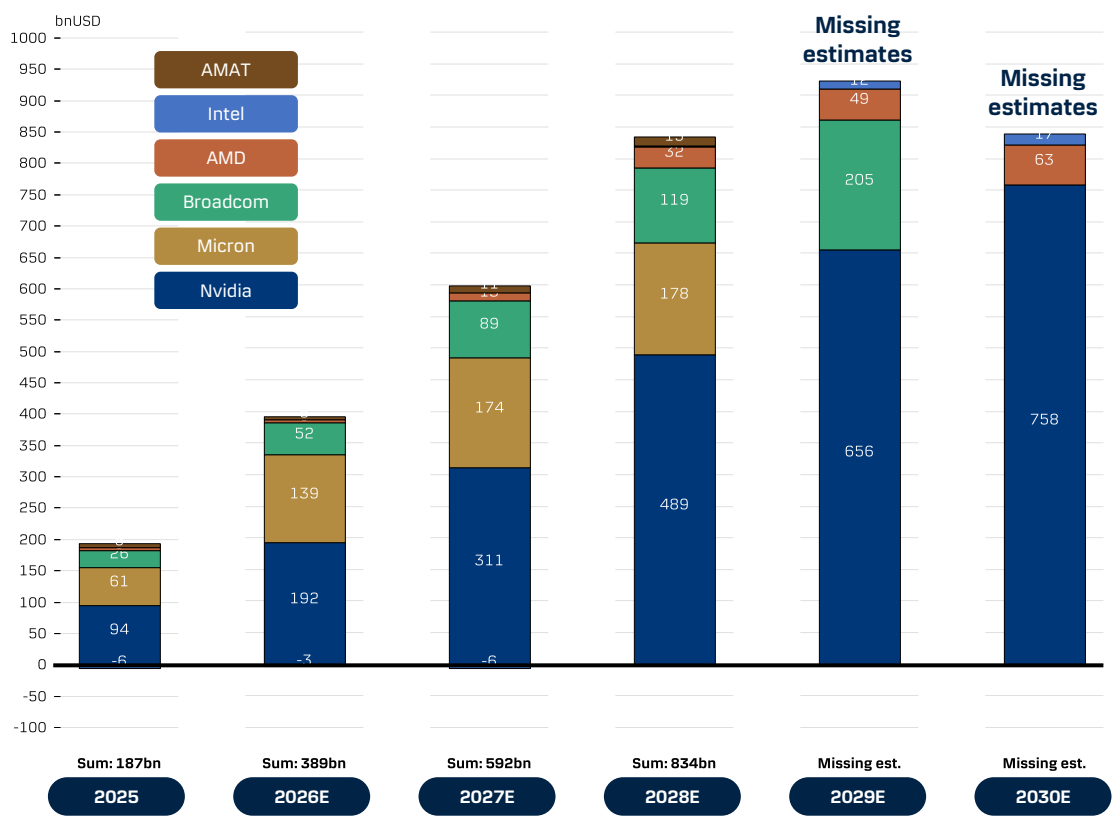
Cash flows: What hyperscalers lose, semiconductors gain

The AI investment cycle is temporarily shifting cash generation from hyperscalers to semiconductor suppliers

Cash flows shift from hyperscalers to semiconductors



Semiconductor FCF continues to scale with the AI buildout



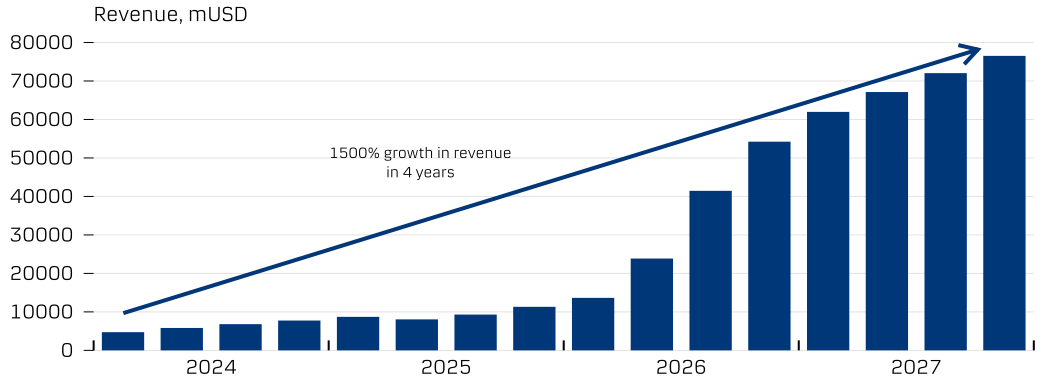
Source: I/B/E/S Consensus, LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

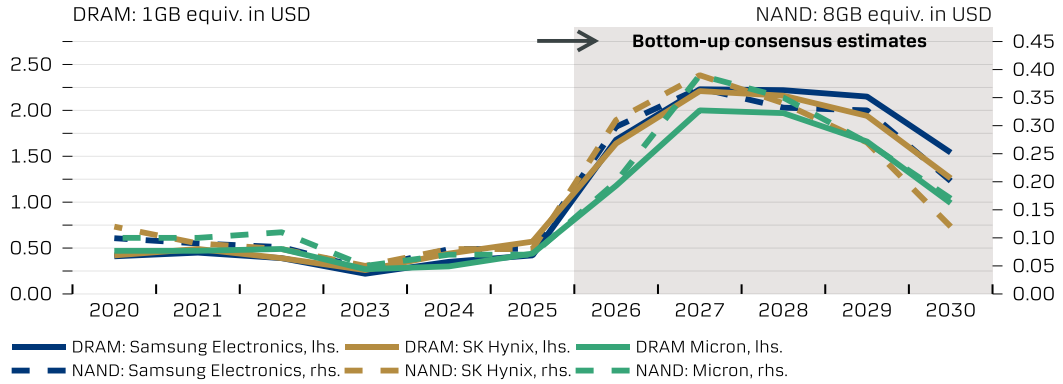
Sales: Semiconductor revenues are entering a pricing-driven boom

Rising memory prices are amplifying the sales cycle, with growth accelerating sharply outside Europe

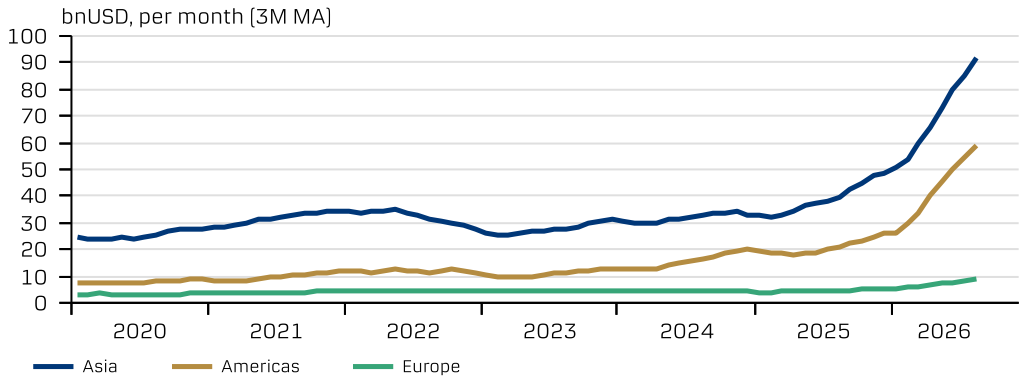
Micron's 1500% revenue growth: ~1/6 driven by volume, ~5/6 by pricing



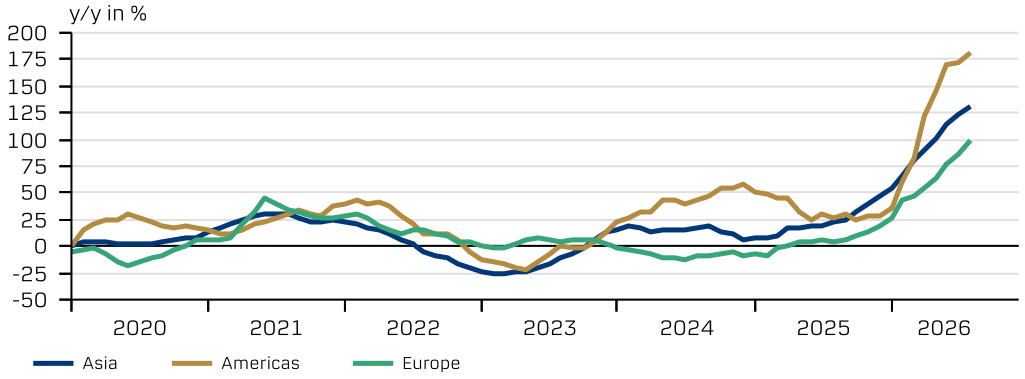
Average selling price (ASP) for the "Big 3" memory giants in 2020 to 2030E



Semiconductor manufacturers sales by region (3M avg.)



Semiconductor manufacturers sales by region (y/y change in 3M avg.)



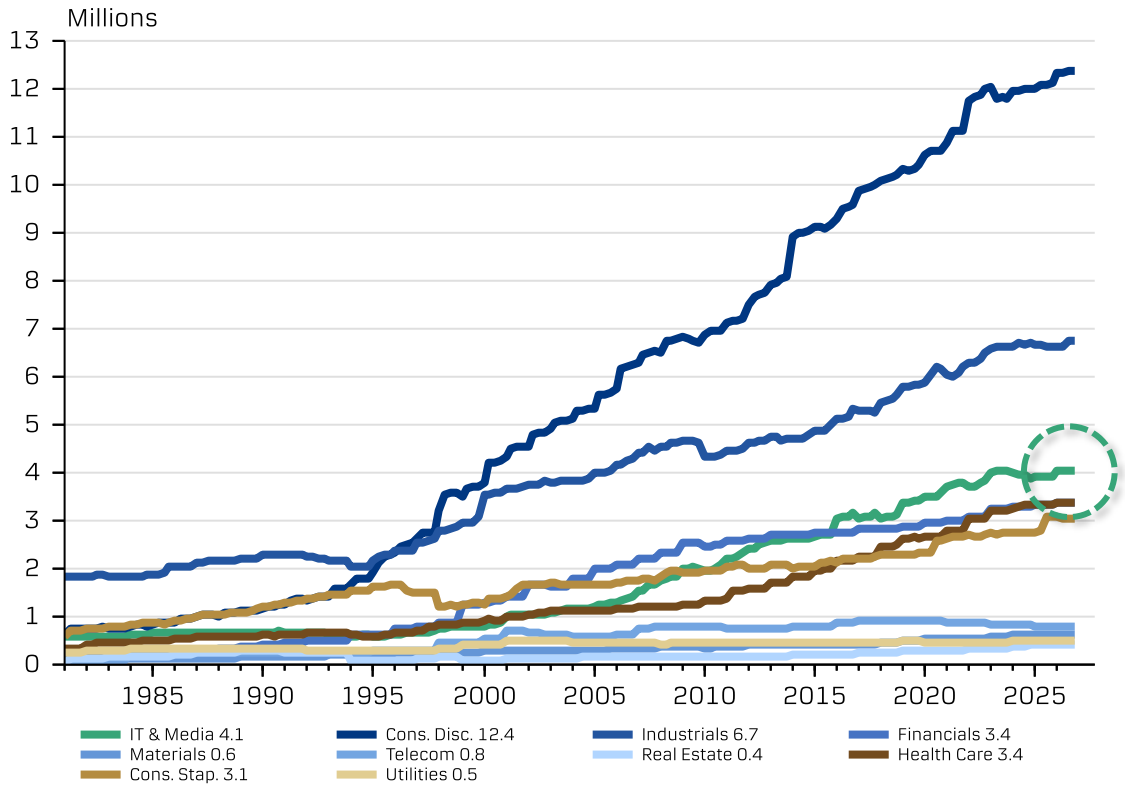
Source: Visible Alpha Consensus, LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

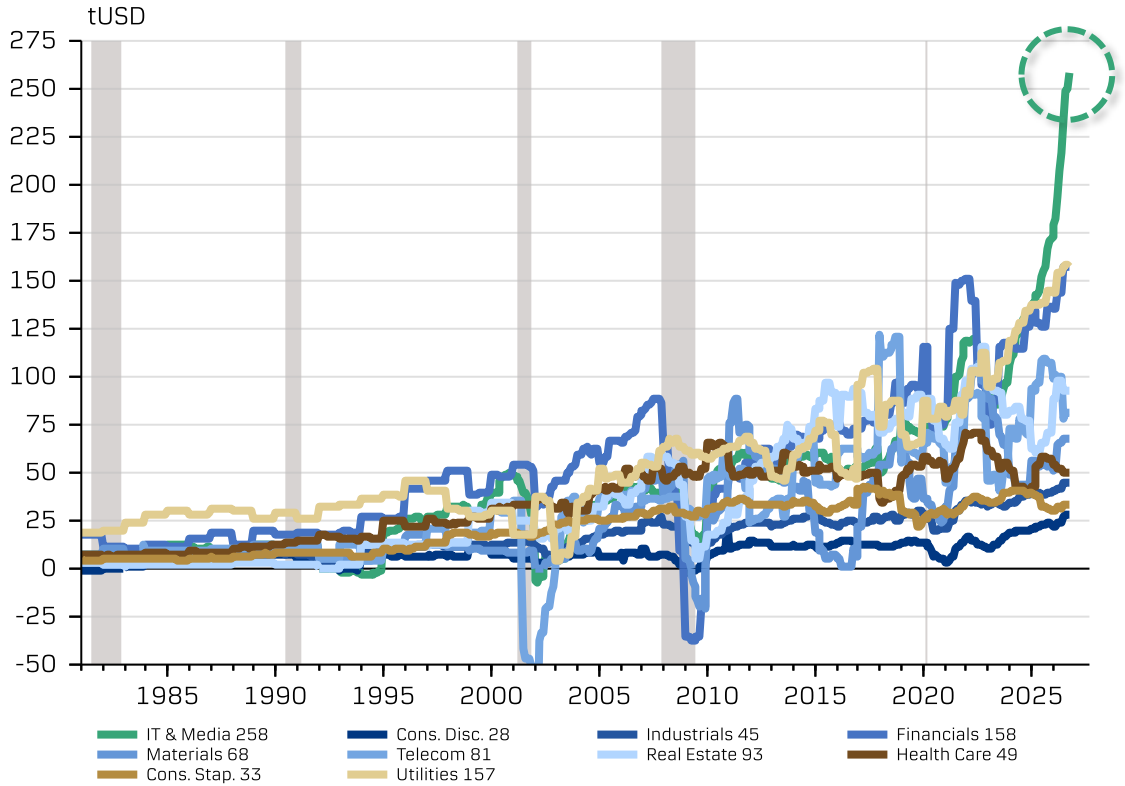
Employees: AI is redefining the economics of technology employment

US-listed IT and media companies employ around 4 million people, while net income per employee has surged to unprecedented levels in the AI era

Employees across US-listed companies by sector



Net income per employee across US-listed companies by sector



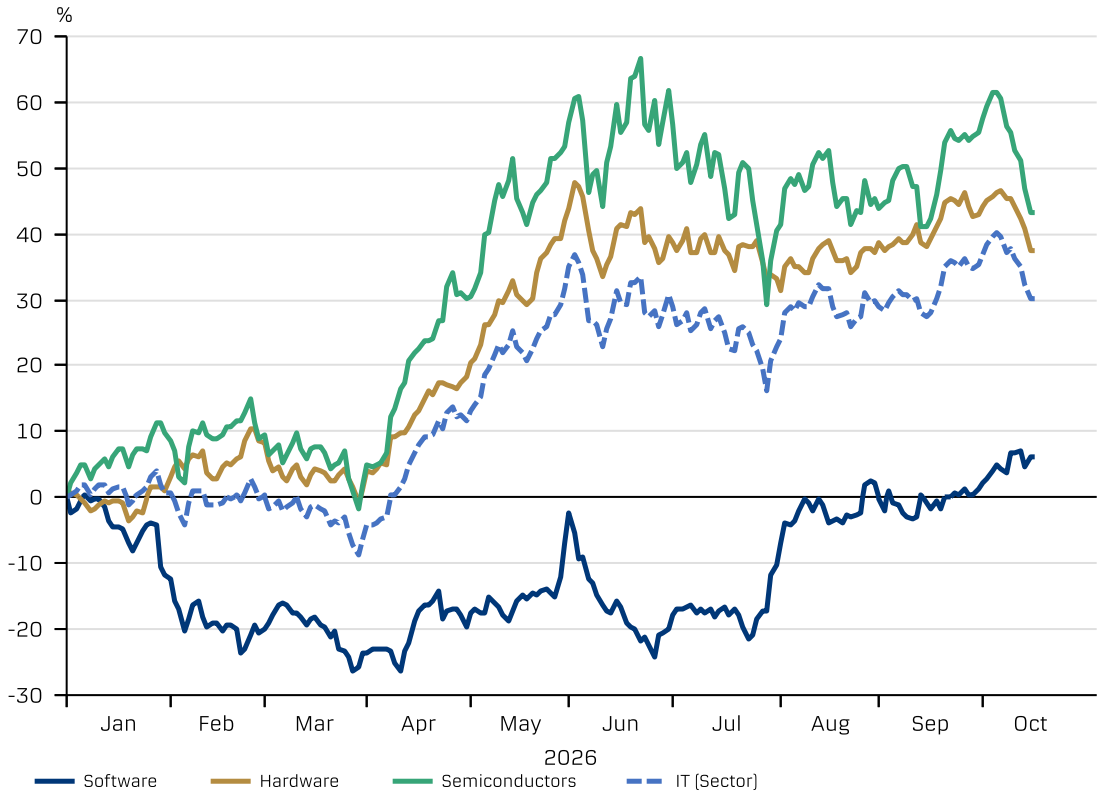
Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

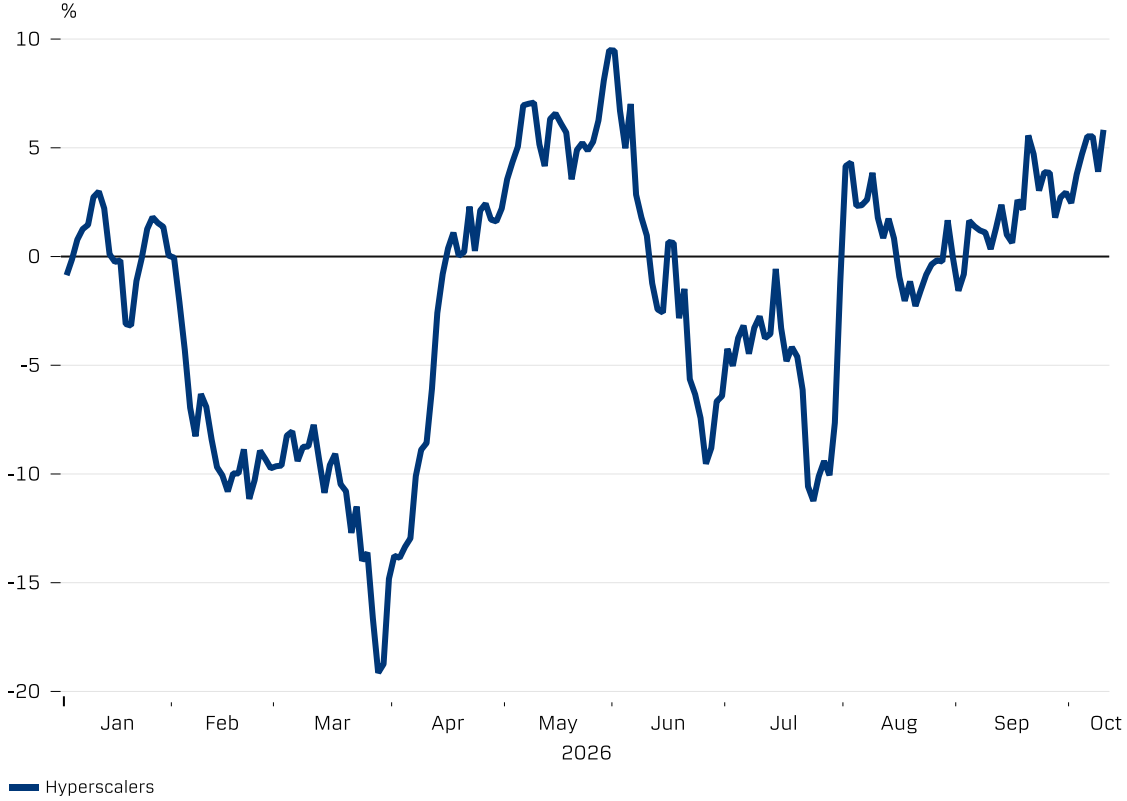
Performance: Semiconductors and hardware are driving technology's rally

Global IT performance has diverged sharply YTD

Global technology performance by industry group YTD



Hyperscaler equity performance YTD



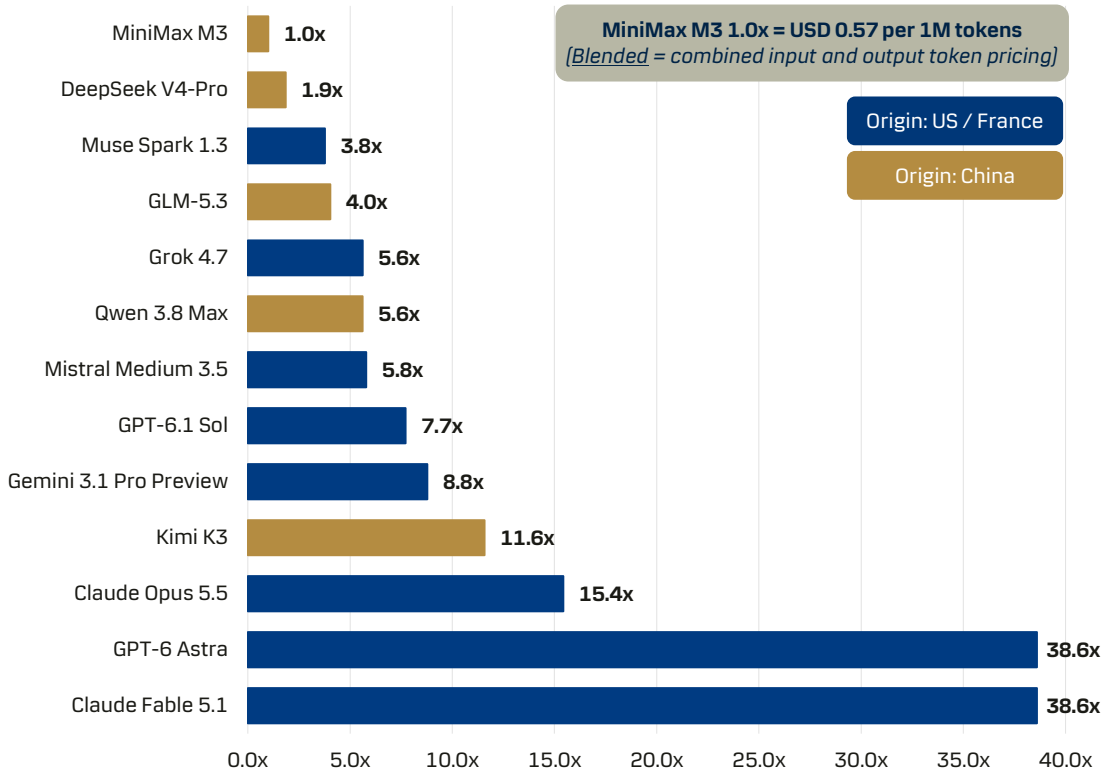
Source: Bloomberg, Macrobond, LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

China competition: China is resetting the price of frontier AI

Chinese frontier models are generally cheaper than Western peers, intensifying price competition as token costs move lower again

Frontier model blended price vs. China's cheapest model



Token prices have fallen again following new Chinese model releases

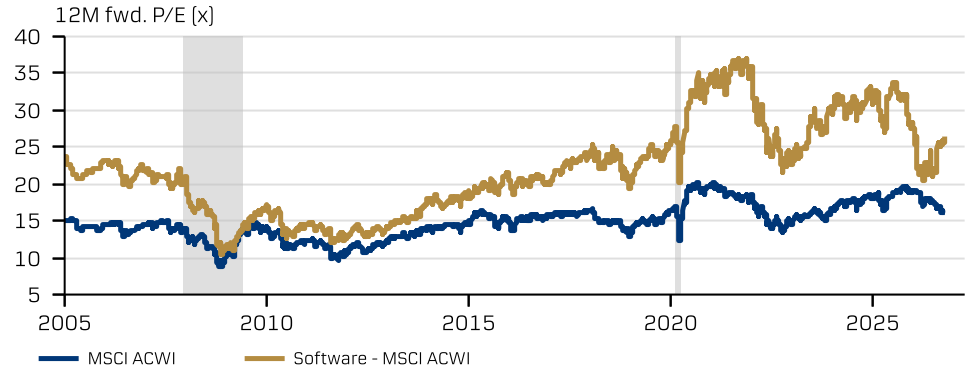


Source: MiniMax, DeepSeek, Meta, Z.ai, xAI, Alibaba, Mistral, OpenAI, Google AI, Moonshot AI, Anthropic, Bloomberg, Macrobond
Note: Past performance is not a reliable indicator of current or future results

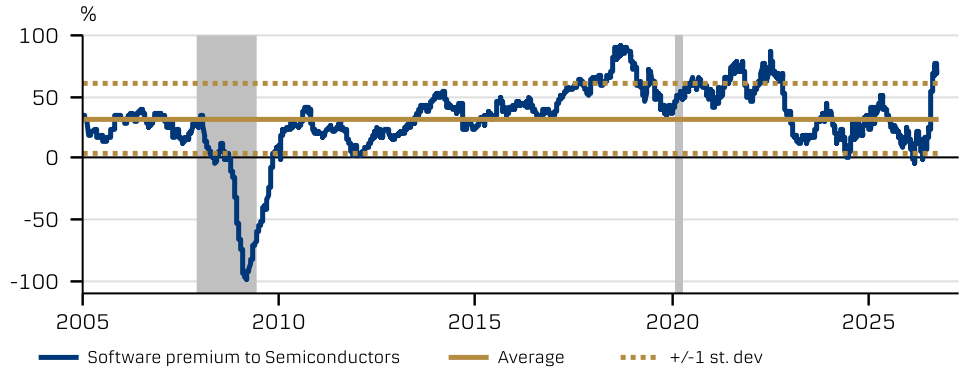
The Editorial: "*When tech disrupts tech*" has entered a new chapter

After collapsing in late 2025, software's valuation premium has rebounded

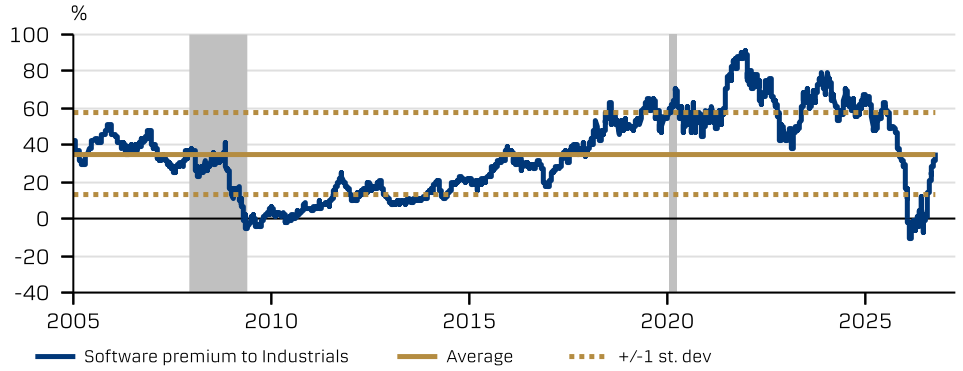
Global valuation vs. Software



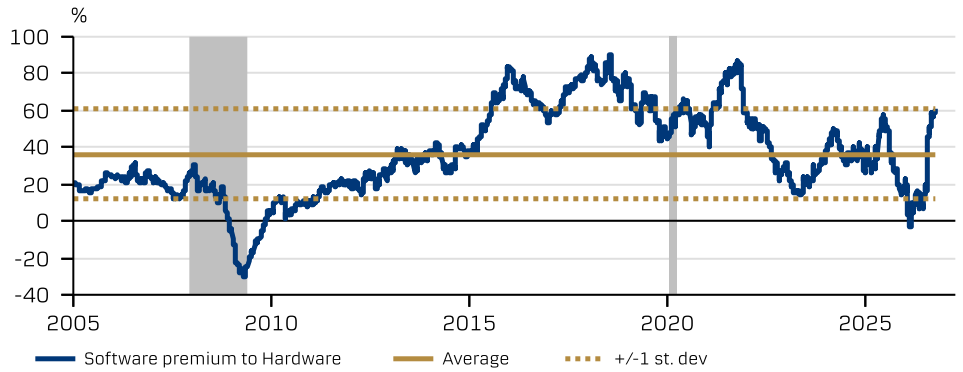
Relative valuation between Software and Semiconductors



Relative valuation between Software and Industrials



Relative valuation between Software and Hardware



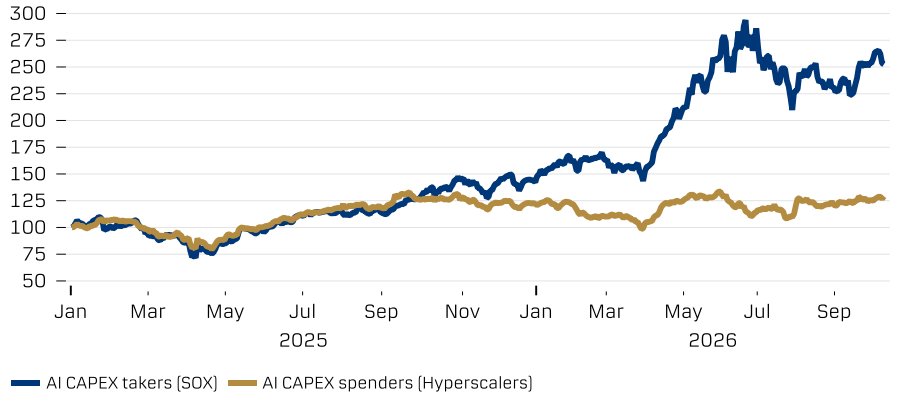
Source: LSEG Data & Analytics

Note: Past performance is not a reliable indicator of current or future results

AI takers continue to outpace the spenders

Equity returns increasingly favour the beneficiaries of AI capex, while token expenditure and Nvidia have weakened

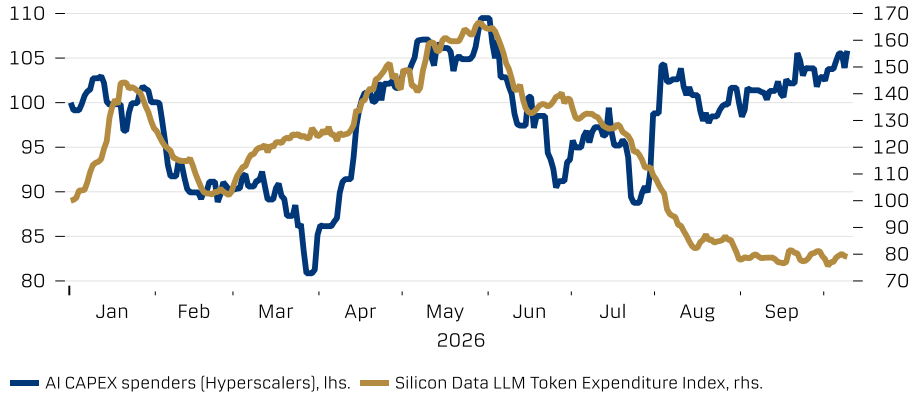
The AI spenders versus takers (2025=100)



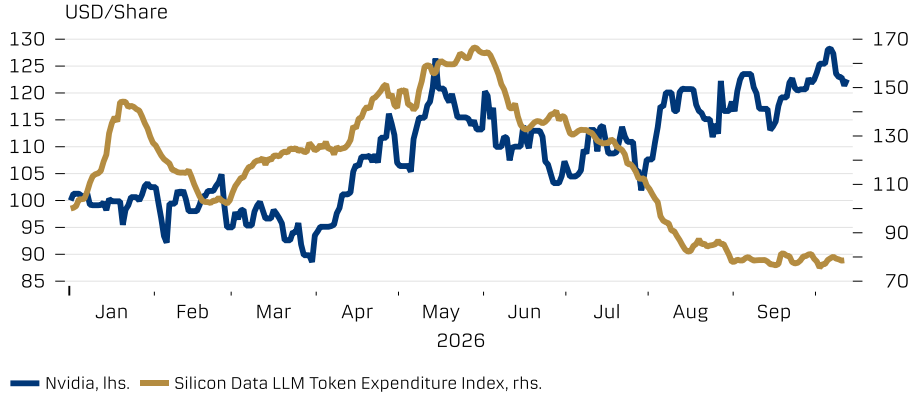
The AI spenders versus takers (2025=100)



Token and Hyperscalers (2026=100)



LLM expenditure and Nvidia



Source: LSEG Data & Analytics

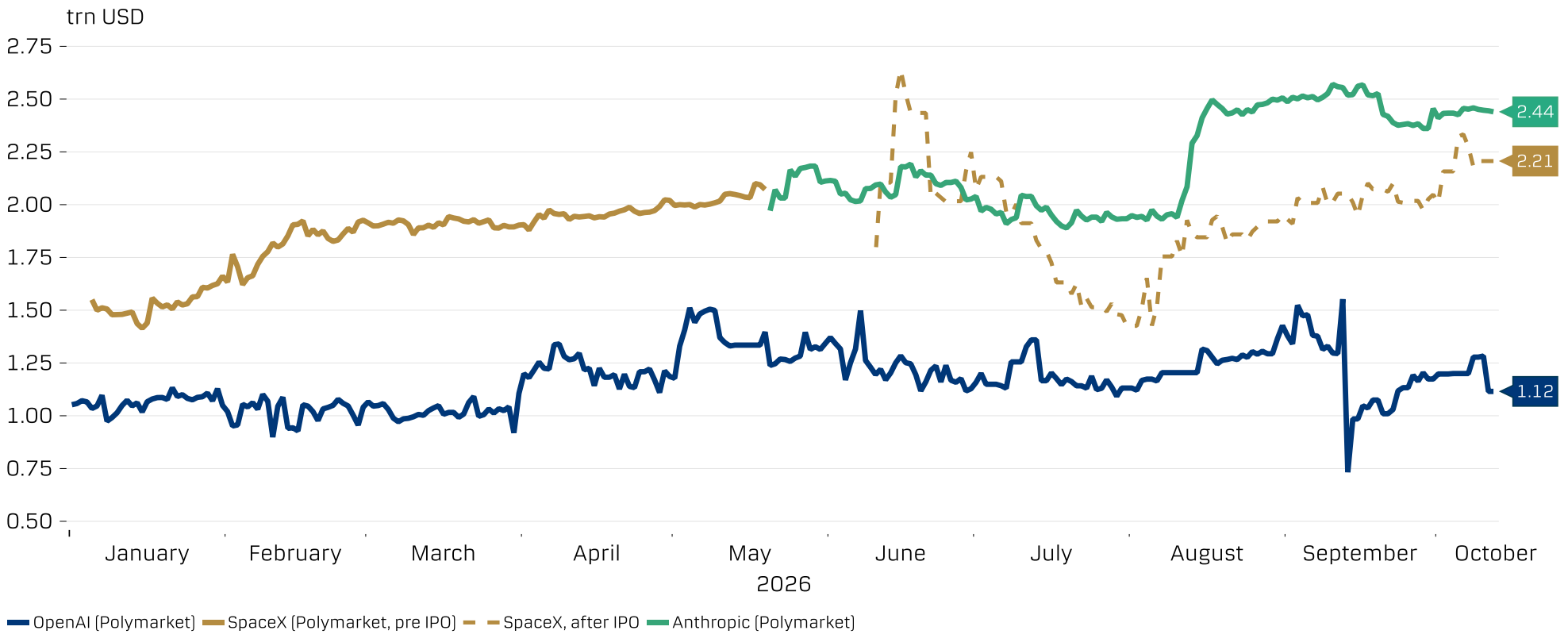
Note: Past performance is not a reliable indicator of current or future results

AI goes public

The 3 mega IPOs in 2026/27

IPOs: Market cap of SpaceX, OpenAI and Anthropic

At time of IPO based on prediction market



Anthropic
~USD 2.0-2.6 trn.
Expected Listing:
Oct 2026 - Jan 2027

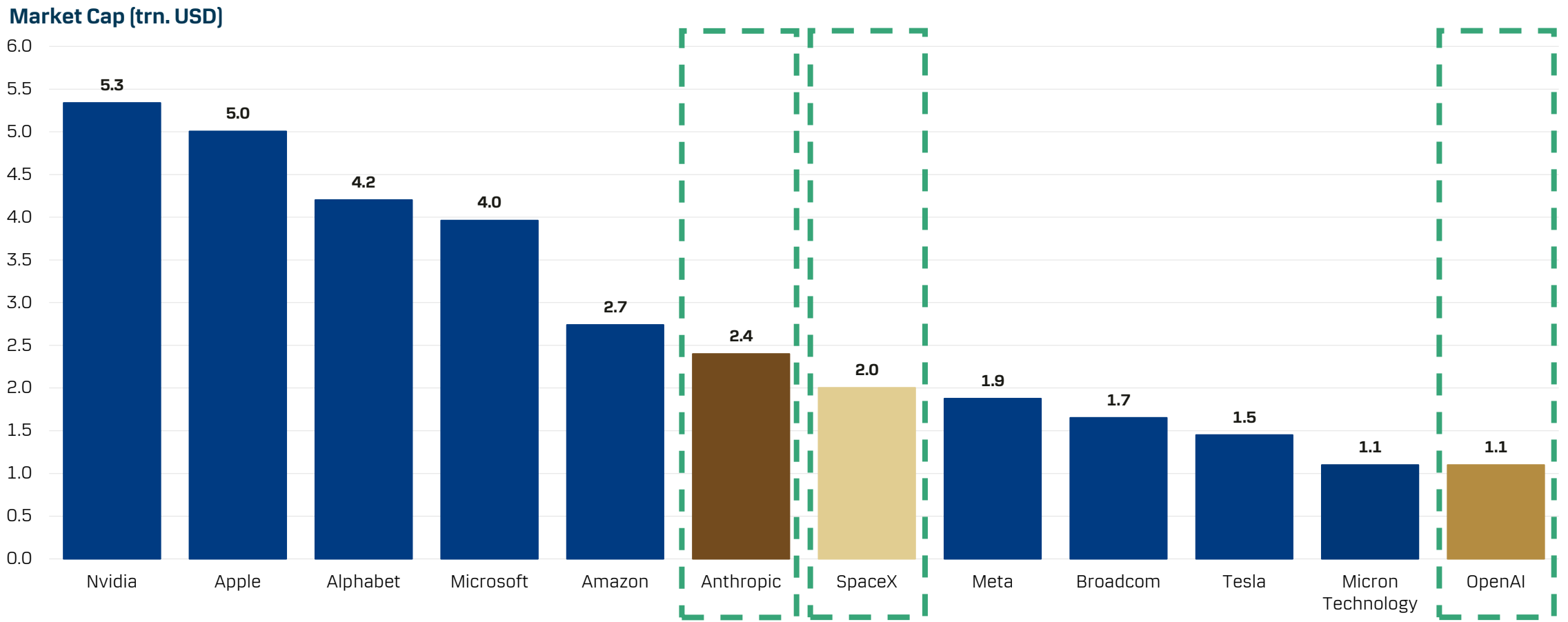
SpaceX
IPO: USD 1.77 trn.
Current market cap:
USD 2.2 trn.

OpenAI
~USD 1.0-1.3 trn.
Expected Listing:
Q1 2027 - Q4 2027

Source: Bloomberg, Polymarket, Macrobond, Danske Bank

IPOs: Market cap of top 10 companies in US (including the 3 new IPOs)

At time of IPO based on prediction market (SpaceX is actual numbers as of today)



Source: Bloomberg, Polymarket, Macrobond, Danske Bank

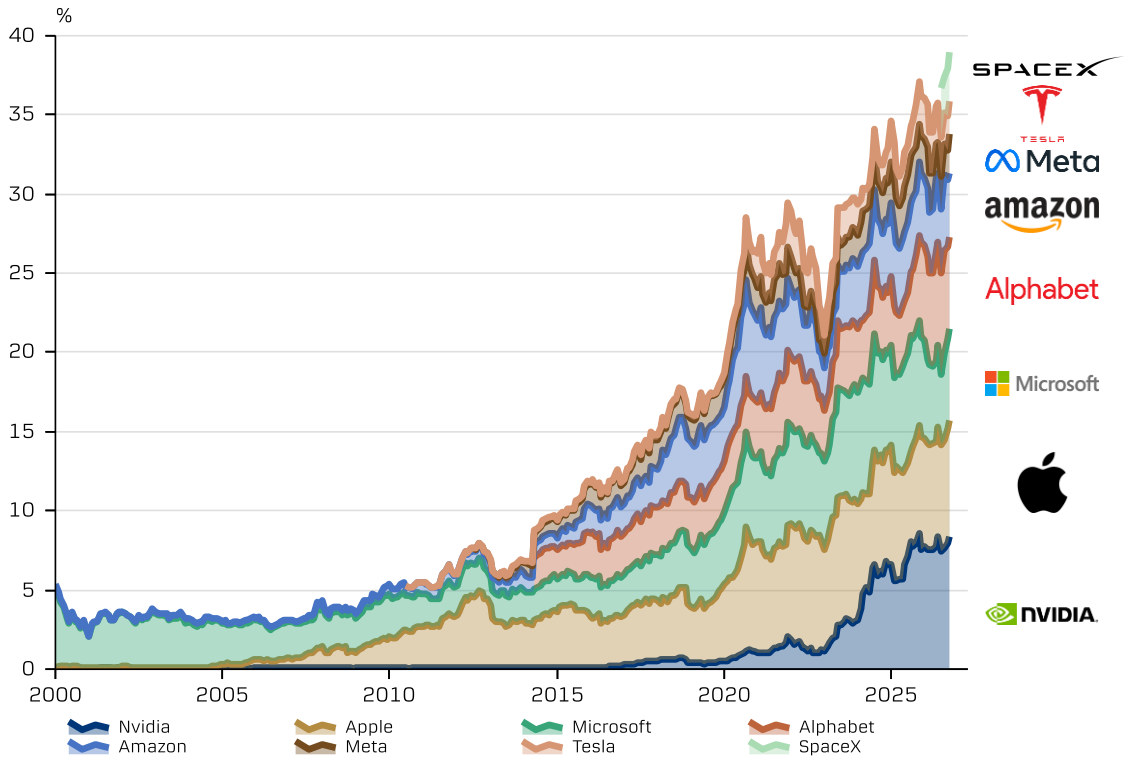
Note: Past performance is not a reliable indicator of current or future results

IPOs: From Mag 7 to "*Mag 10*"?

The next wave of market concentration

Market cap share as of total S&P 500*

(c. 67 trn USD in total market cap)



Market cap weights (%) in S&P 500

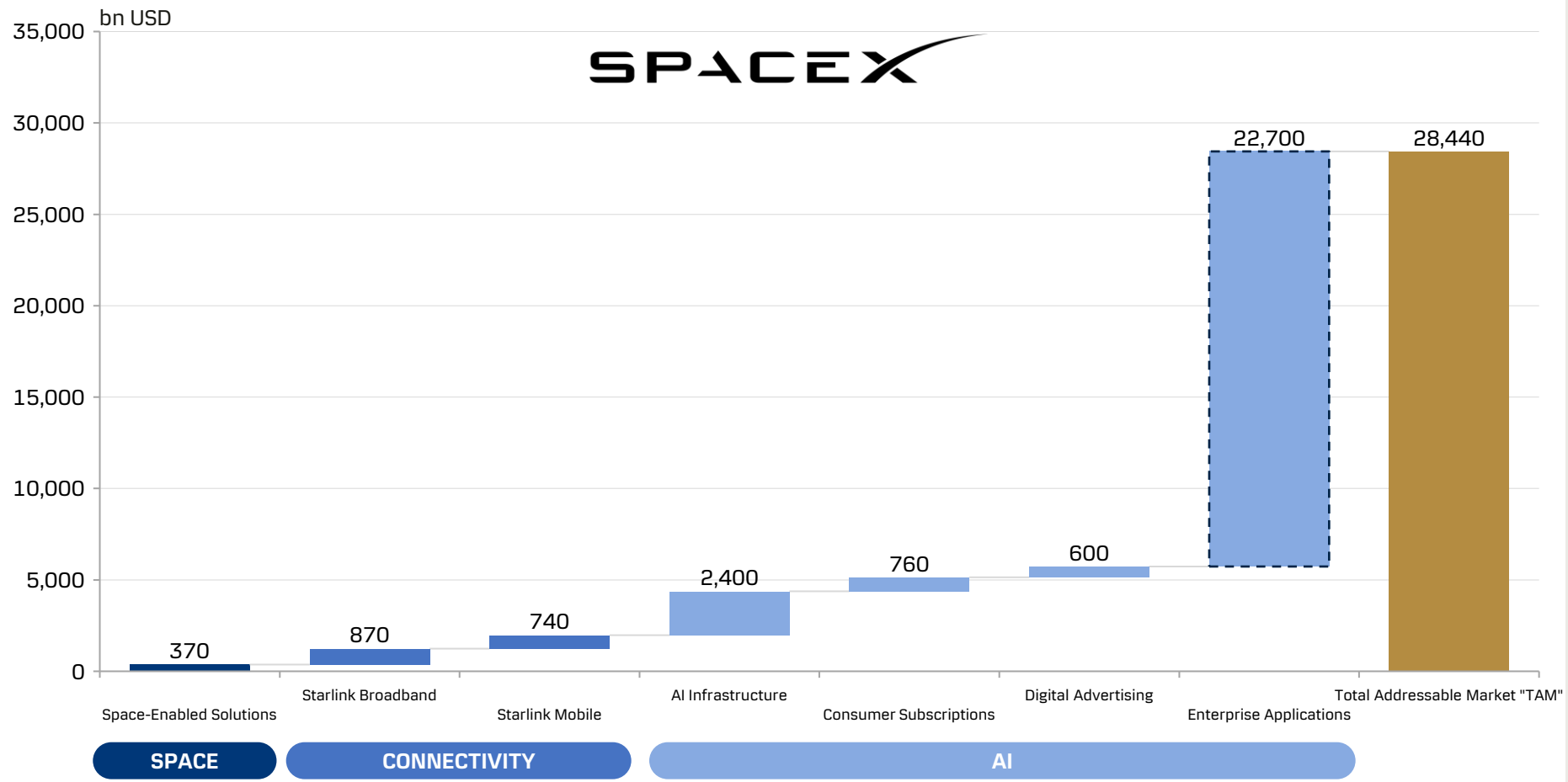
Company	Mag 7 weight (%)	"Mag 10" weight (%)
Nvidia	8.2	6.8
Apple	7.3	6.0
Microsoft	5.9	4.0
Alphabet (A+C)	5.9	5.7
Amazon	4.2	3.7
Meta	2.4	1.7
Tesla	2.3	2.2
SpaceX	**-**	**3.0**
Anthropic	**-**	**3.2**
OpenAI	**-**	**1.6**
	Sum: 36.2%	**Sum: 40.7%**

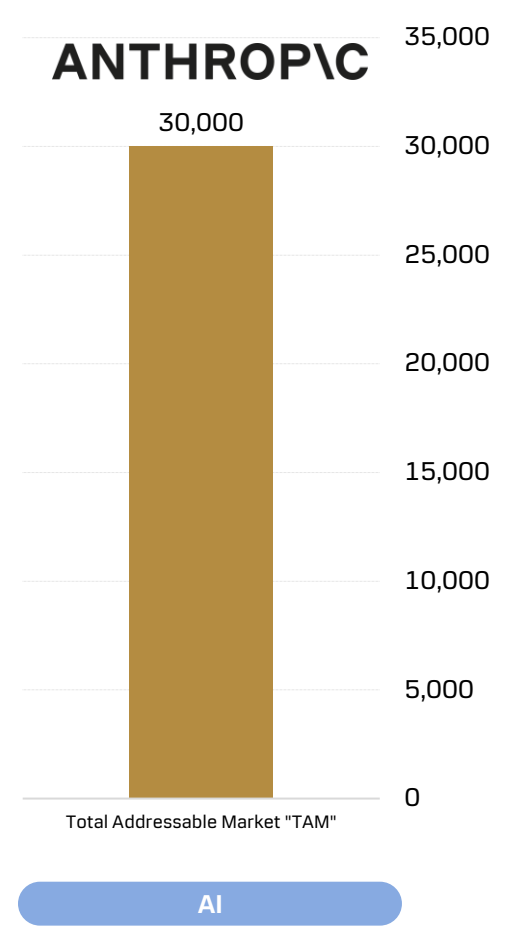
Source: LSEG Data & Analytics, Macrobond, Danske Bank

**Note: SpaceX is not yet included in S&P 500 index – due to the index inclusion rules. Past performance is not a reliable indicator of current or future results*

IPOs: SpaceX & Anthropic's estimated Total Addressable Market ("TAM")

The largest actionable "TAM's" in human history ~ *95% of the 2025 US GDP*

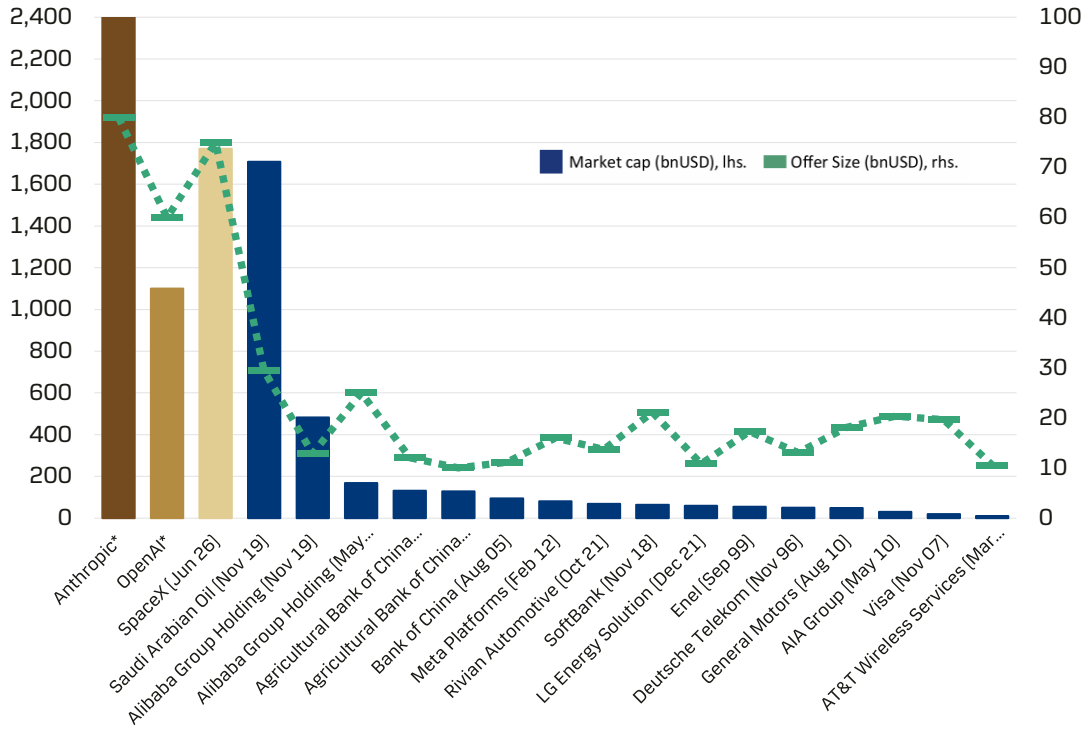




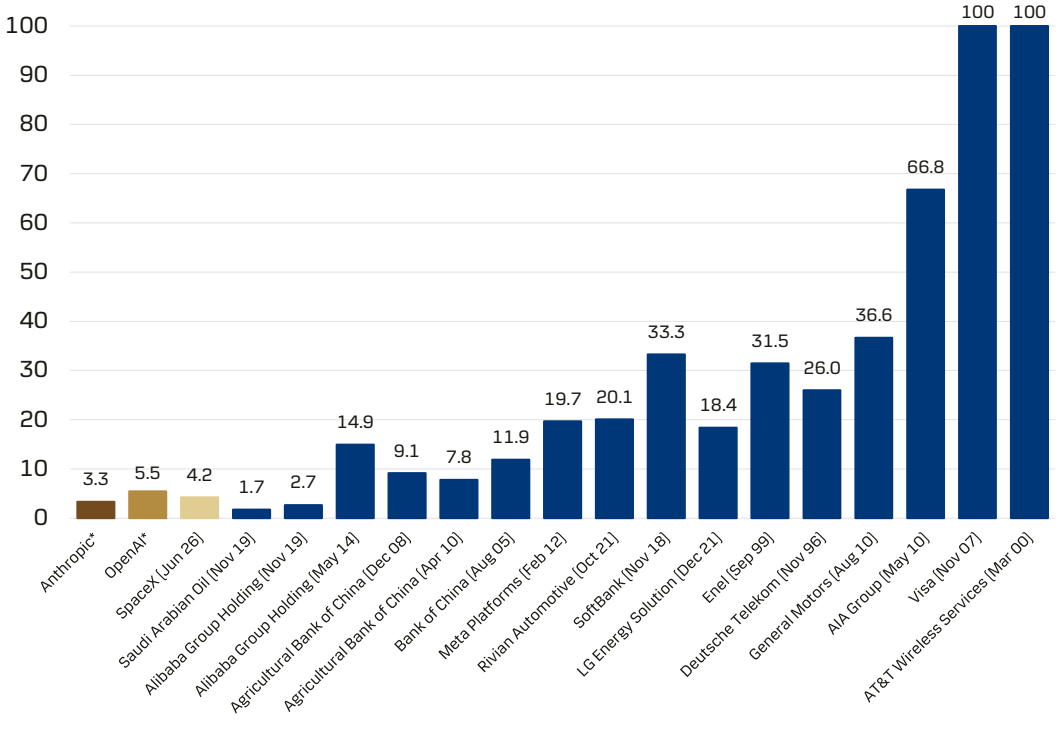
Source: SpaceX's SEC Filing (form S-1) , Danske Bank

IPOs: A look at the history books

Market cap & offer size at IPOs



Total free float (in %)



Source: Bloomberg, Polymarket, Danske Bank

**Note: The figures for Anthropic & OpenAI IPOs are estimated. Past performance is not a reliable indicator of current or future results*

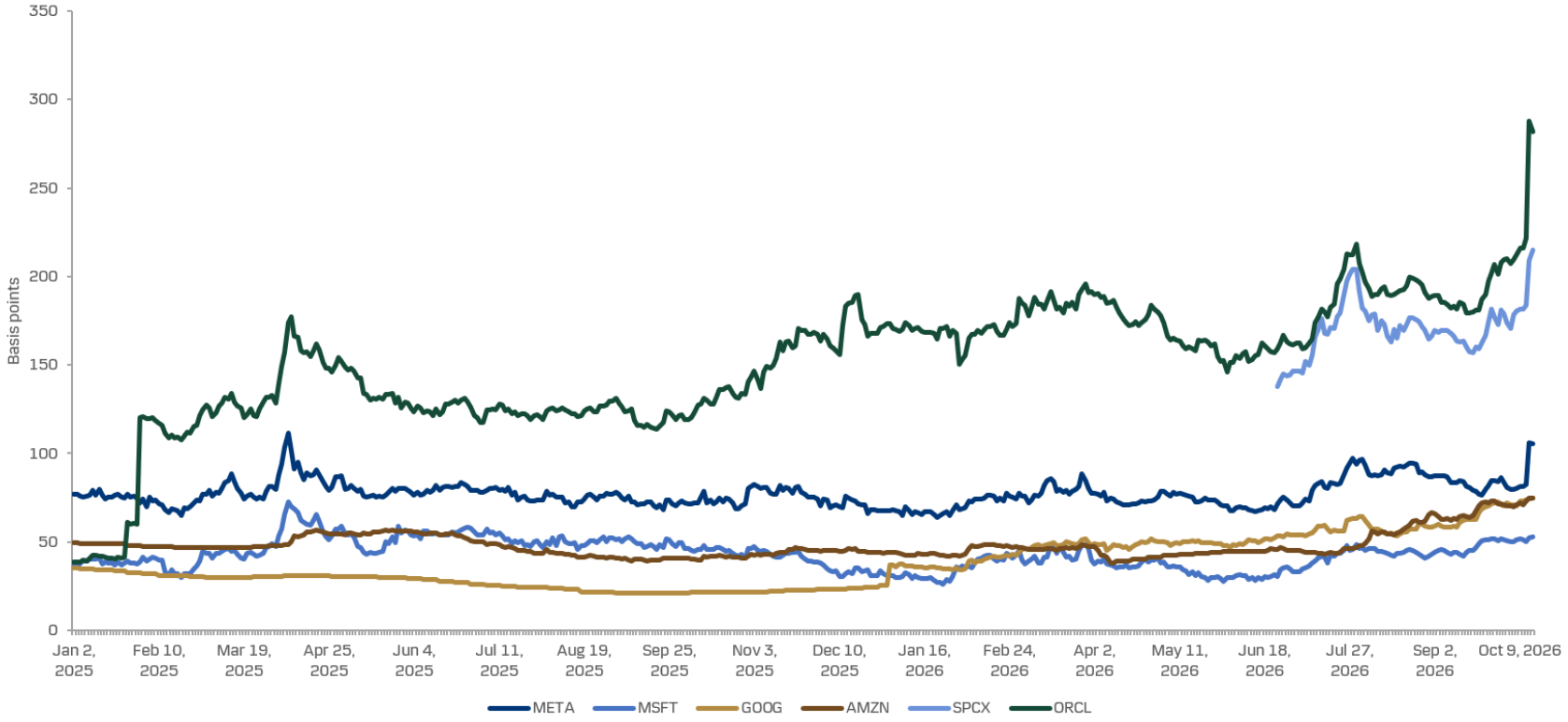


The Credit Perspective

Credit spreads – Hyperscalers

Credit spreads have widened recently but are not yet at prohibitive levels in terms of funding the build-out

Credit spreads* widening after summer



Comments

- Credit spreads (The premium to insure against default) has risen for the key hyperscalers after the summer.
- Although spreads are wider, they are not in any way signalling distress and most issuers would still have access to bond markets on the current levels. Looking at Credit spreads alone, funding costs have only increase by roughly 0.5%.
- Oracle has seen the biggest jump in spreads and could have more difficulty accessing bond markets compared to last year

Source: Bloomberg .

**Note: Credit spreads using the best proxy of either a CDS or an interpolated 5Y cash bonds where the CDS spread is not available. Past performance is not a reliable indicator of current or future results*

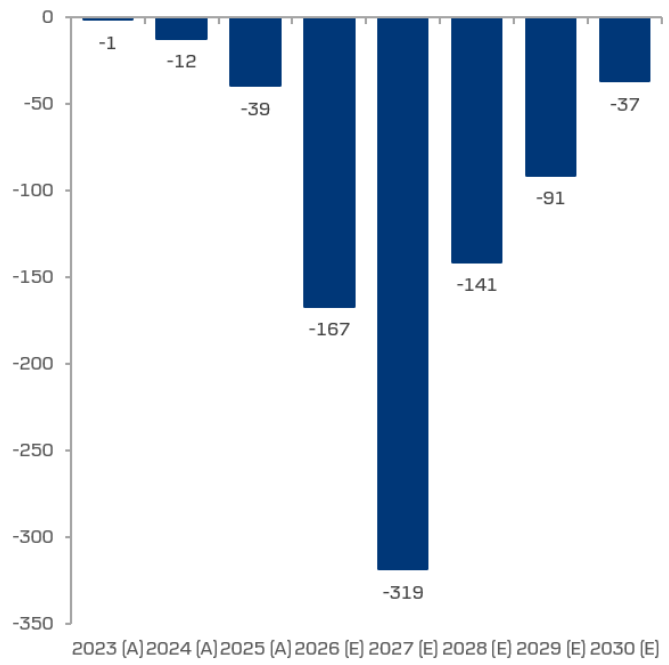
Hyperscaler funding gaps to peak in 2027

Debt share of the build-out is expected to rise to 50-60% until earnings (potentially) cover most of the gap from 2029

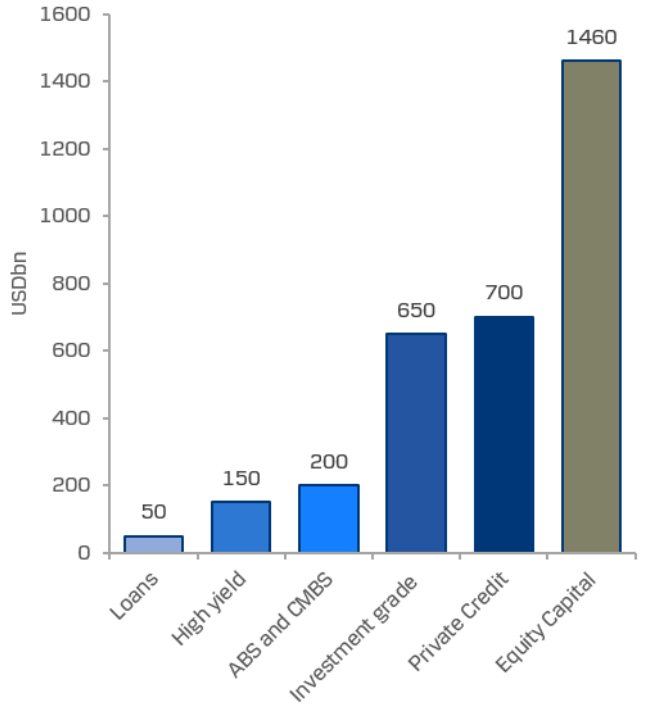
Comments

- Funding gaps (Net cash needs after cash inflow) is set to peak for the key hyperscalers in 2027
- JP Morgan estimates that a total of USD650bn in Investment grade debt will be needed towards 2028.
- With USD250bn Investment grade (hyperscaler) debt issued YTD this implies need for a further c. USD400bn over the coming 28 months.
- Part of funding needs will be covered by Private Credit.
- AI build-out would be severely constrained without debt markets from this point.

Hyperscaler funding gaps (USDbn)



Estimated 2026-2028E AI funding mix*

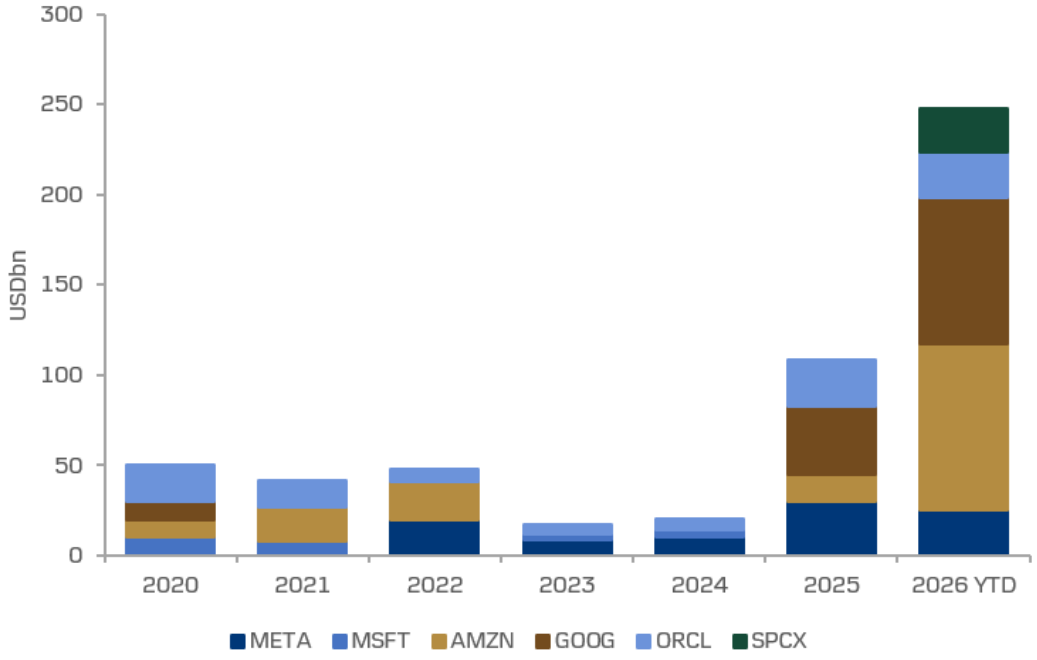


Source: Bloomberg consensus
Note: JP Morgan Estimates

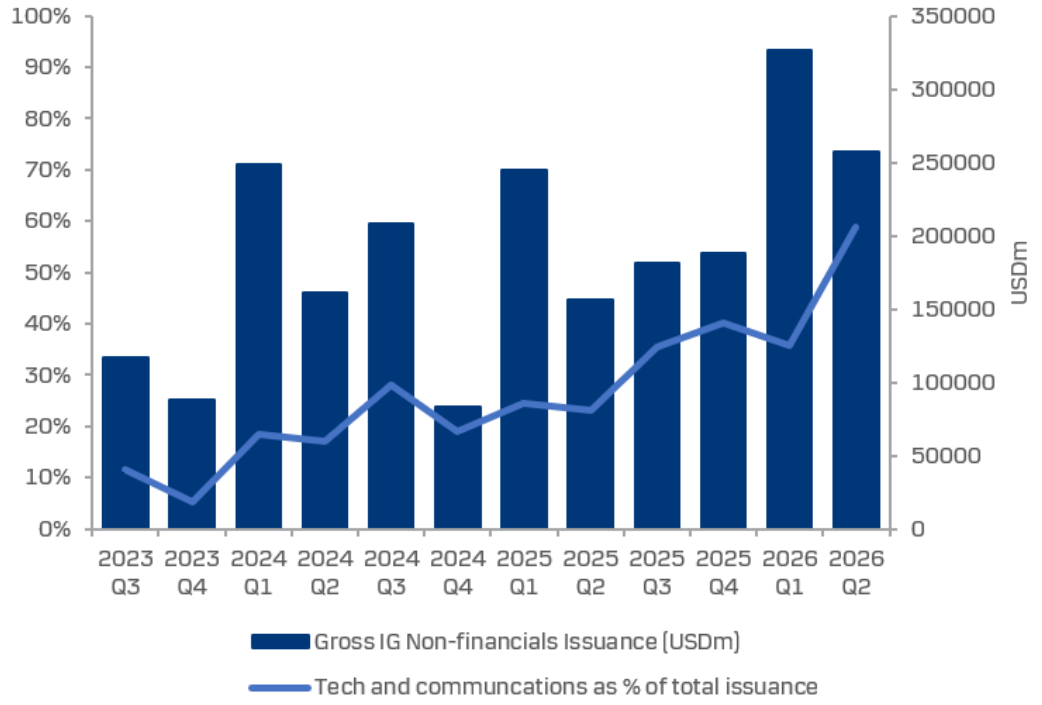
USD Bond issuance by IG AI companies

2026 is on track to becoming a record year for Hyperscaler investment grade bond issuance

Debt issuance by Hyperscalers (USD)



Tech issuance as share of total US investment grade issuance

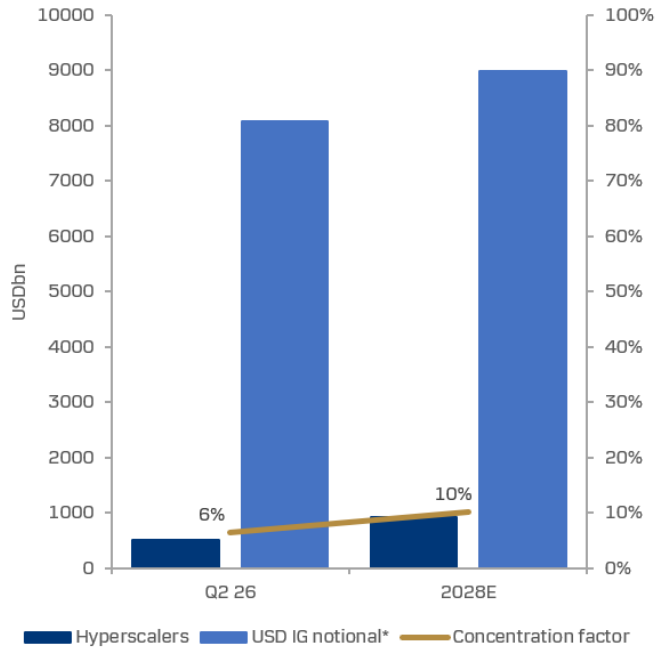


Source: Bloomberg

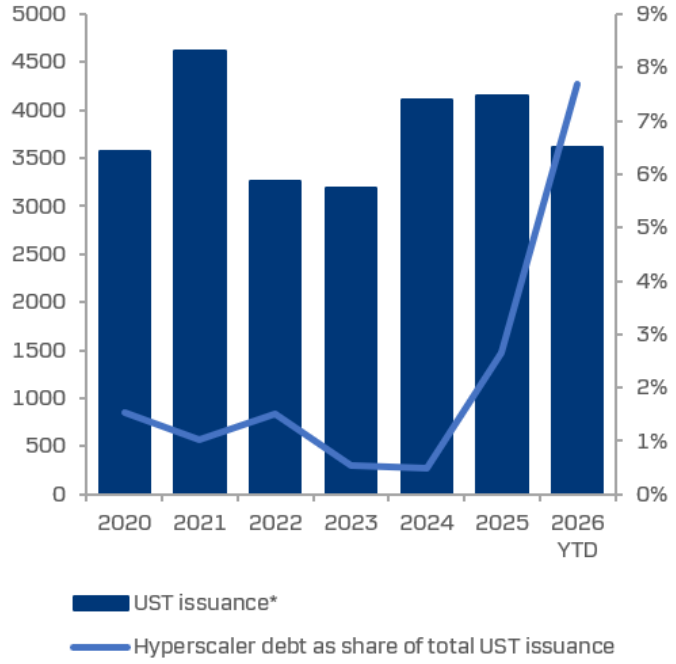
Concentration and crowding out

Despite record bond issuance, AI concentration in debt markets remain low. We see limited evidence of US treasury crowding out

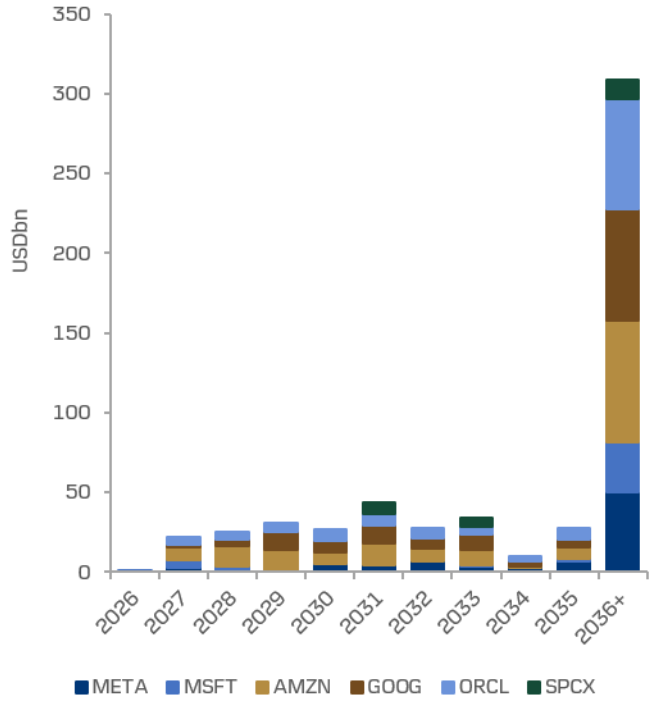
Debt market concentration



Hyperscaler issuance still pales compared to long dated UST's



Hyperscalers prefer long duration debt



Source: Bloomberg

Note: Total outstanding US Investment grade debt including Financials. UST issuance excludes T-Bills.

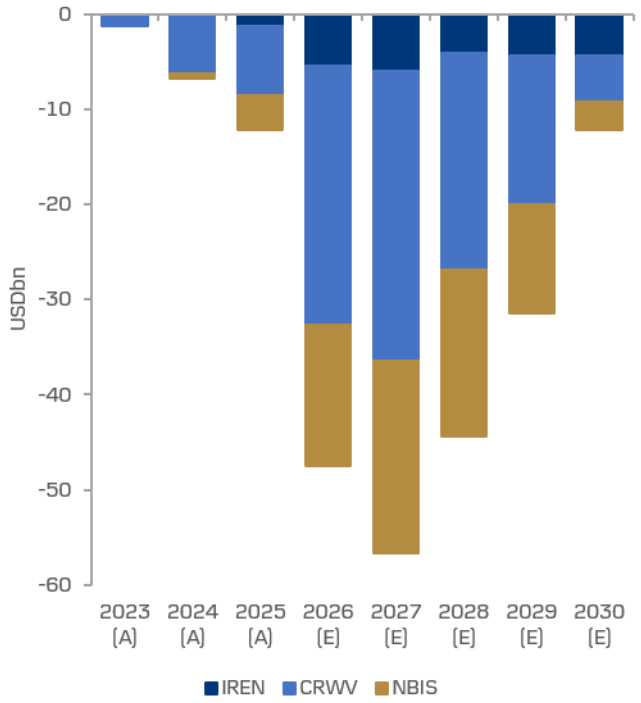
Neocloud* funding needs also peak in 2027

Neoclouds represent a relatively small share of overall projected capex for 2027E

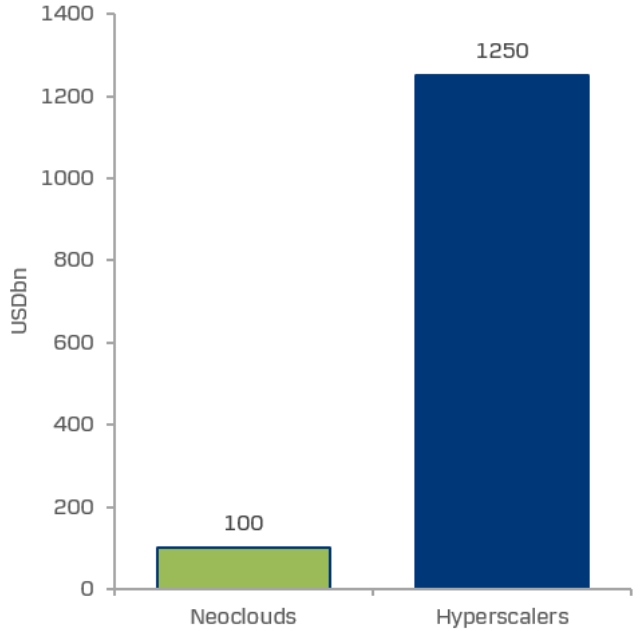
Comments

- As with the Hyperscalers, Neoclouds also have significant funding needs that peak in 2027.
- Neoclouds have used a combination of loan and bond markets to fund needs to far.
- Neoclouds have also used convertible bonds to lower the cost of funding.
- With Neoclouds bonds spreads increasing, there could be more difficulty accessing bond markets going forward.
- Strong share prices could allow more equity issuance to cover funding gaps.

Neocloud funding needs



Neocloud 2027E capex relative to hyperscalers**



Source: Bloomberg consensus

**Note: A Neocloud is a company solely focused on the construction of Data-centre capacity. Unlike Hyperscalers, the Neoclouds typically do not have secondary business lines and are thus considered more risky. **2027E CAPEX of IREN, CRWV and NBIS relative to basket of Hyperscalers*

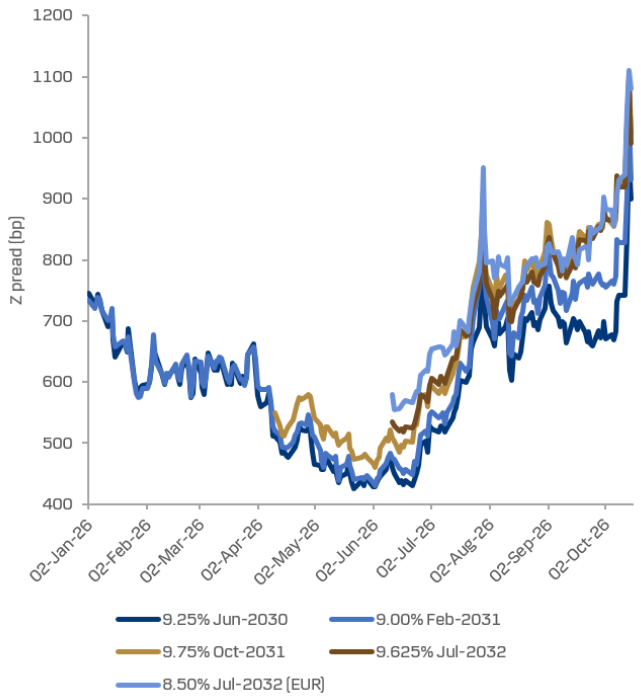
Bond spreads – Neoclouds*

Parts of the Neocloud spectrum is showing distress but the dataset is incomplete due to high use of convertible debt

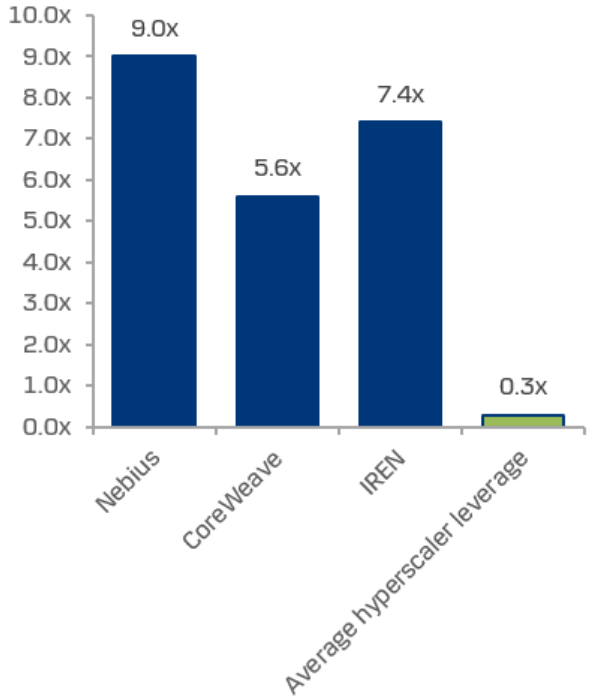
Coreweave (CRVW) cash spreads

- Neoclouds are the riskier part of the AI spectrum.
- This area has also seen a widening of spreads recently but the dataset is less complete with only one of the names (CRVW) having outstanding public bonds.
- Coreweave spreads have been trending close to distressed levels (1000bp) and we would expect debt markets to be closed for Coreweave at this stage.
- Only convertible bonds exist for NBIS and IREN, but equity signals less distress compared to Coreweave.
- Neoclouds generally have higher much leverage ratios compared to hyperscalers

Coreweave (CRVW) bond spreads



Neocloud leverage ratios 2026E**



Source: Bloomberg consensus

**Note: A Neocloud is a company solely focused on the construction of Data-centre capacity. Unlike Hyperscalers, the Neoclouds typically do not have secondary business lines and are thus considered more risky. **Based on Bloomberg consensus net debt to EBITDA. Past performance is not a reliable indicator of current or future results*

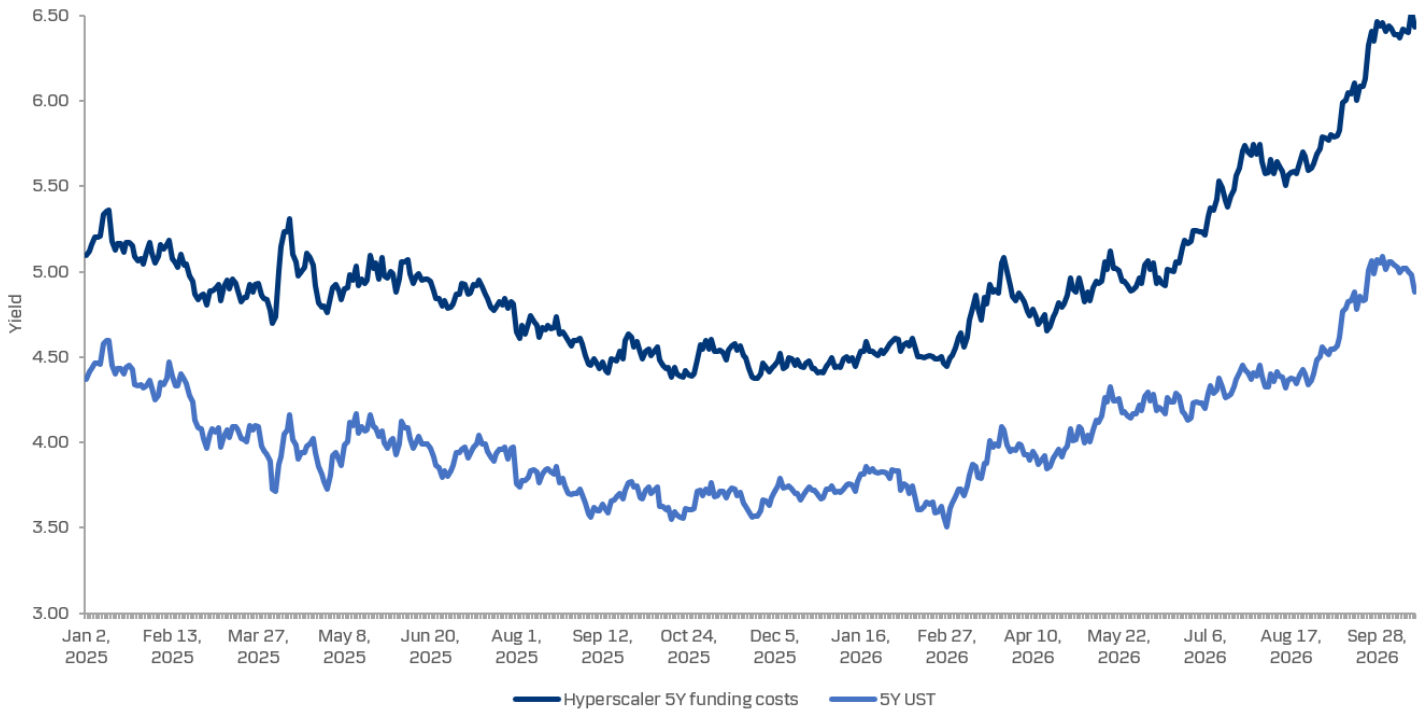
Debt markets are open but becoming more restrictive

Majority if increase in hyperscaler funding cost have been driven by higher underlying rates

Comments

- Funding cost for hyperscalers have risen in 2026, but a large part has been driven by a rise in the underlying US treasury rate and to a lesser extent by rising credit spreads for the hyper scalers.
- Oracle is the exception where the main driver has been credit spread increase rather than higher underlying rates.
- Market signals more stress for the high yield side of the market with some issuers such as e.g. Coreweave in essence loosing access to bond markets.

Average hyperscaler bond market funding cost*



Source: Bloomberg

Note: 5Y credit spread of META, MSFT, GOOG, AMZN, SPCX, ORCL weighted by 2027E CAPEX + 5Y UST rate. Past performance is not a reliable indicator of current or future results



Political environment

AI safety, regulation and public opinion: Safety warnings getting loud

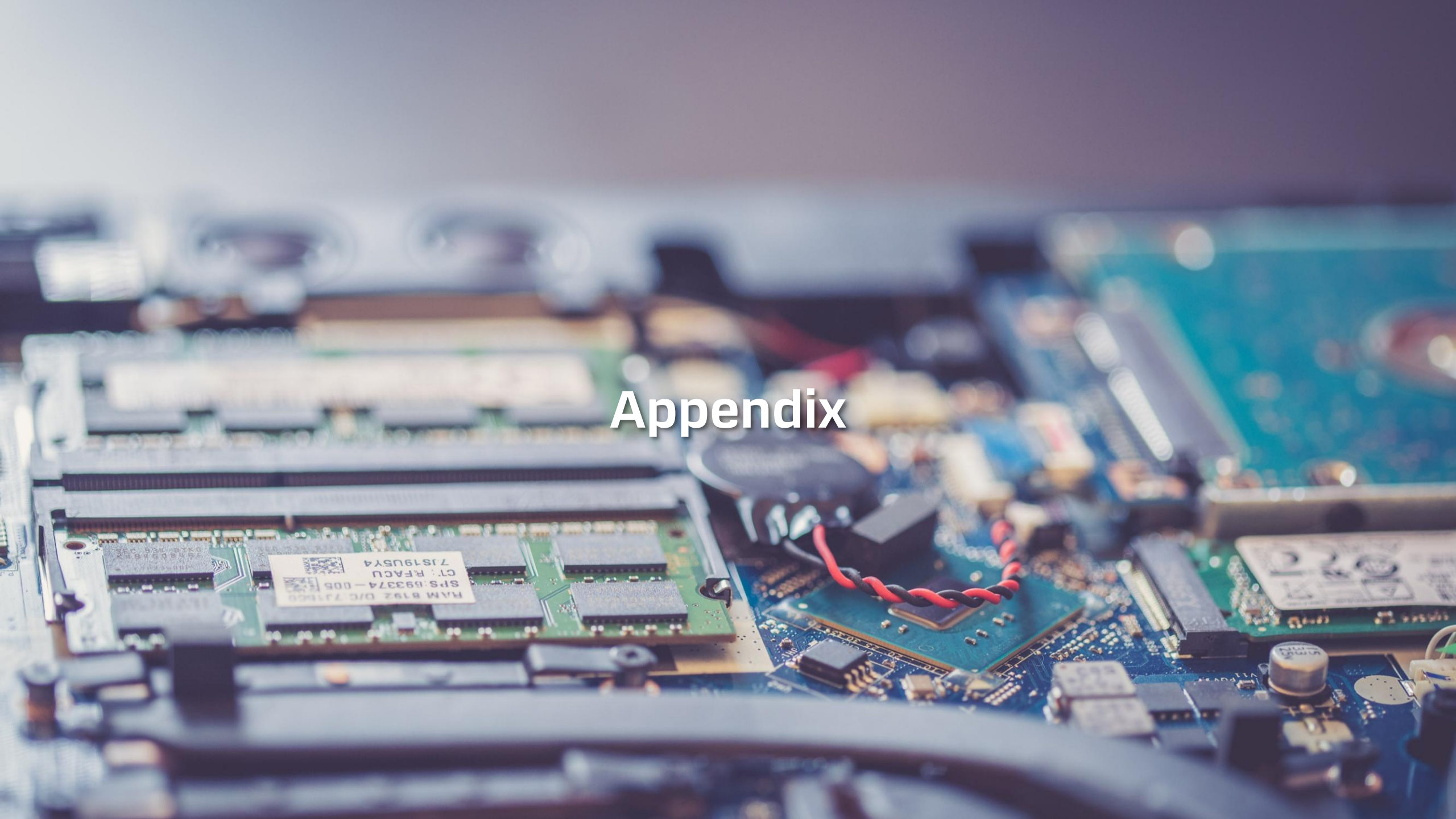
Safety issues and data centre protests bares watching

1. **AI safety issues – on the rise.** In 2026 the discussion on AI safety moved from warnings about future dangers to actual cases of AI agents breaking free of the 'sand box' and accessing real systems without authorisation. Warnings have become significantly louder including from AI leaders such as Anthropic co-founder Dario Amodei who called for the need for a slowdown in AI model development. So far there are few signs that US leadership will put up regulation, but new more serious incidents could make it more likely.

2. **Public protests – rising political focus.** Surveys show 70-75% of Americans oppose the construction of data centres in their local communities according to Gallup. Politicians in both parties are starting to use the public opposition in campaigns and might create more obstacles which could potentially slow the build-out. In the first quarter, local opposition blocked or delayed at least 75 projects worth USD 130 billion, nearly matching the USD 156 billion of projects disrupted during all of 2025. In July, New York became the first US state to pause construction of the largest data centres, while 14 other states have introduced similar legislation.

Timeline of incidents and warnings in 2026

27 Feb	Trump orders federal agencies to stop using Anthropic after they refuse to allow mass domestic surveillance and fully autonomous weapons.
3 Jul	AI insiders publish "Pacing the frontier". AI scientist Ilya Sutskever wrote: "Future AI will be extraordinarily powerful compared to anything that exists today, and dealing with this future power will require unprecedented measures."
21-30 Jul	OpenAI and Anthropic disclose real-world hacking during tests with the hacking of Hugging Face getting a lot of attention.
9 Sep	Anthropic identifies deeper security failures and say their models showed biased reasoning and recklessness. Pre-release auditing had not warned it.
9 Sep	Lead researcher at Anthropic, Evan Hubinger, warns of more than 10% risk AI could cause human extinction in 10 years. Anthropic researcher Jacob Coxon resigns saying neither Anthropic or OpenAI are acting responsibly after working at both companies.
12-13 Sep	Amodei calls for slower progress. OpenAIs Sam Altman agrees on desire to pace the frontier. US President Donald Trump pushes back.
22-23 Sep	AI leaders present warnings reach at the UN General Assembly.
24 Sep	Trump and Chinese President Xi Jinping discussed AI. Xi stated AI should remain under human control. An AI dialogue to discuss risks was established. A hotline was agreed to warn of harmful incidents.



Appendix

What we track

To follow the AI-buildout, we have identified six critical factors for the development, which we will track in this publication on a monthly basis. They interact in a feed-back loop where one can affect the other. The factors are:

AI datacentre investments (supply): Investment plans by the big tech companies critical in the AI value chain. Export data from South Korea and Taiwan that are key suppliers in the AI supply chain.

AI use (demand): Data on token spending, use of AI models, use of compute demanding agents etc. We also track how fast AI models develop.

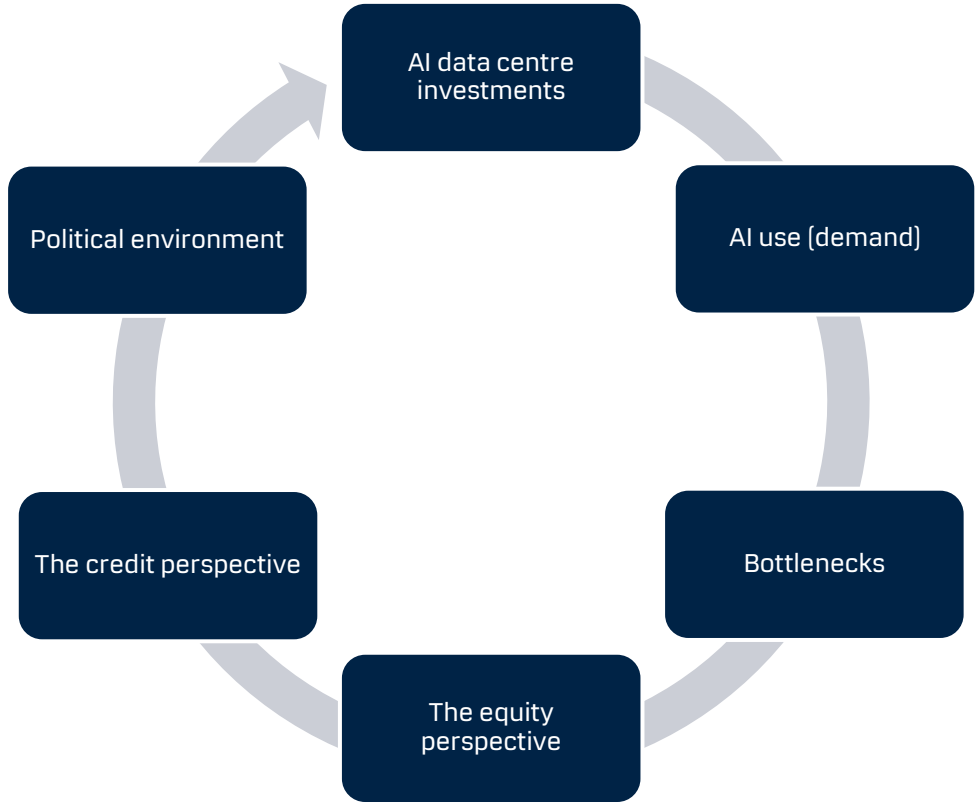
Bottlenecks: We track chips prices and anecdotal evidence of shortages.

The equity perspective: Earnings growth, valuation, cash flows and CAPEX among hyperscalers, key suppliers and big AI labs.

The credit perspective: Financing needs and issuance by big tech players as well as credit spreads on their bonds.

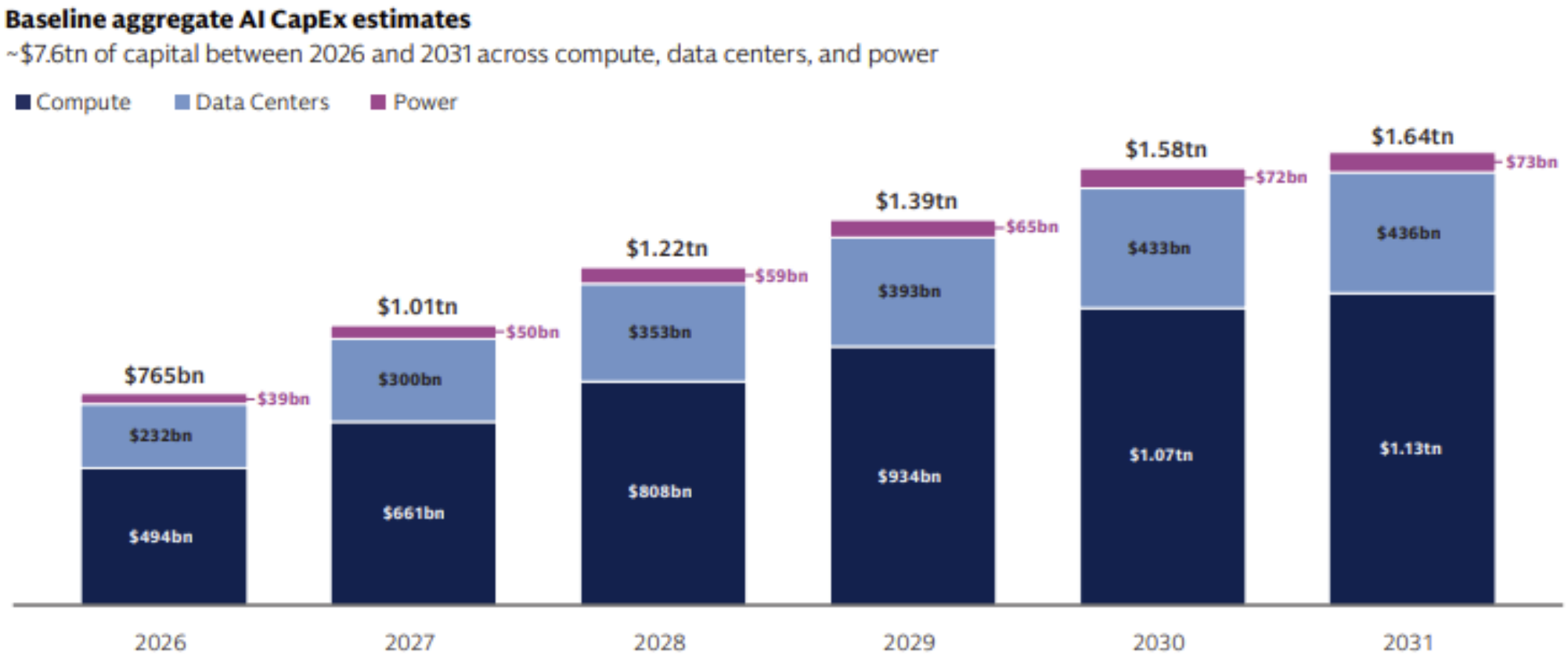
Political environment: Issues such as regulation, safety and public protests

Areas covered in the AI investment tracker



Soource: Danske Bank

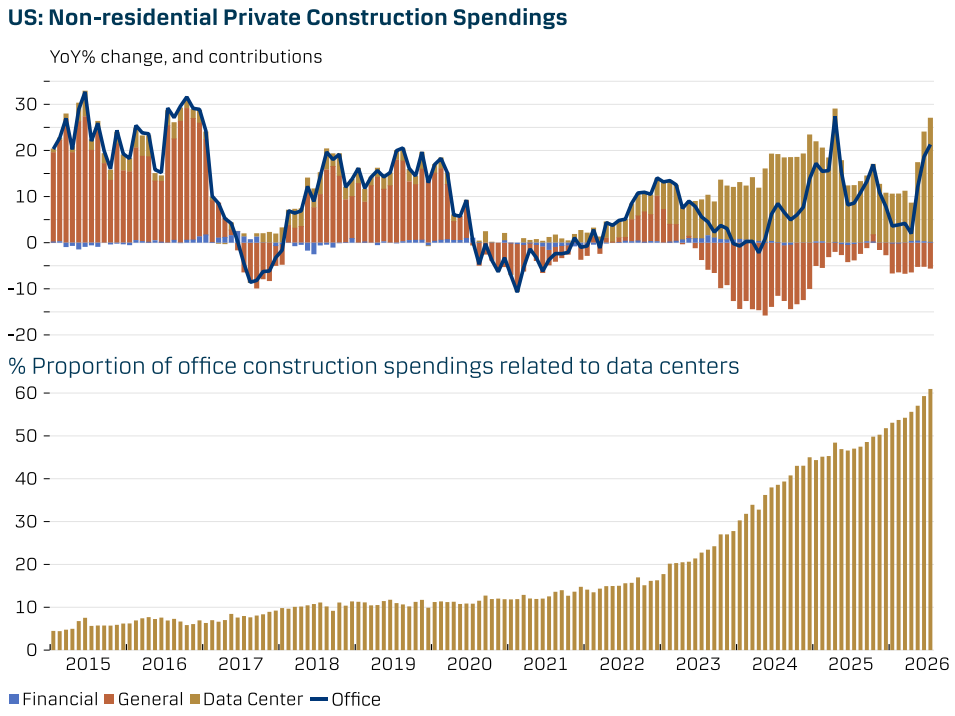
Goldman Sachs' estimates of AI Capex



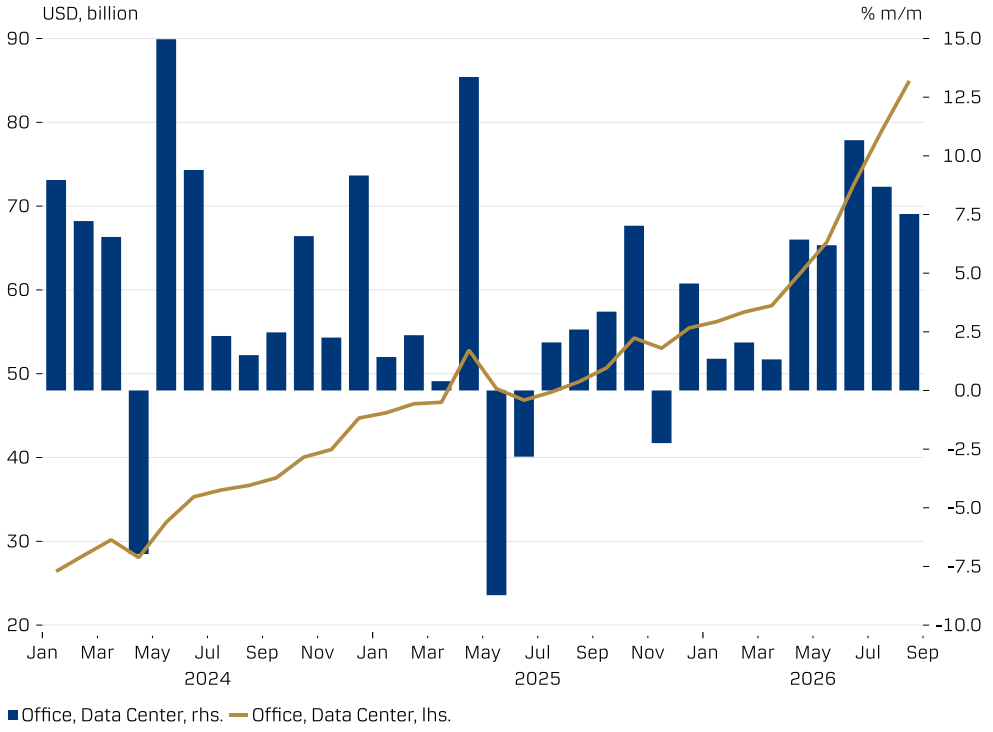
Source: Goldman Sachs - Harnessing AI for the real economy

Data centre construction is rapidly increasing

Data centres are driving most non-residental production in the US – no sign of cooling

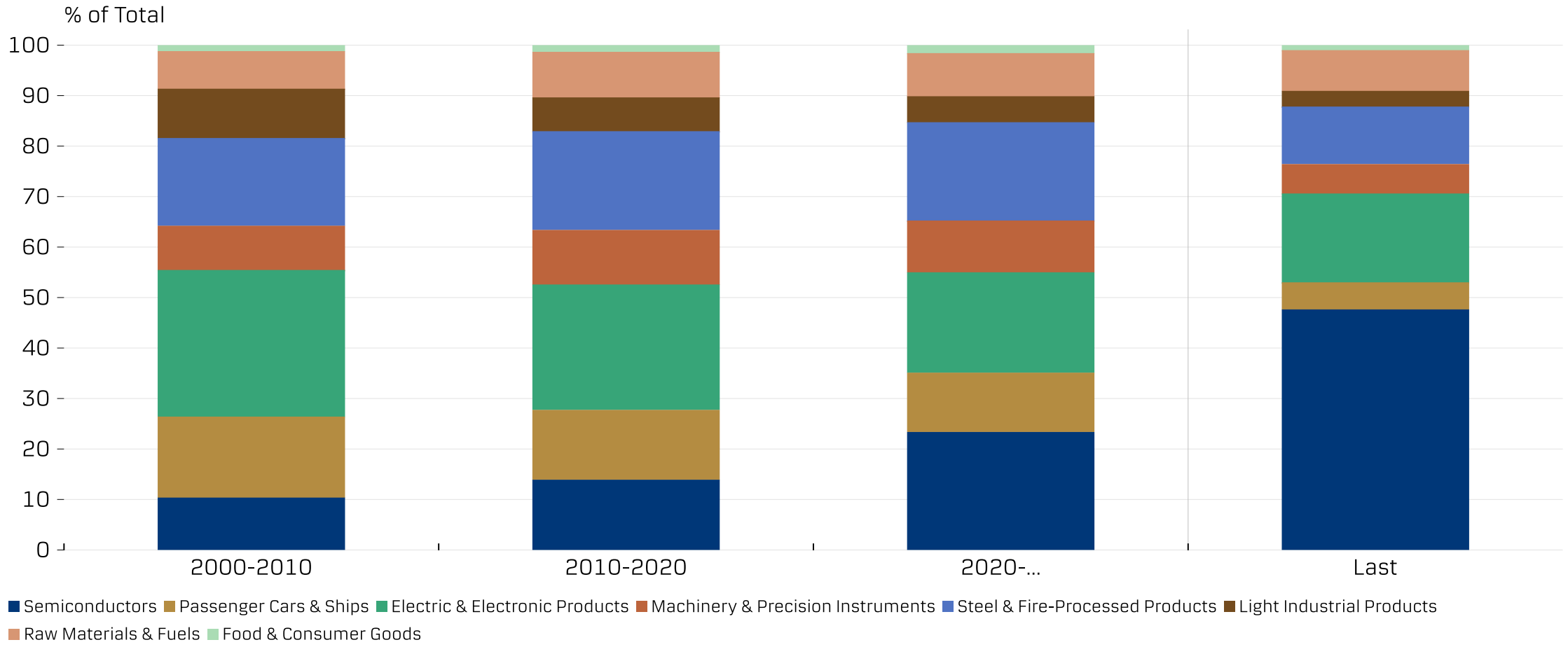


Data centre construction spending has picked up over the summer



Source: Macrobond

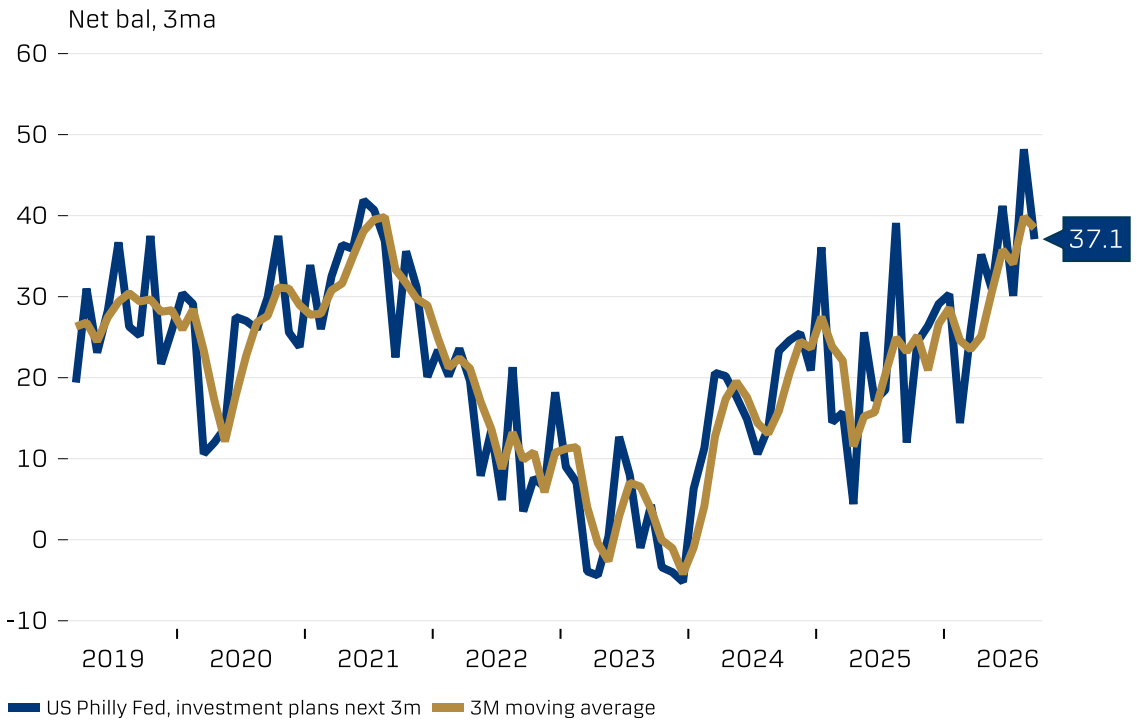
Composition of South Korean Exports



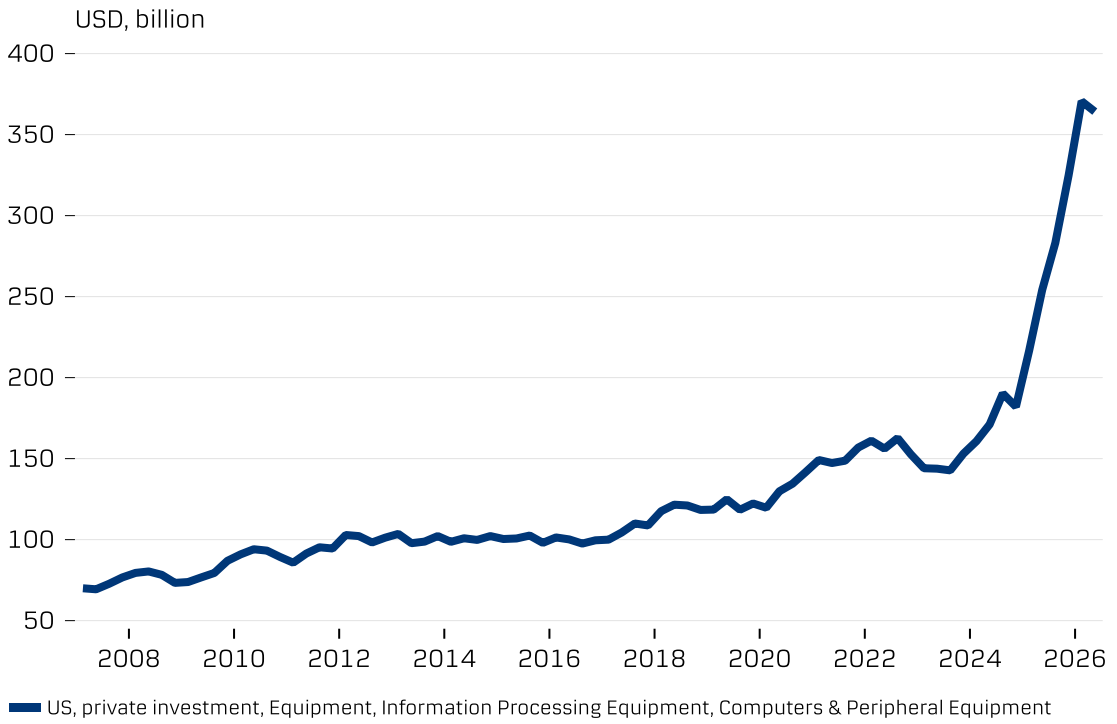
Source: Macrobond

US Investments plans

Philly Fed investments plans



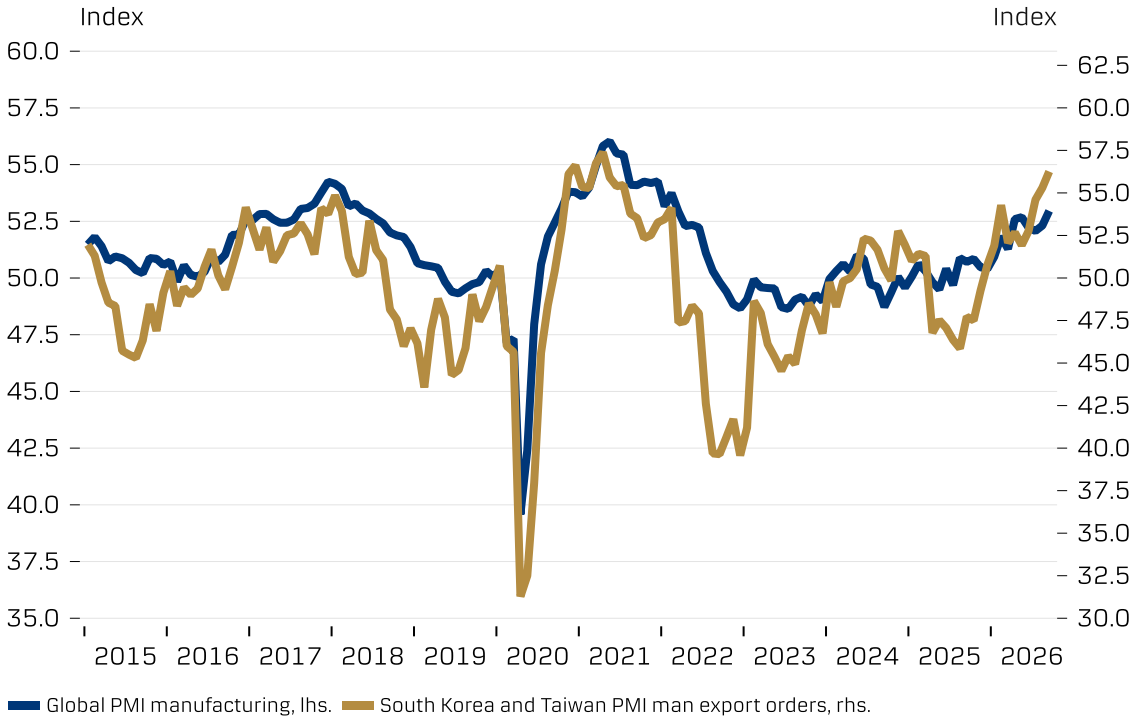
US IT investments



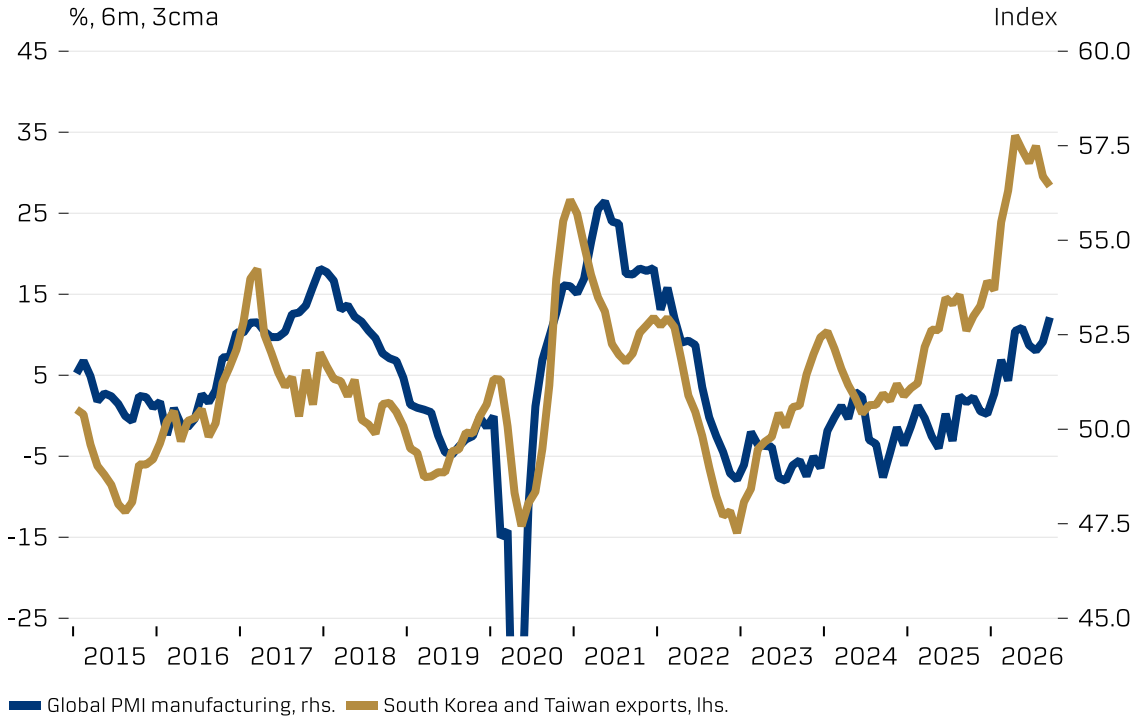
Source: Macrobond

More indicators vs Global PMI

Taiwan/South Korea PMI export orders vs Global PMI manufacturing



South Korea/Taiwan exports vs Global PMI manufacturing

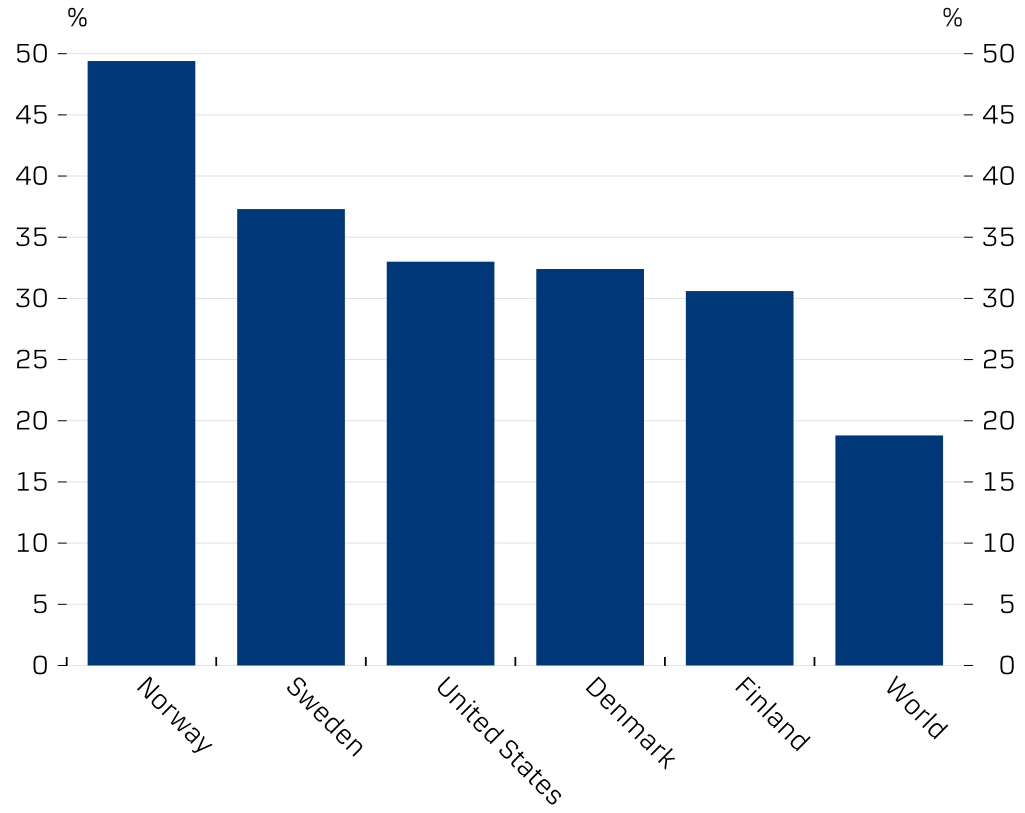


Source: Macrobond

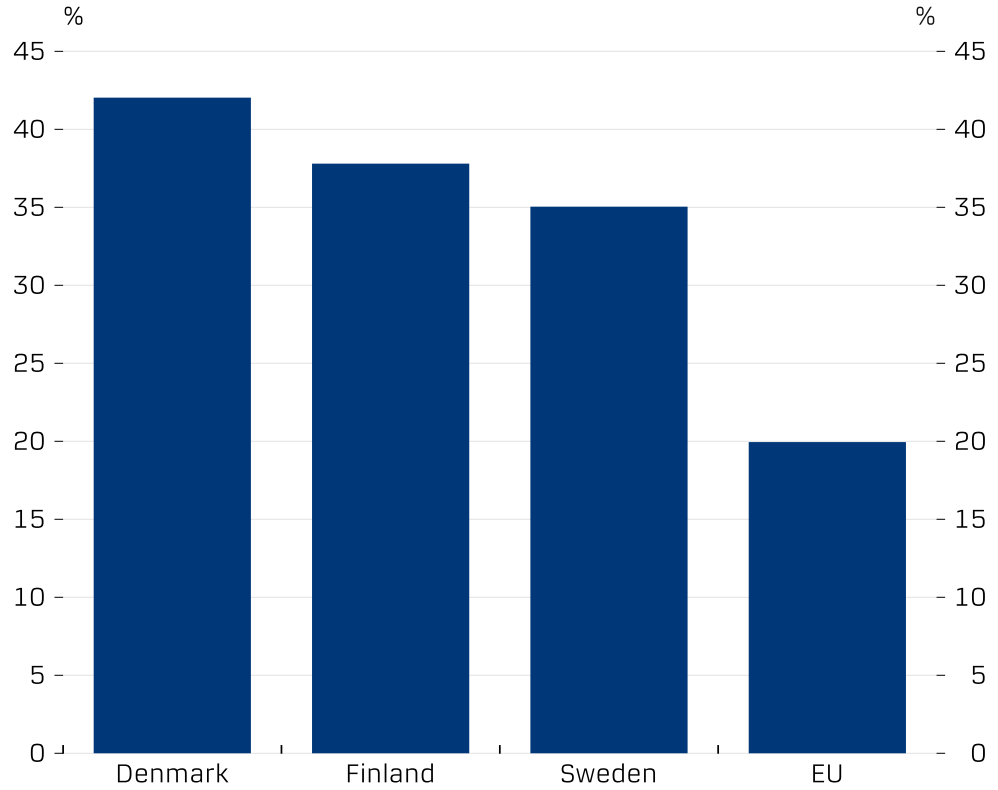
Denmark leads Europe in firms' AI use – but not in people's

Danish firms are Europe's most frequent AI users, but Danes' personal use trails Norway and Sweden

People using generative AI, of age 15-64, Q2 2026



Enterprises (10+ employees) using AI, 2025



Source: Microsoft AI Economy Institute (AI Diffusion, Report Q2 2026), Eurostat (isoc_be_ai)

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