

Market Outlook

Dr. Strangelove: Or How I Learned to Stop Worrying and Love AI

Q4 2026

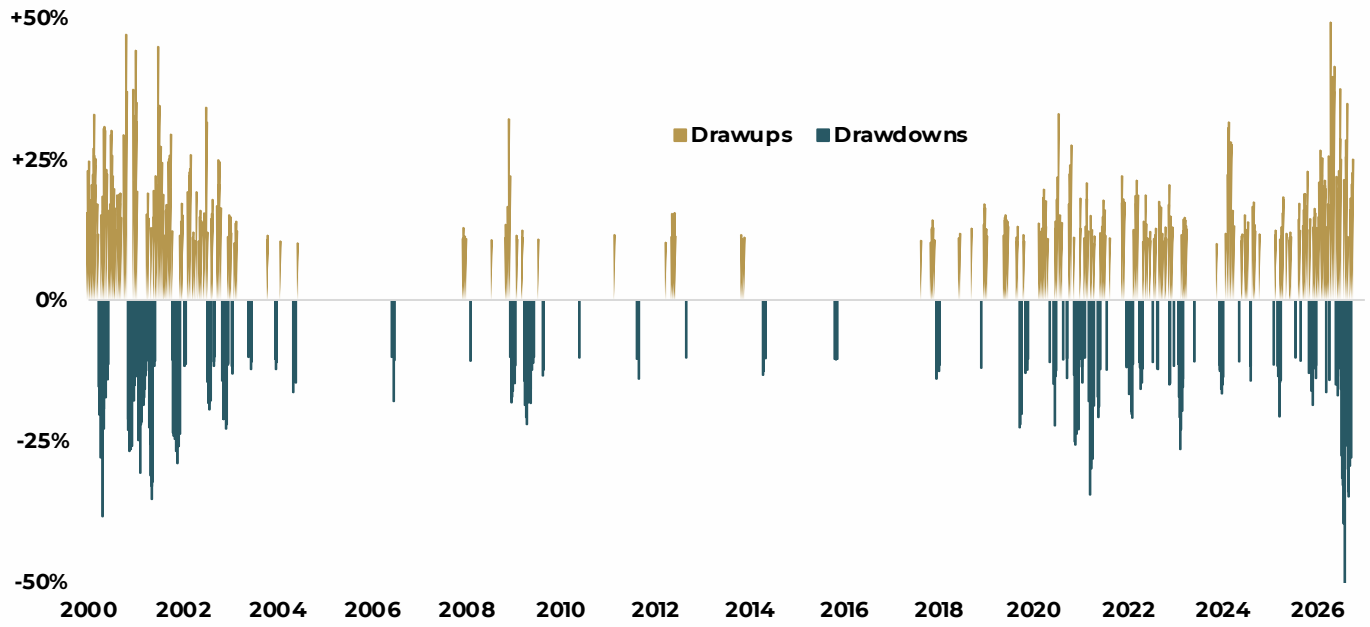
TRAVEKA WEALTH


Where are we?

The biggest momentum swings in 25 years

In 2026, momentum posted both its biggest five-week rally and its deepest five-week drawdown since 1999

The momentum trade: biggest five-week rallies and drops



What is momentum?

Owning the **biggest winners** and shorting the **biggest losers**

Why did it break?

Leverage Levered positions forced to sell at the same time

Narrow leadership A small group of stocks driving the returns

Crowded positioning Too many investors in the same trade

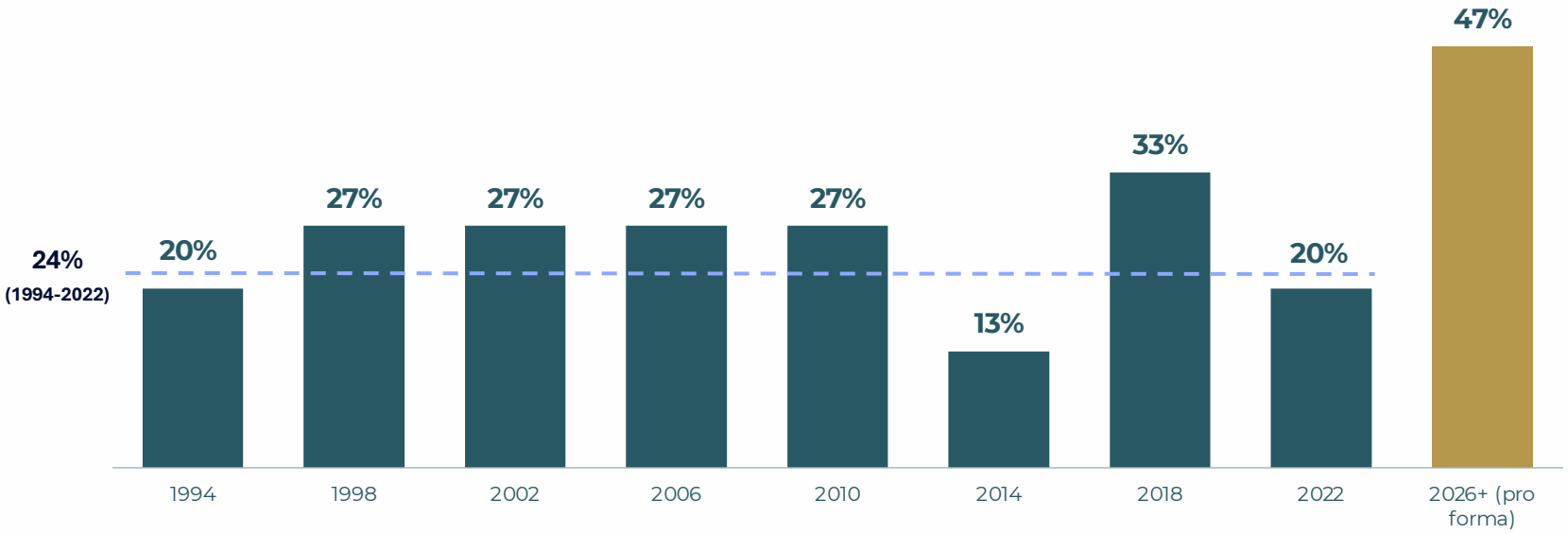
This market has been hard to navigate, and momentum shows why. Owning the winners and shorting the losers rallied about 49% in five weeks this spring, then fell about 50% in five weeks in July, the biggest swings in either direction in data going back to 1999. Leverage, narrow leadership and crowded positioning turned a popular trade into a source of whiplash, and the leadership of the market keeps changing as a result.

Source: Morgan Stanley, Bloomberg, as of 9/30/2026. Drawup is the daily close vs. the lowest close of the prior 25 trading days, drawdown is vs. the highest. Moves of at least 10% are shown.

Leadership is changing faster than ever

Counting the largest private AI companies, turnover at the top is on track for its fastest pace in at least 30 years

Projected turnover among the S&P 500's largest names would be nearly 2x the norm
% of the top 15 S&P 500 companies that are new every four years



24%

Average share of the top 15 that is new every four years, since 1994

47%

Pro forma turnover today, counting the largest private AI companies

In a typical four-year stretch, about a quarter of the 15 largest companies are new names. Include the private AI companies now valued among the biggest in the world, and that could jump to nearly half, well above anything in the last three decades. When leadership turns over this quickly, simply owning yesterday's winners is not enough, and that is a big part of what makes this market so hard to navigate.

Source: Coatue, Bloomberg as of 10/06/2026. Turnover is the share of the top 15 S&P 500 names, by index weight as of September 30 every four years, that were not in the top 15 four years earlier. 2026+ is pro forma and illustrative, including selected private companies at assumed valuations ($2 trillion for Anthropic and $1.4 trillion for OpenAI). It does not reflect actual S&P 500 membership, and there is no assurance these companies will become publicly listed or reach these valuations..

The scoreboard

2026 has rewarded companies with real earnings and AI revenue

METRIC	Year End 2025	3Q 2026	CHANGE
Nasdaq-100 Price	25,250	30,409	**+20%**
Gold Price	$4,319	$4,157	**-4%**
Bitcoin Price	$88K	$84K	**-5%**
Mag 7 (MAGS ETF) Price	$66	$72	**+9%**
Software (IGV ETF) Price	$106	$106	**0%**
10-yr Treasury Yield / Fed Path	4.16%, cutting	5.28%, hiking	**+112 bps**
Nvidia quarterly revenue	$57B	$96B	**1.7x**
Top 5 hyperscaler capex	$400B	$800B (2026E)	**2.0x**
OpenAI + Anthropic valuation	$850B	$1.8T (Sep)	**2.1x**
SpaceX market cap	$800B private	$2.0T public	**2.5x**

What the scoreboard says

- The AI fundamentals roughly doubled this year.
- Stocks followed the earnings, even with the 10-year up +112 bps and the Fed hiking.
- Gold, bitcoin, and software, three of the crowded narratives, did little or went backwards.

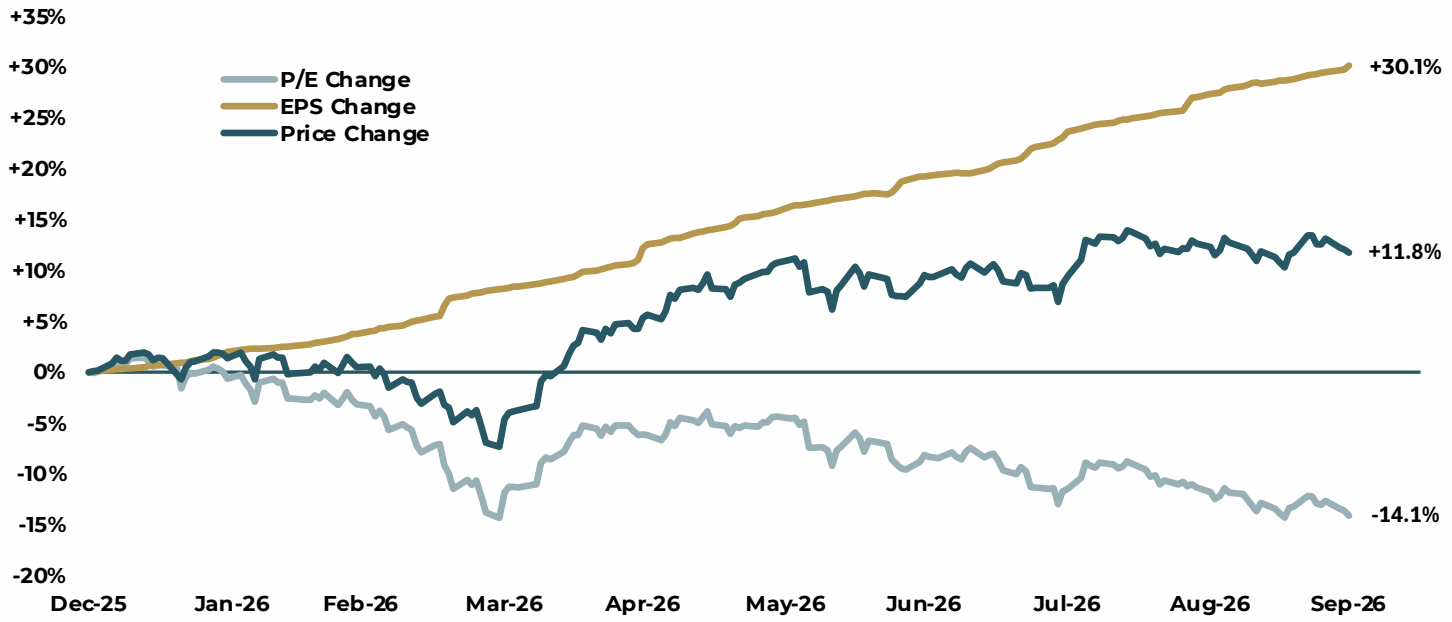
The companies tied to AI delivered with Nvidia's revenue and big tech's spending roughly doubling. Stocks followed the profits, even as interest rates rose sharply.

Source: Altimeter Capital , Bloomberg, Company Estimates, as of 9/30/2026

Profits rule everything around me

Company profits grew much faster than stock prices, so the market got cheaper as it went up

Earnings outran prices, so stocks got cheaper
S&P 500 YTD change in forward EPS, price and forward P/E



+27%

Consensus S&P 500 EPS growth

Expected for 3Q 2026

23x → 19x

S&P 500 P/E over the past year

Now in line with 10-year average

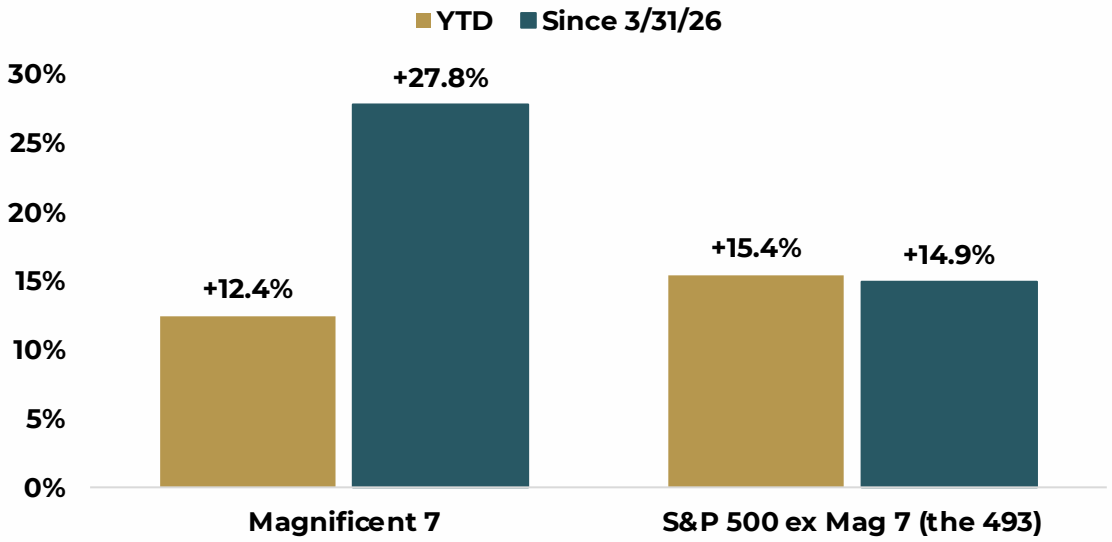
When P/E compresses and prices still rise, earnings are driving the move, not optimism. That's a healthier setup, and it favors quality and earnings visibility overpaying up for growth. We think that is a healthy foundation.

Source: Bloomberg, Goldman Sachs, as of 9/30/2026

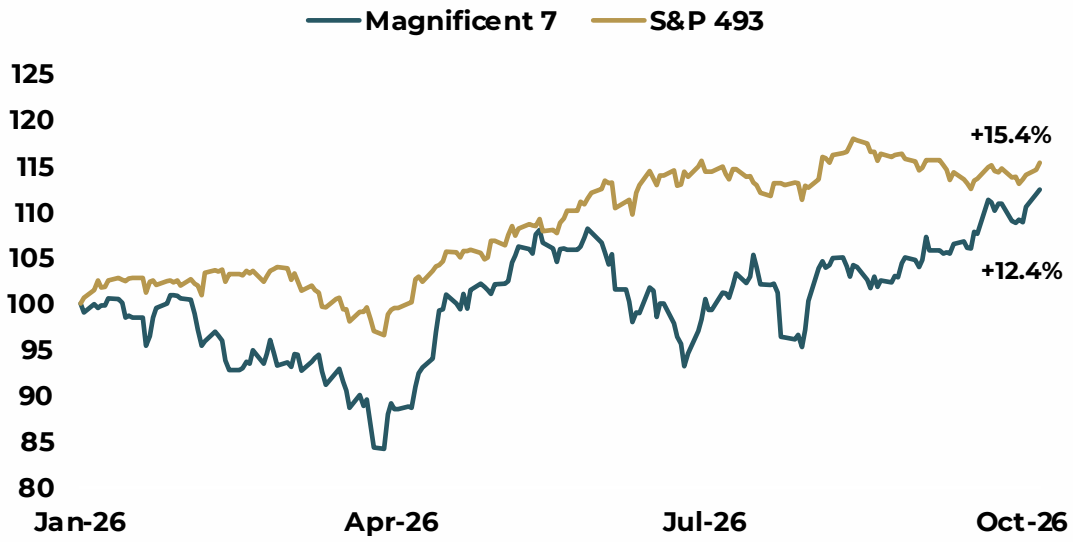
The big names took the lead back

The other 493 carried most of 2026. Since the spring low, the Mag 7 has been closing the gap

Since March, the Mag 7 has nearly doubled the 493
Magnificent 7 vs. S&P 493: returns



The Mag 7 has closed most of its 2026 gap
Magnificent 7 vs. S&P 493 (indexed to 100)



For most of 2026, the market's gains came from outside the Mag 7. The momentum has shifted, though. Since the end of March the Mag 7 is up about +28%, nearly double the 493's +15%, and in Q3 it led the S&P 500 by a wide margin. We think leadership is rotating back to the biggest companies, and we expect that to continue as their earnings keep coming through.

Source: Bloomberg, Goldman Sachs, as of 10/06/2026

Breadth is thin, but it is not just a Mag 7 story

About half of S&P 500 stocks are above their long-term trend. The winners are AI builders, inside and outside the Mag 7

50.2%

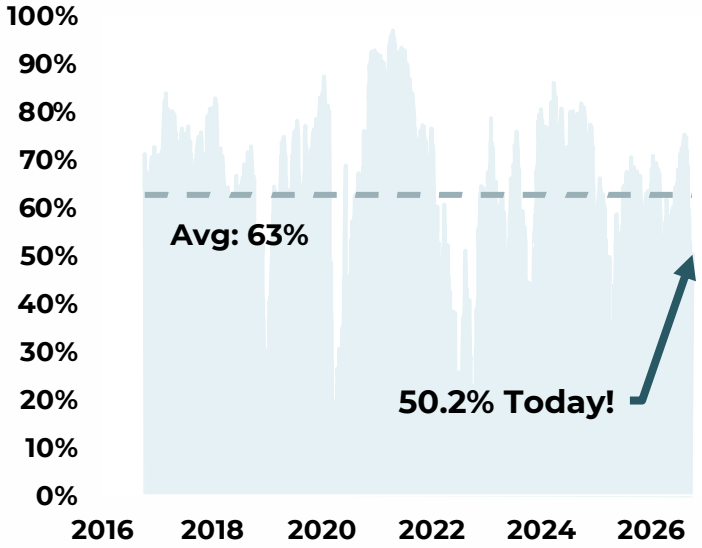
S&P 500 members trading above their 200-day moving average, as of 10/6

~50%

Share of expected Q3 S&P 500 EPS growth coming from AI infrastructure

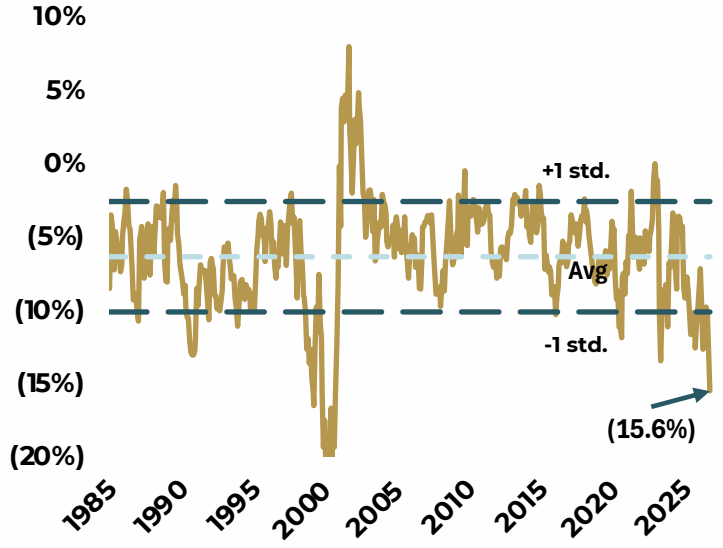
Only half of stocks are in an uptrend, well below the 63% norm

S&P 500: % of members above 200-day moving average



Today's reading is a 40-year extreme, not a normal dip

S&P 500 52-week market breadth



Only about half of S&P 500 stocks are above their 200-day average, and breadth is at its weakest since the dot-com era. But this is not a Mag 7 story, as the 493 have kept pace this year. We think the dividing line is the AI build, with the companies tied to it driving the earnings and the returns, inside and outside the biggest names. When breadth is this washed out, the laggards also have room to catch up.

Source: Bloomberg, Goldman Sachs, as of 10/06/2026.

The VIX is low because correlation is low

Single-stock volatility is still elevated. What is missing is stocks moving together

2.53x

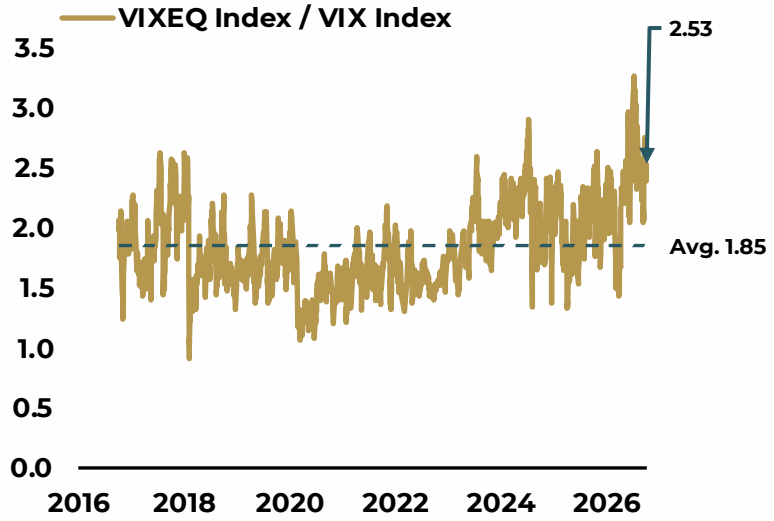
Single-stock volatility relative to index volatility

0.04

S&P 500 3-month realized average stock correlation

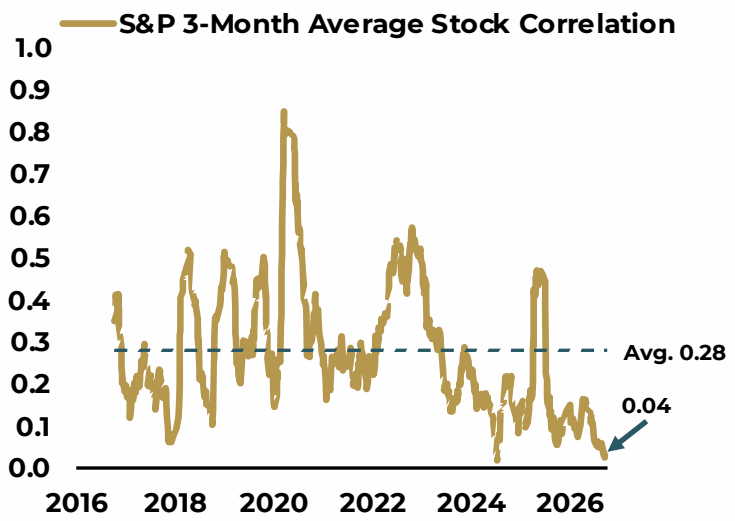
Stock-level swings are running well above their 10-year norm

Single stock volatility relative to index volatility



Near-record low correlation widens the gap between winners and losers

S&P 500 realized average stock correlation



The VIX sitting near its lows is not a sign that things are quiet. Single-stock volatility is running about two and a half times index volatility, and the average correlation between S&P 500 stocks is down to 0.04. Big moves in individual names are offsetting each other, which keeps the index calm. We think that is a strong backdrop for active management, and it also keeps index-level hedging relatively cheap.

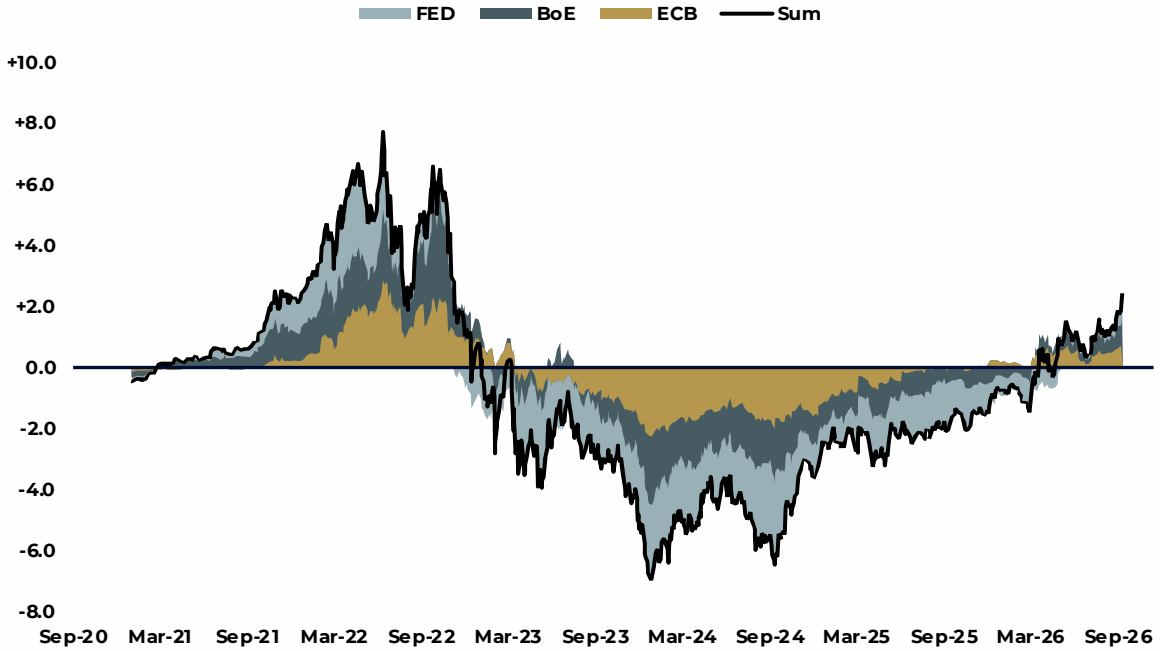
Source: Bloomberg, Goldman Sachs, as of 10/05/2026

The world flipped back to tightening

Markets now price rate hikes from the Fed, ECB and Bank of England over the next two years

Markets are pricing about a third of the 2022 tightening

Cumulative rate hikes and cuts priced over the next 24 months (pp)



What markets are pricing

- Fed: one more hike expected in December after September, and roughly two more in 2027.
- ECB: two hikes already this year, with markets pricing more over the next twelve months.
- Combined, the three biggest Western central banks are priced to tighten for the first time since the 2022 cycle.

After roughly three years of pricing a broad cutting cycle, markets now expect the Fed, the ECB and the Bank of England to raise rates over the next two years. That shift is a big reason yields have climbed everywhere. We think a measured path is already in the price, so the risk to watch is a central bank forced to move faster than markets expect, which is not our base case.

Source: BCA Research, ICE, ECB, BoE, CME Group, Federal Reserve, as of 9/11/2026. Cumulative hikes or cuts priced over the next 24 months, measured as the rate implied by the 24th listed contract less the current policy rate: CBOT 30-day Fed Funds futures vs. the Fed Funds rate, ICE 1-month SONIA futures vs. Bank Rate, ICE 1-month ESTR futures vs. the ECB rate.

Yields moved higher everywhere

This is not just a US story. Long rates are climbing across the developed world

5.28%

US 10-year yield, the highest since 2002

5.63%

US 30-year yield, also the highest since 2002

4.86%

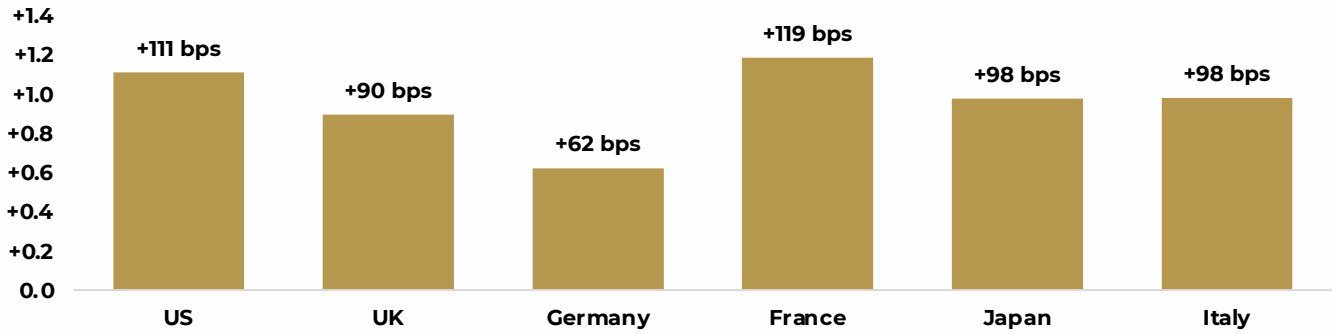
French 10-yr yield, the highest since 2008

3.07%

Japan 10-year yield, near the highest since 1996

Investors are demanding more to lend everywhere

10-year government bond yields: YTD change



Yields are rising across the developed world, driven by deficits, sticky inflation, central bank shifts and heavy supply. That is uncomfortable in the short run, but it also means investors are being offered the highest starting yields in a generation. We think that sets up fixed income better than it feels today.

Source: Goldman Sachs, Bloomberg, as of 10/05/2026

Rates have been a headwind, but not a wrecking ball

The Fed turned, yields jumped, and stocks absorbed it because growth is running even hotter

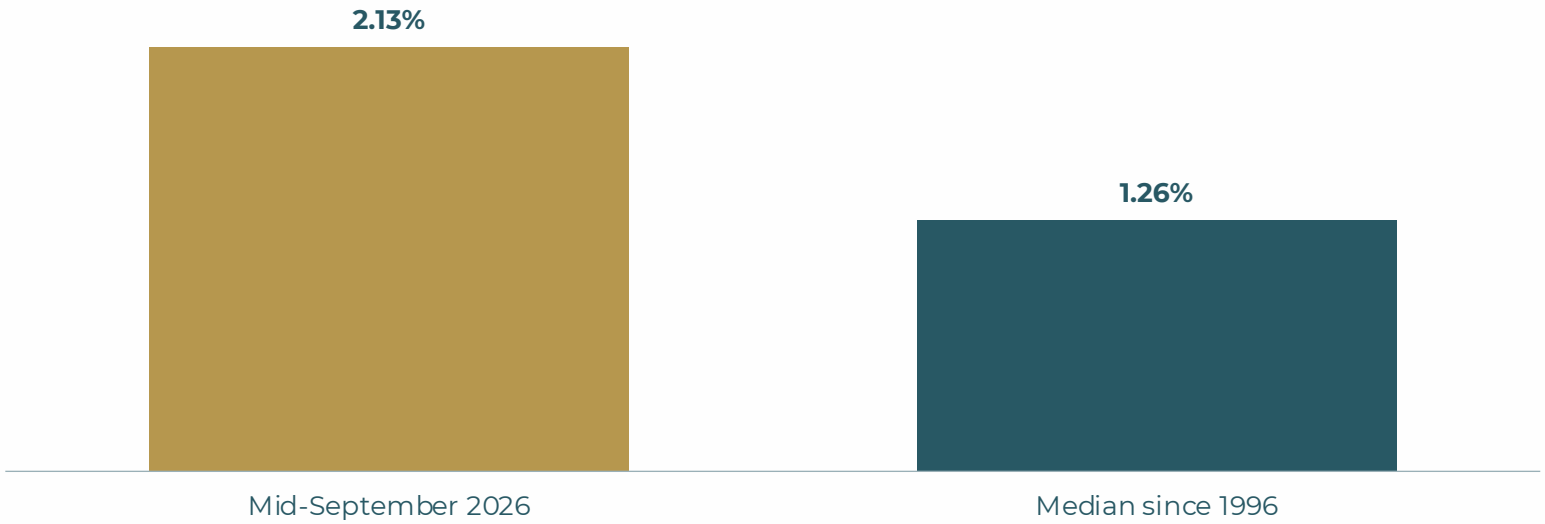
+82bp

Rise in the US 10-year Treasury yield during Q3

5.28%

US 10-year yield, highest since 2002

Growth is still well ahead of borrowing costs
Nominal GDP growth minus the 10-year Treasury yield



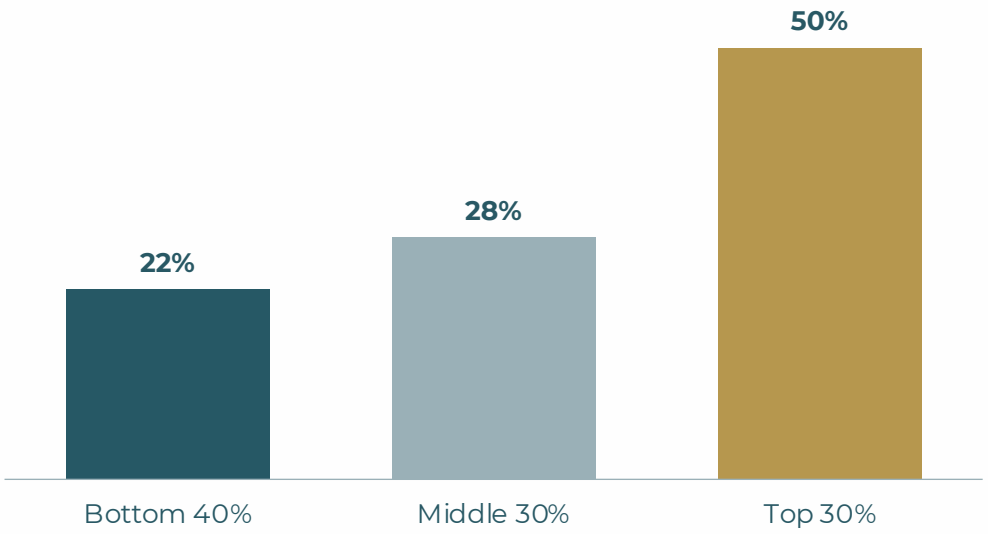
Rates moved sharply higher in Q3, and the rate-sensitive parts of the market felt it. But the economy is still growing faster than the cost of money. Nominal GDP growth is running more than two points above the 10-year yield, well above its long-run norm, which is why companies have been able to absorb higher rates. We think that keeps rates a headwind rather than a reason to step away from risk.

Source: Goldman Sachs, Bloomberg, Blackrock, as of 10/06/2026

The consumer is the soft spot

Strong at the top, squeezed at the bottom. Growth is being carried by AI investment, not the consumer

Spending is concentrated at the top, leaving the base exposed
Share of US consumer spending by household income



12.9%

Credit card 90+ day delinquency rate, rising even as growth stays strong

$125K

Income needed to buy the median home, nearly 2x the median household

~50%

Share of the average American's working life it now takes to buy a first home

40 years old

Typical age of a first-time home buyer

We see a K-shaped consumer. The top 30% of households drive about half of all spending, which keeps the aggregate looking healthy while the bottom is squeezed by rising delinquencies, housing that is moving out of reach, and wages that are no longer keeping up with inflation. We are staying risk on because wealthier households are holding up and growth is being carried by AI investment, but if the top of the K rolls over, our view changes.

Source: BLS, BEA, BlackRock, NY Fed Consumer Credit Panel/Equifax and NAR data, as of 8/31/2026. Housing affordability and share of working life to buy a first home are BlackRock calculations.

Stocks and bonds are moving together again

New for this generation of investors, but not new for markets

What changed

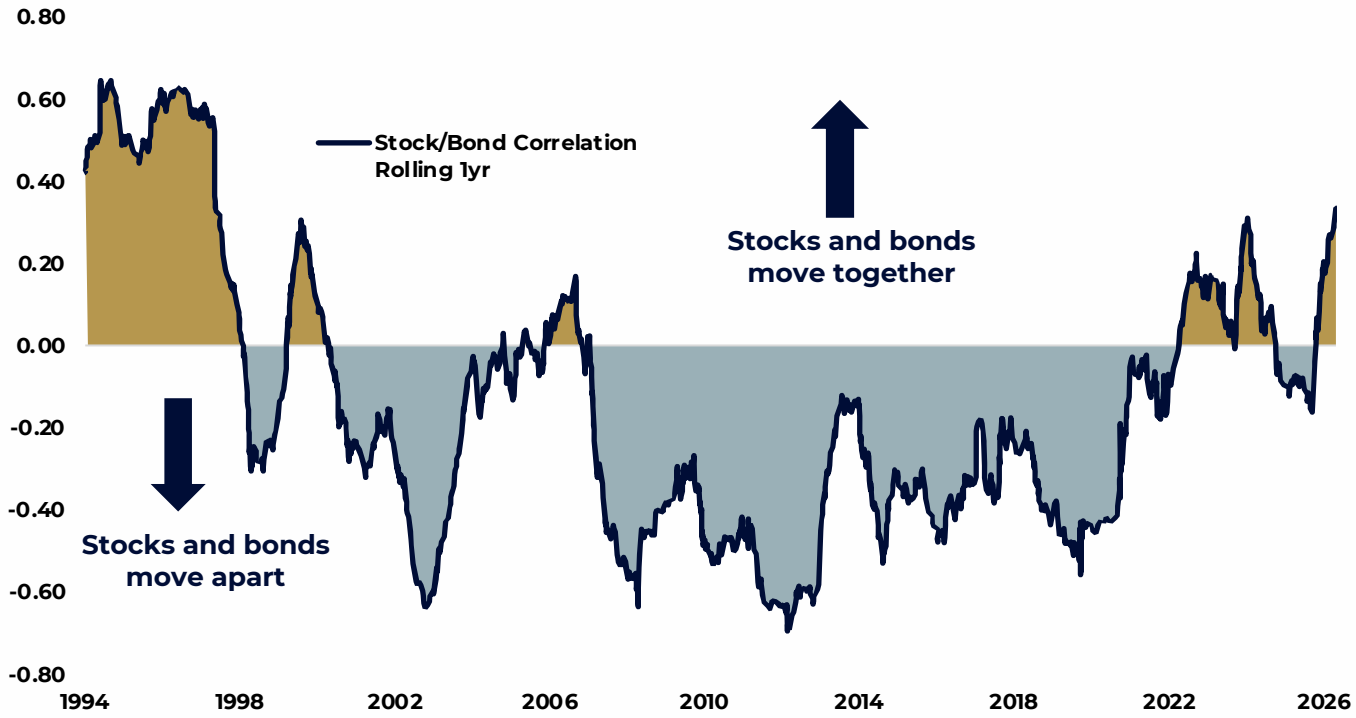
- Stock and bond returns are positively correlated again.
- Real rates near 3% are roughly where the relationship tends to break down.
- Before 2000, stocks and bonds commonly moved together when inflation was the main risk.

What it means for investors

- Bonds still earn their place. Higher yields mean more income, and bonds still help when growth slows.
- Managing total portfolio risk, and being thoughtful about exposures within a portfolio, is more important than ever

Correlation is at its highest level in over 25 years

Stock/Bond Correlation, Rolling 1yr (from 6/23/1994)



Stocks and bonds have been moving in the same direction this year, which breaks the pattern most investors have known since 2000. History says this is not unusual when inflation is the dominant concern. We think it argues to being thoughtful about fixed income positioning, and it is also why today's higher yields matter.

Source: Bank of America, Strategas, Bloomberg, as of 9/30/2026.

Bears sound smart. Bulls get paid.

The macro checklist has rarely looked worse, but the fundamentals keep winning, and that is what markets pay for

Middle East re-escalation, no solution yet	✓	Rate hikes and central bank policy shifts	✓
Oil sticky high	✓	Inflation above target	✓
Diesel at all-time highs, with shortages	✓	European fiscal stress, led by France	✓
Long-term yields at multi-decade highs	✓	AI turning political into the midterms	✓
Issuance blips, with some IPOs pulled	✓	**Equities at all-time highs**	***say again?***

Almost every item on the macro worry list is flashing, and yet stocks are sitting at or near record highs. We know there is a lot going on, and we have just walked through why this market is so hard to navigate. So why are we still constructive? Because earnings keep coming, growth is holding up, and the AI build is still ongoing.

Source: Goldman Sachs, BofA Global Research, Federal Reserve, Bloomberg as of 10/05/2026.

Our Q4 2026 House View

PUBLIC MARKETS

Stay risk on
Growth is holding up and we do not see a recession coming

Big is back
The Mag 7 is leading again and scale matters

Equities over fixed income
Earnings growth is the engine, and it is still running

Healthcare has tailwinds
M&A is booming and AI can help biotech a lot

US over international
The AI build and the growth are here. France shows the risk abroad

Dispersion reigns
Calm index, wild underneath. Active management matters

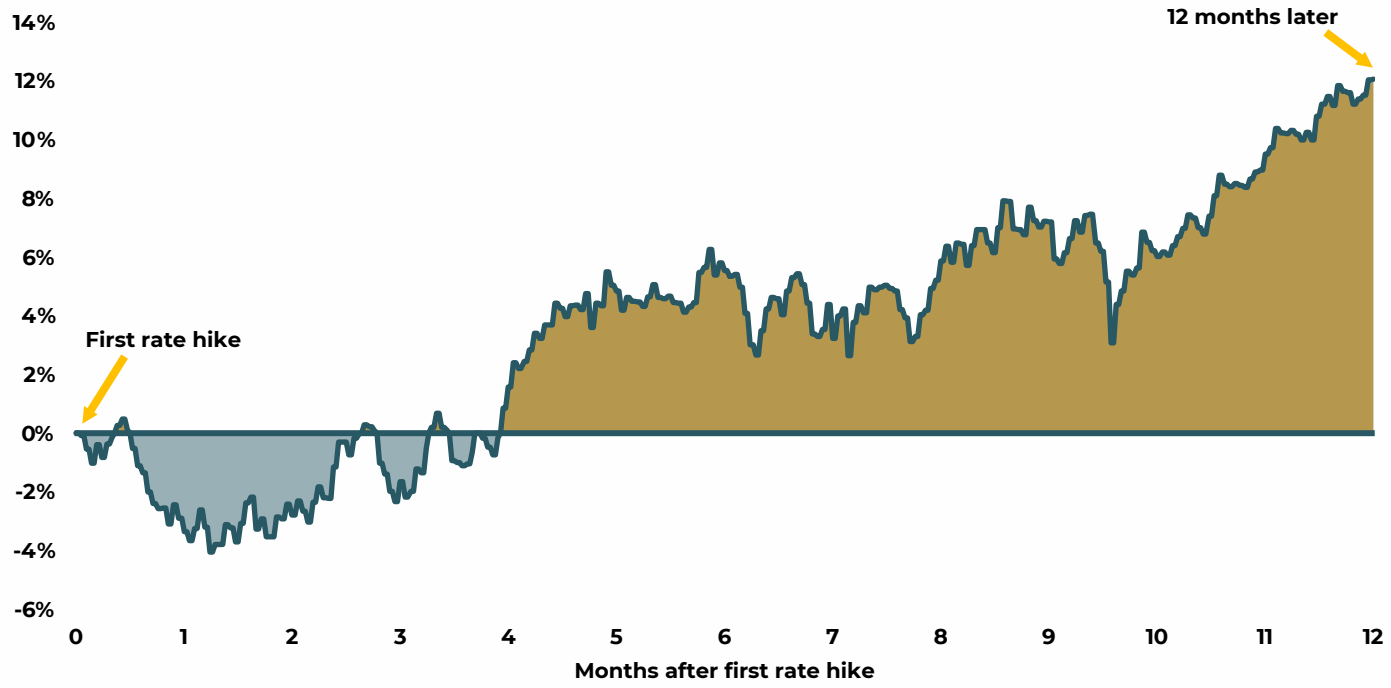
Still believers in AI
The leaders are delivering, and valuations have come down

Duration looks cheap
It feels contrarian, but yields are at levels we have not seen in decades

History says the first hike is a speed bump

Stocks tend to dip right after the first hike, then recover

Stocks have typically regained their footing by month four
S&P 500 average return after the first Fed rate hike



-3.0%

Average S&P 500 return

45 days after the first hike

+12.1%

Average S&P 500 return

12 months after the first hike

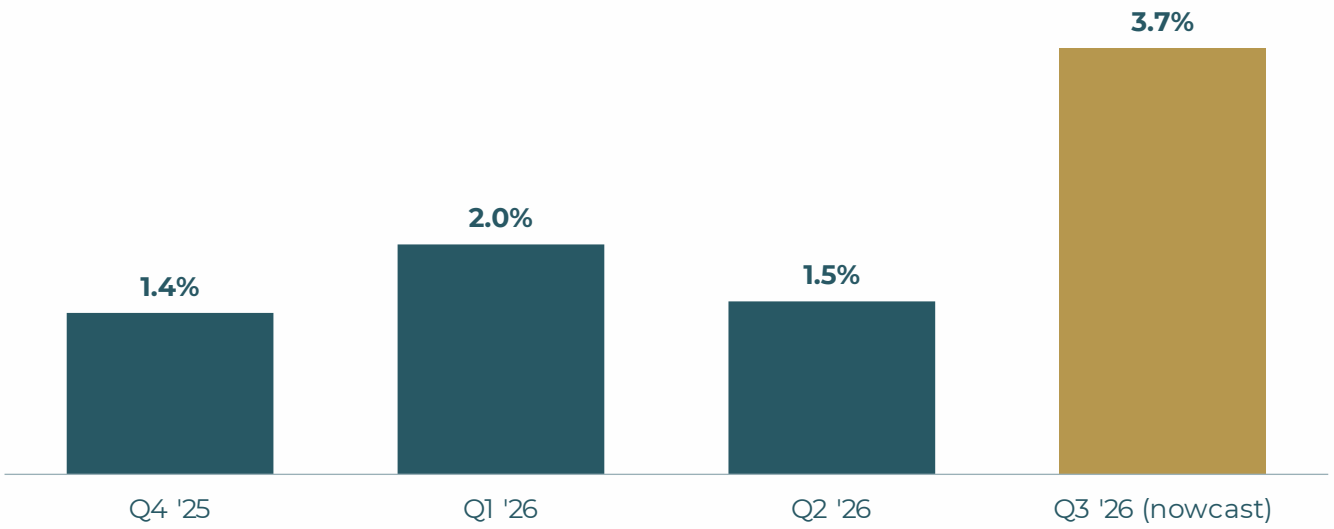
Since 1988, stocks have usually temporarily dipped after the first hike but were higher a year later 86% of the time, as long as growth held up. Today growth is holding up, with the economy running at more than twice last quarter's pace.

Source: BlackRock and Bloomberg, as of 09/30/2026. S&P 500 average daily returns over the 12 months following the first Fed rate hike of a cycle, since 1988. Win rate is the share of cycles with a positive return over the period.
Federal Reserve first rate hike start dates: 3/29/1988, 2/4/1994, 3/25/1997, 6/30/1999, 6/30/2004, 12/16/2015, 3/16/2022.

The economy is speeding up, so we stay invested

Growth is tracking more than double last quarter's pace, led by business investment in AI

Q3 is tracking the strongest quarter in over a year
US real GDP growth, annualized (%)



+21.4%

Real private investment growth, annualized

Q3 Nowcast

+29K

September payrolls

Softer hiring cooled bets on another Fed hike

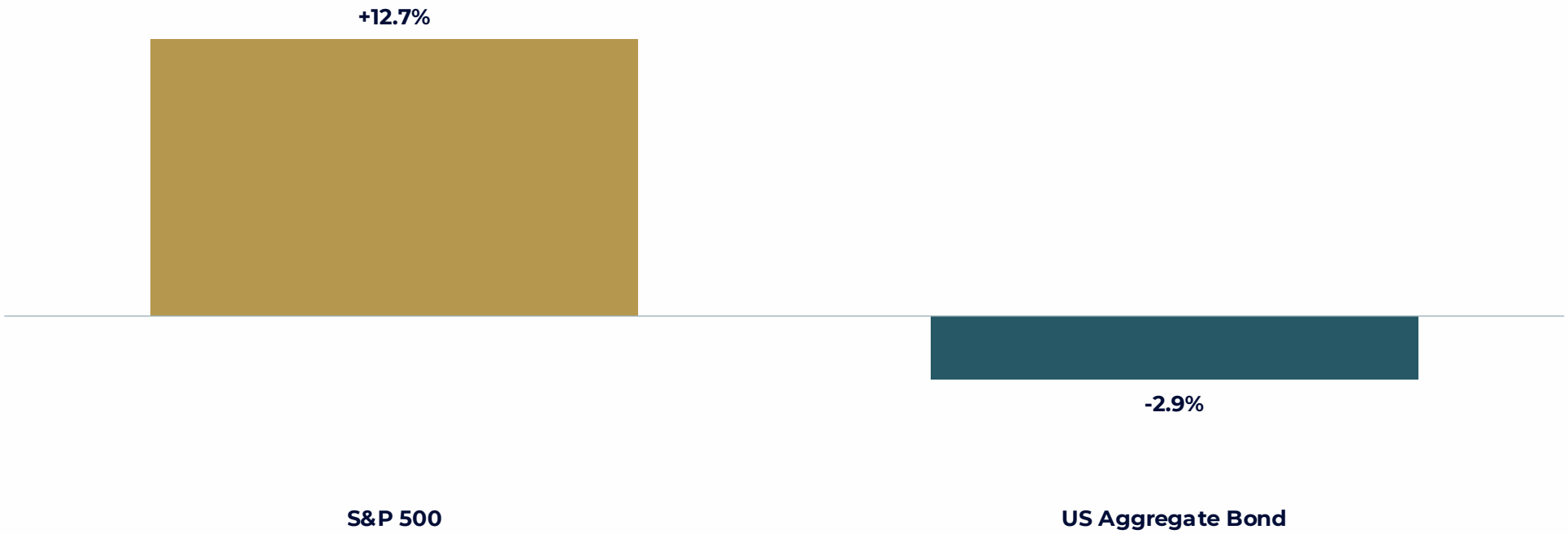
We think the economy is reaccelerating into year end. Growth was soft in the first half, but the Q3 nowcast is running more than double the Q2 pace, and the biggest driver is business investment tied to the AI build. Companies are still spending, consumers are still spending, and softer September hiring has cooled the pressure for another near-term Fed hike. That is not what the front end of a recession looks like, so we stay risk on.

Source: US Bureau of Economic Analysis, Atlanta Fed GDPNow, Bureau of Labor Statistics, as of 10/06/2026

Earnings are carrying stocks past higher rates

We expect double-digit earnings growth to keep carrying stocks

Stocks have beaten bonds by over 15% so far this year
2026 YTD total return through September (%)



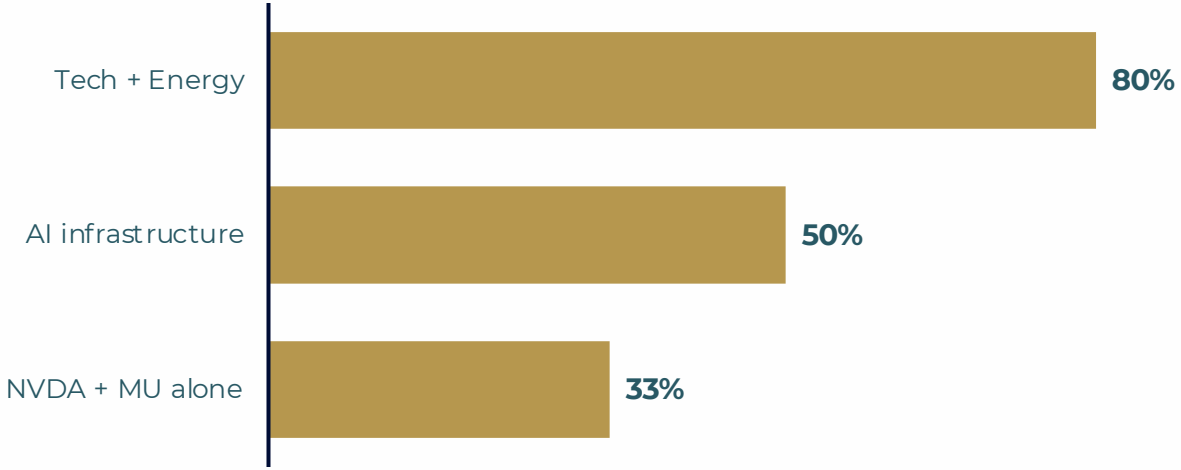
We prefer equities because the earnings case is still accelerating. The S&P 500 is on pace for its strongest profit growth in years, and it is getting there with a cheaper multiple than it started the year with. We expect double digit earnings growth to carry stocks ahead of bonds again over the next twelve months.

Source: Bloomberg, as of 9/30/2026

Our home bias has earnings behind it

Earnings growth is concentrated in US AI, while sovereign debt stress builds abroad

At Home: AI-Led Earnings Growth
Share of expected S&P 500 EPS growth, Q3 2026



Abroad: Sovereign Debt Stress

France is the clearest example

- French stocks are among the only major markets down this year
- French bonds just had their worst quarter since the euro launched
- The ECB has little room to step in before the spring 2027 elections

Foreign investors are still buying US equities

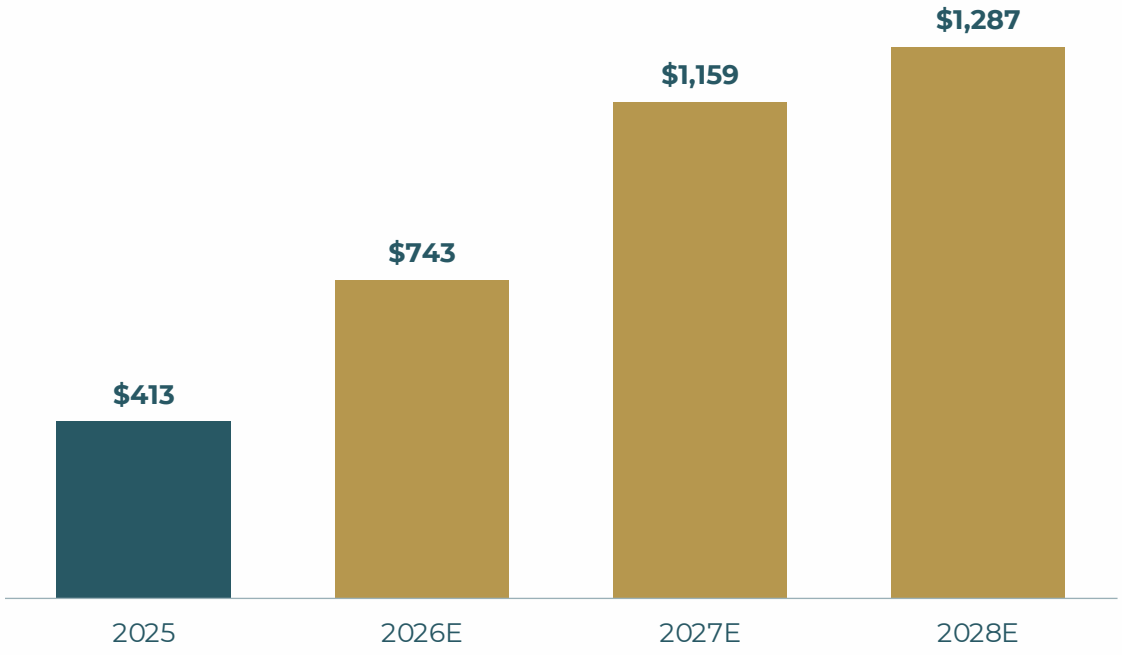
We favor the US because that is where the earnings growth is being created. The AI buildout is concentrated in American companies, and they are expected to drive the bulk of profit growth again this quarter. Abroad, sovereign debt pressure is building, and France is the clearest example of politics and yields overriding fundamentals. We would rather own the engine than the places exposed to that stress.

Source: Goldman Sachs, Bloomberg, as of 10/05/26

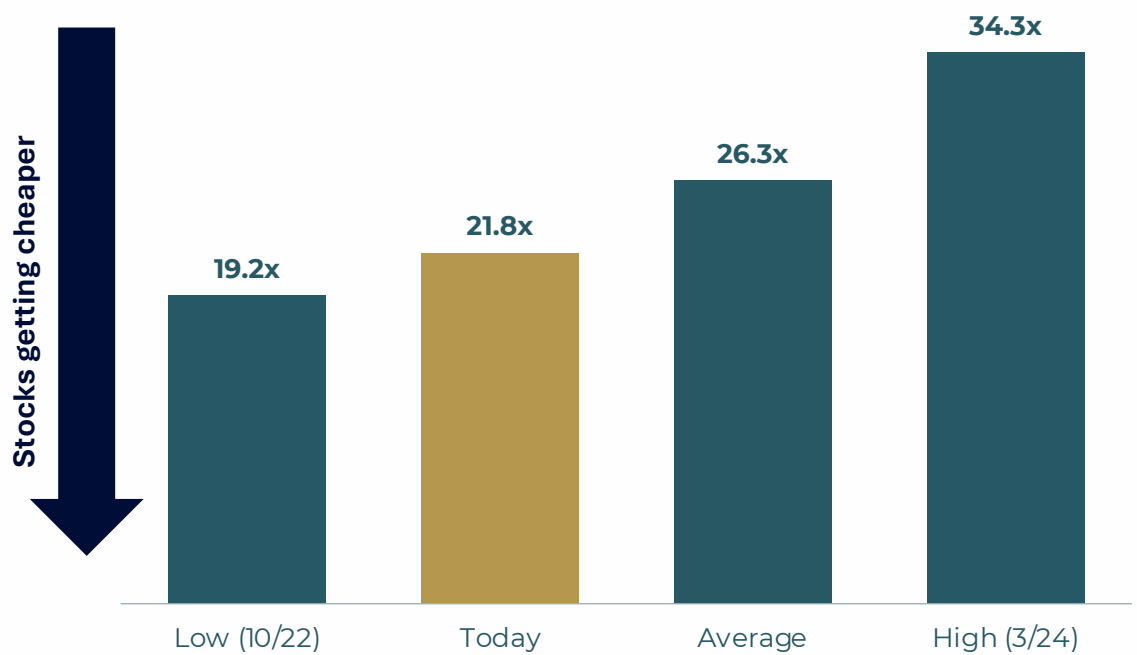
Still believers in AI, especially at these prices

Spending keeps climbing, and AI stocks are cheaper than they were in the spring

Big Tech AI spending is set to triple by 2028
Hyperscaler capex ($B), 2026–2028 estimated



GS AI basket, forward P/E (next 12 months)
since January 2022



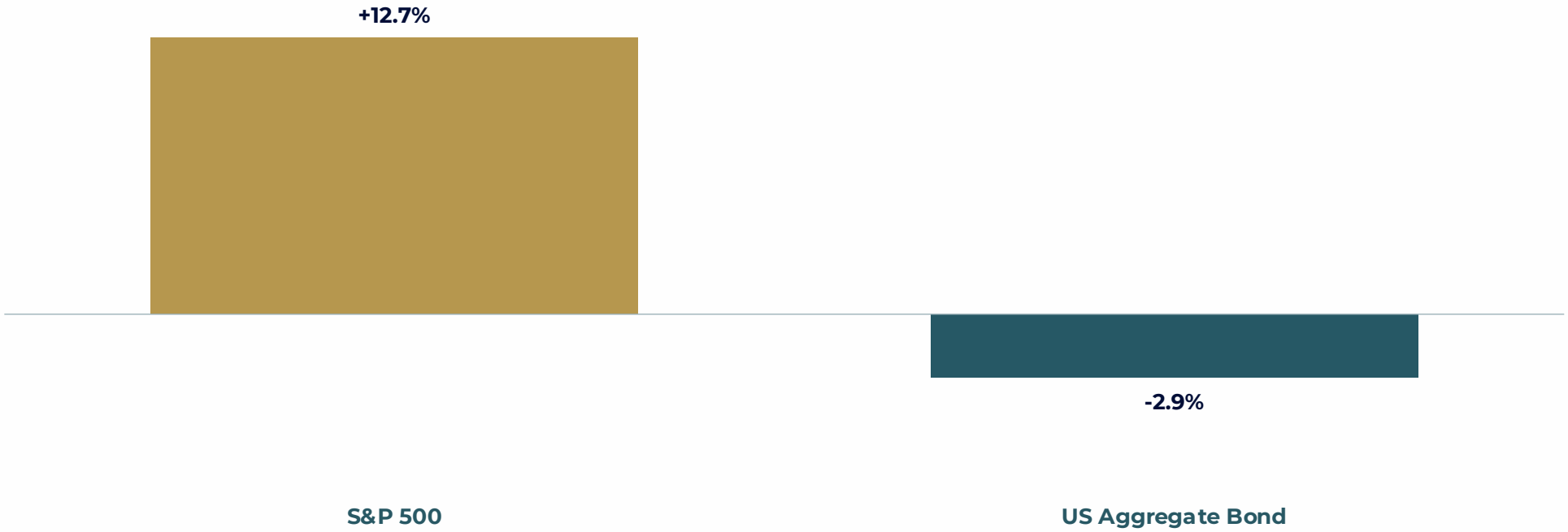
Spending is rising while prices have fallen, so we are paying less for the same growth. The biggest companies in the world are committing over a trillion dollars a year to this build, yet the AI basket trades at about 22 times forward earnings, below its average of about 26 times and far from its 34 times peak. Bigger earnings at a lower multiple is the setup we want, and we think it keeps the AI trade working.

Source: MS, BlackRock, Bloomberg as of 10/06/2026

Earnings are carrying stocks past higher rates

We expect double-digit earnings growth to keep carrying stocks

Stocks have beaten bonds by over 15% so far this year
2026 YTD total return through September (%)



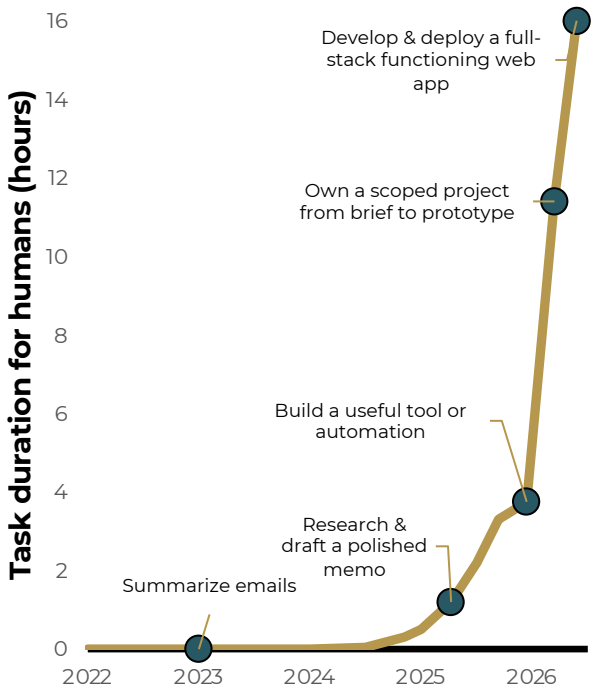
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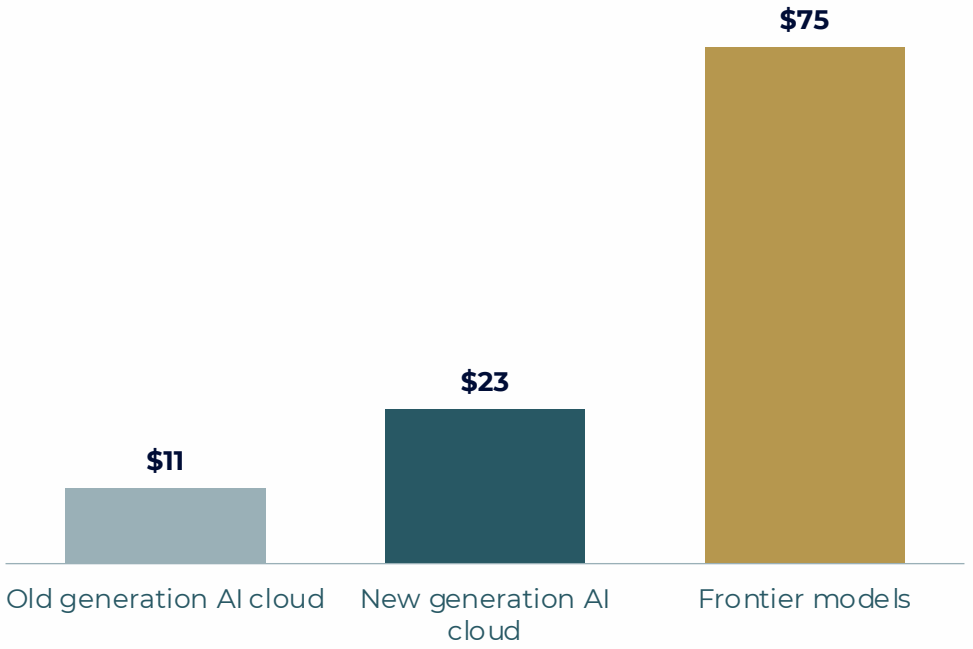
Why we think the AI spending pays off

AI can now handle much harder work, which drives more usage and more revenue

AI now handles two-day projects
AI task length (hours)



The Same Compute Now Earns Firms Up to 7x More Revenue
Annualized revenue per gigawatt of compute ($B)



250x

Growth in AI token usage on OpenRouter since January 2025

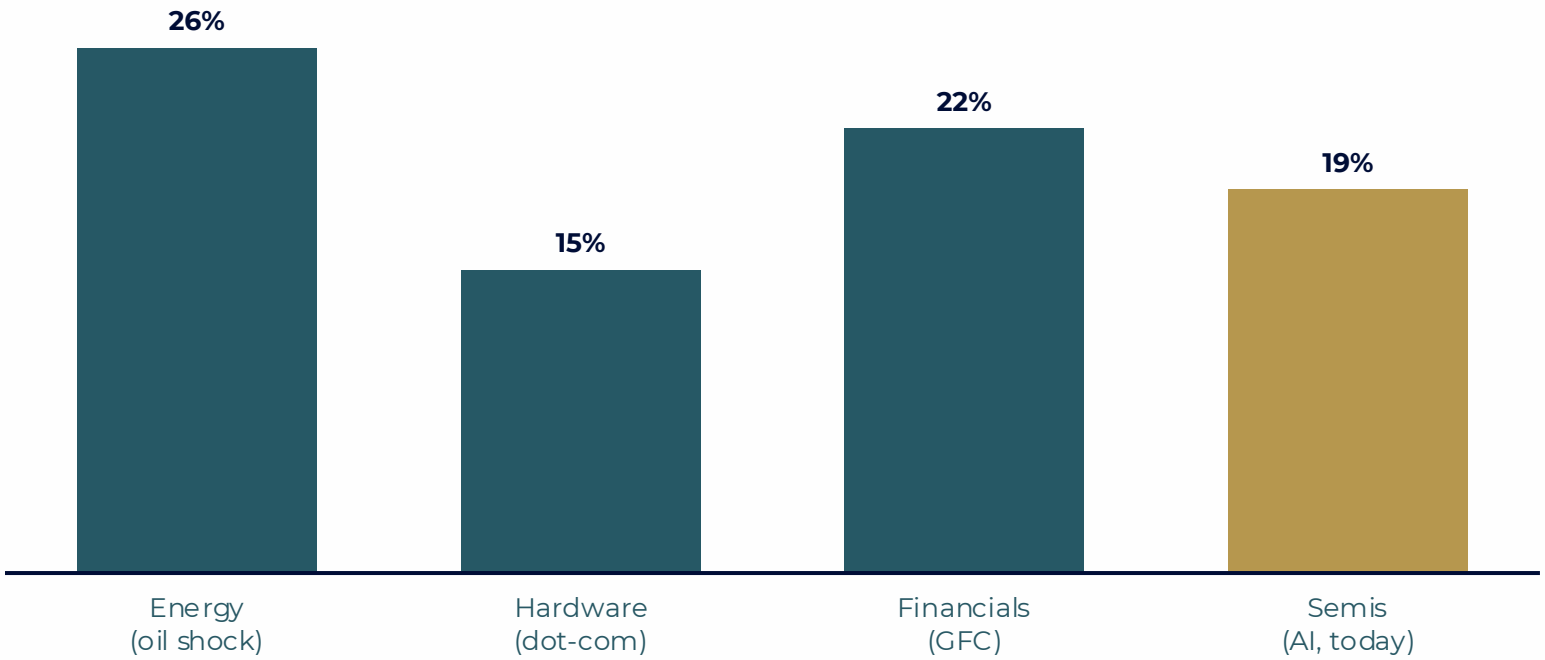
AI can now handle work that would take a person a full day or more. This is what business investment is paying for. More usage makes every dollar spent on AI infrastructure more valuable, which is why we see the spending as an investment with a return, not a bubble.

Source: BlackRock, METR, OpenRouter, and McKinsey as of 9/07/2026. METR Time Horizon 1.1 estimates the human-equivalent length of tasks frontier models complete with 50% success. Revenue per gigawatt uses range midpoints: old generation AI cloud $10–12B, new generation AI cloud $20–25B, frontier model token consumption $50–100B.

Semis still have room to set a record

Chips are now 19% of the S&P 500. Energy and financials both got bigger at their peaks

Past market leaders have grown even bigger
Peak sector share of S&P 500 market cap in each era (%)



19%

Semiconductors' share of S&P 500 market cap today

26%

Energy's peak share during the oil shock, the largest of these eras

Semiconductors have grown into one of the largest groups in the market, and people are right to ask whether that can last. History says sector leadership can get bigger than this. Energy reached 26% of the S&P 500 during the oil shock and financials reached 22% before the financial crisis. The difference this time is that the size is being backed by earnings, and we think the AI build gives chips room to keep leading.

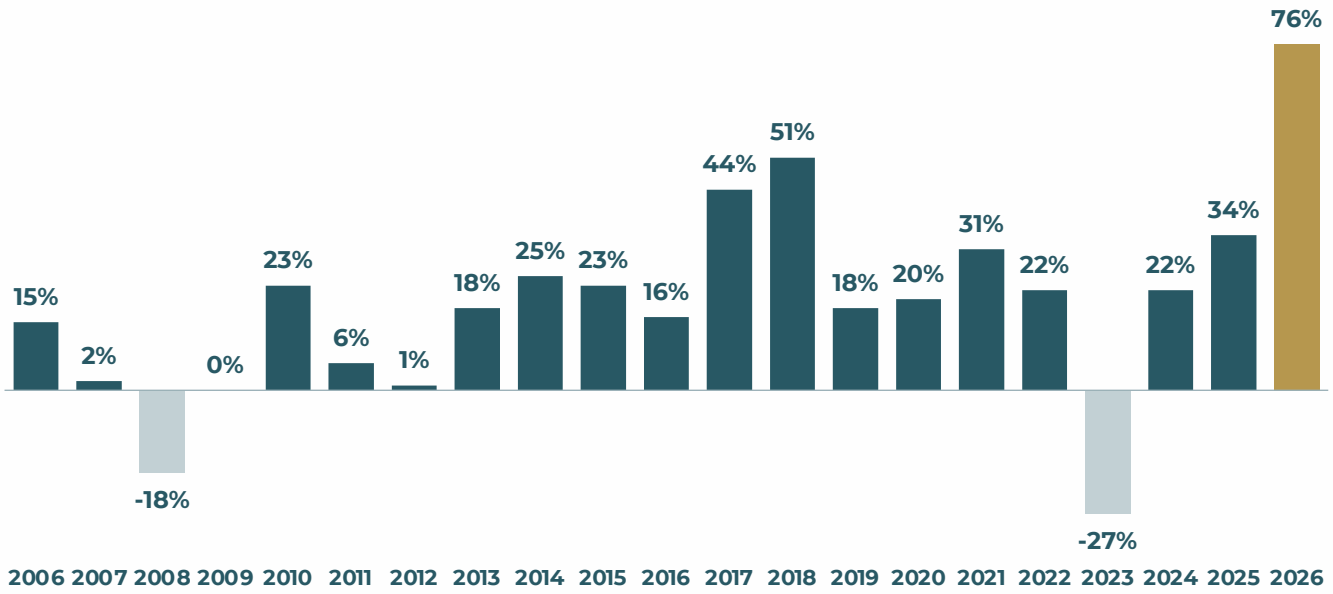
Source: Coatue, Bloomberg, S&P Dow Jones Indices, as of 10/06/2026.

The AI build is showing up in record chip profits

Memory chip margins are the highest in at least 20 years

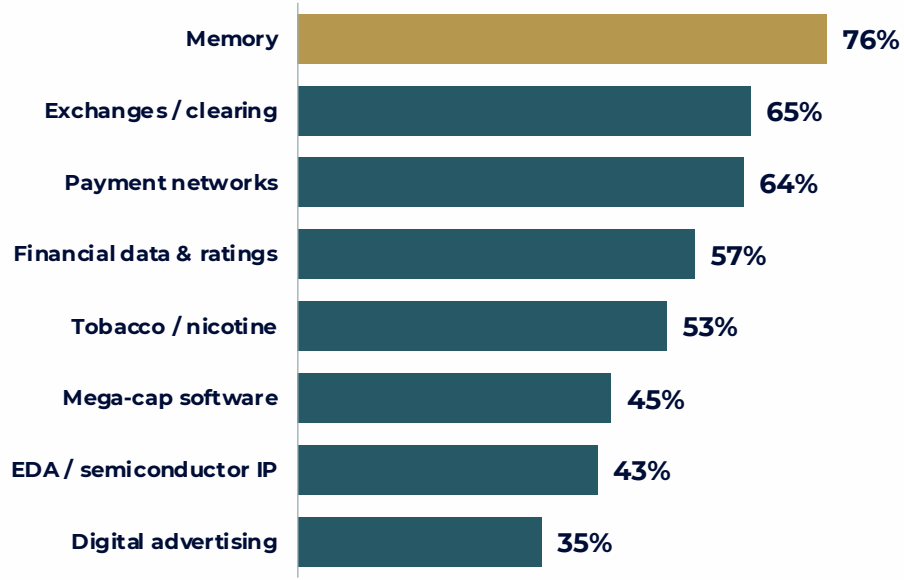
A historically cyclical business...

Memory operating margin, Micron, SK Hynix, Samsung avg. (%)



...now earning margins like the market's best businesses

Operating margin, 2Q26 (%)



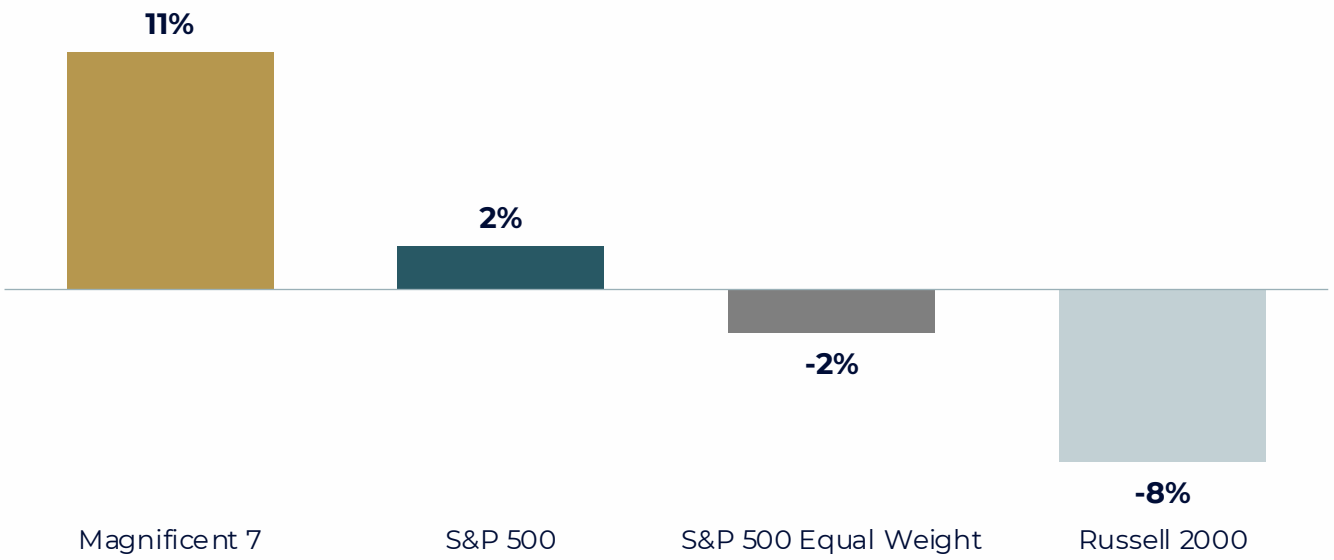
The AI build is not just a spending story, it is a profit story. Memory chipmakers are earning operating margins of about 76%, the highest in at least 20 years and nearly five times their long-run average of 16%. That now tops some of the best businesses in the market, from exchanges to payment networks to software. We think demand from the AI build keeps profits strong, which is why we are comfortable owning the leaders even after a big run.

Source: Coatue, as of 10/06/2026

Big is back

The Mag 7 reclaimed leadership in Q3, and we think scale keeps winning

Returns fell in step with company size
Q3 2026 return (%)



Why size wins here

- The largest companies are funding the AI build out of cash flow.
- Higher rates hurt smaller, more indebted companies first.
- The leaders keep delivering earnings, and that is where capital flowed in September.

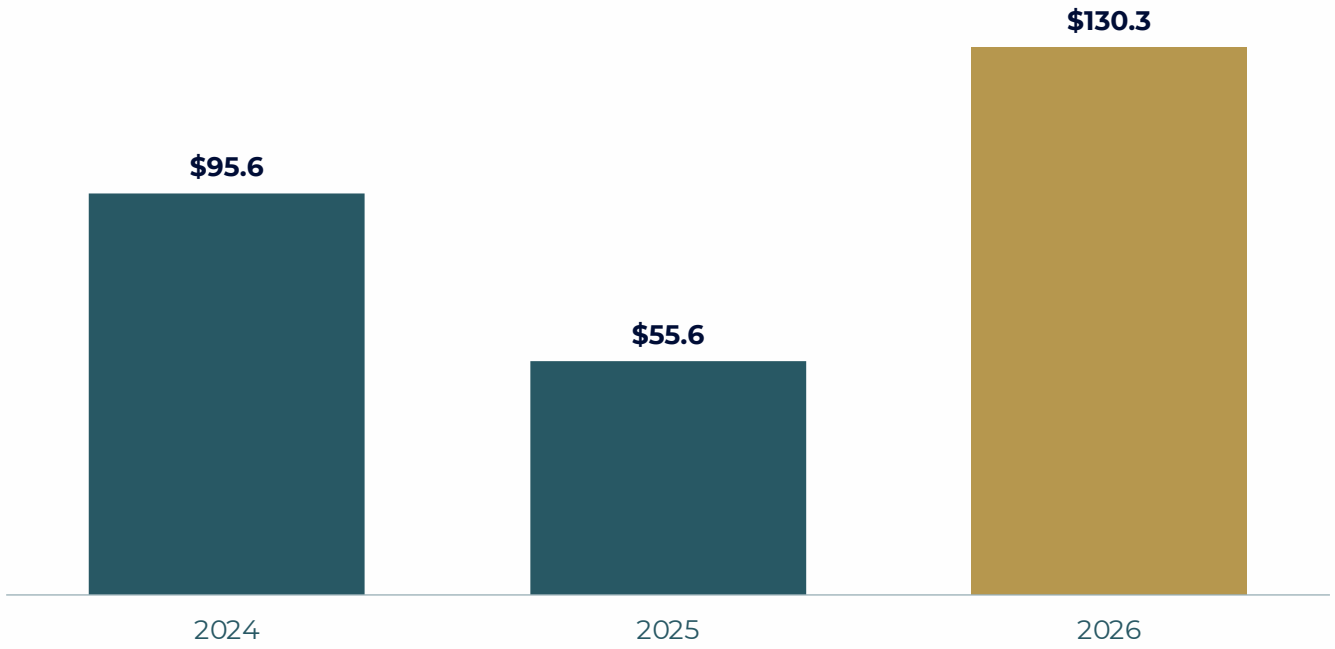
After a choppy first half, the Mag 7 led the market again in Q3 while the average stock and small caps went backwards. We think being big matters more in this environment. Higher rates reward stronger balance sheets, the AI build rewards companies with the cash to fund it, and the biggest names are the ones turning that spend into earnings.

Source: Goldman Sachs, Bloomberg as of 10/02/2026

Healthcare is out of the waiting room

The trend is turning, deals are booming, and AI could change the economics of biotech

Not just a rebound: deal value is well above 2024, too
Biopharma M&A value, January–August ($B)



+4.9%

Health care return in August 2026

+10.2%

Health care return, 2026 YTD through August

Why the tailwinds matter

The trend has turned in the sector's favor, pharma is buying growth, and AI could make every research dollar in biotech go further.

We think healthcare has tailwinds building. The sector's momentum has improved, M&A activity is running at more than twice last year's pace, and we think AI can help biotech a lot, from target discovery to clinical trials. With the trend and the catalysts pointing the same way, we think the setup for the sector is improving.

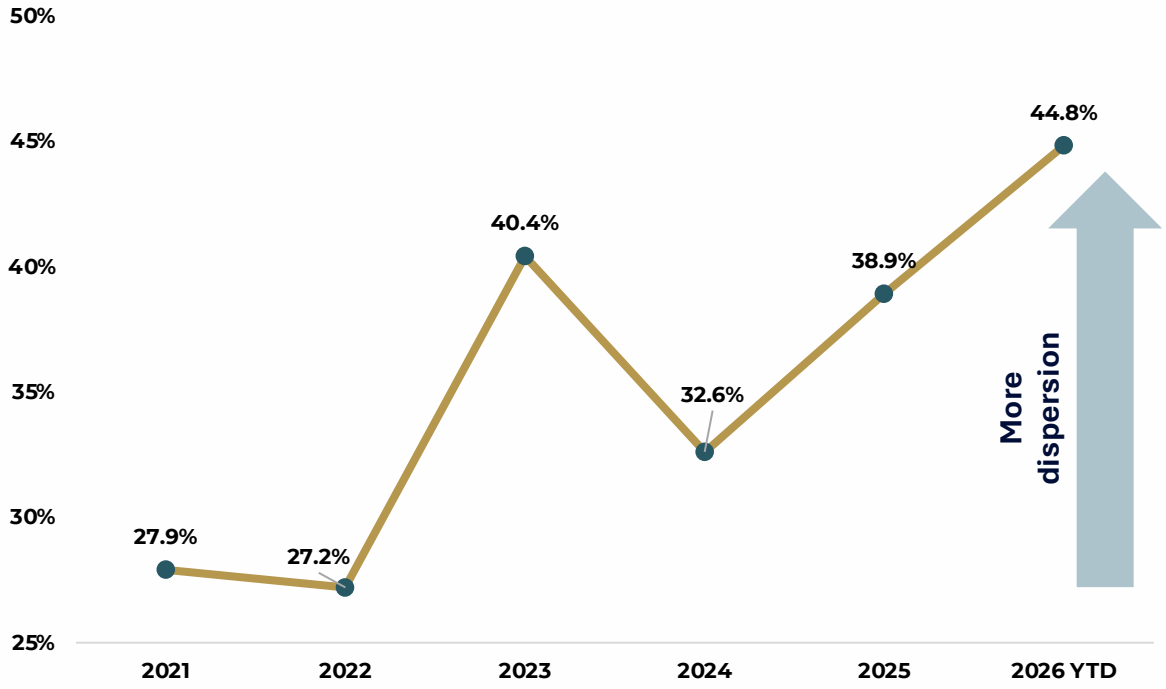
Source: BioWorld as of 09/29/2026

This market rewards picking the right investments

When stocks move this differently, what you own matters more than simply owning the market

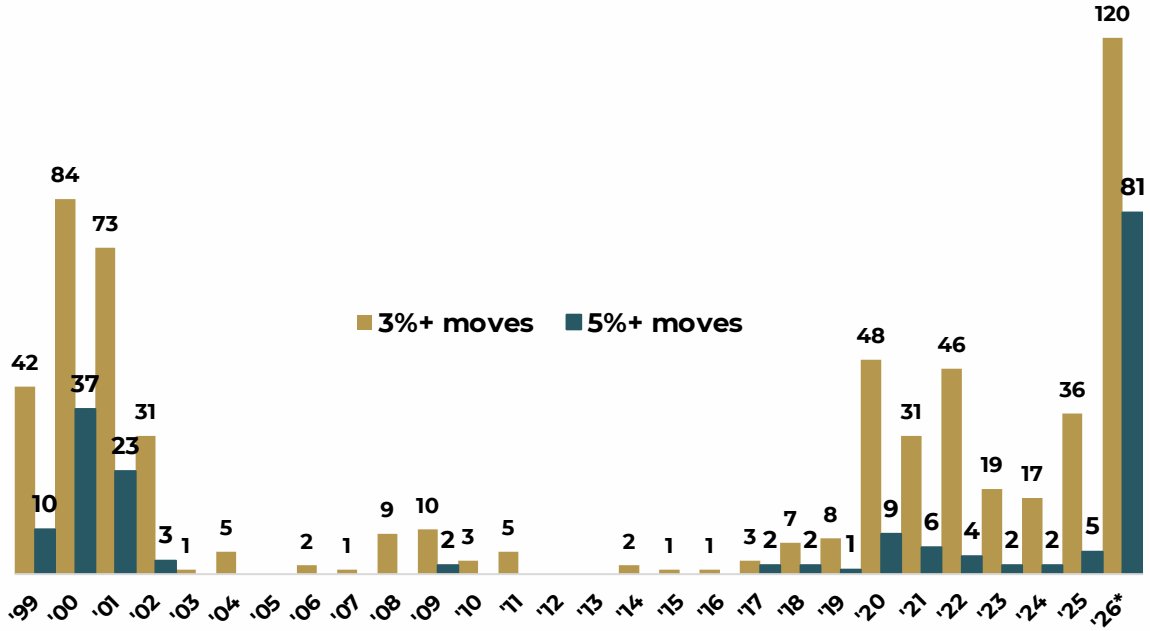
Single-Stock Returns Are the Most Volatile Since COVID

Standard deviation of returns across S&P 500 constituents



Momentum swings are highest since at least 1999

Count of absolute 3%+ and 5%+ momentum moves



The gap between winners and losers is the widest in at least six years. In a market like this, careful selection can add real value. We think active management can add value during times like these.

Source: Bloomberg, Goldman Sachs, as of 10/06/2026

Bonds look cheap, even if they don't feel that way

Highest yields since the global financial crisis



5.28%

What the 10-year Treasury pays today

9.5%

Average return over the next 12 months when the 10-year started at 5% or higher, past 30 years

Yields rose in every major developed market this year, but today's yields offer the most income in a generation and a cushion if growth slows. Starting yield is one of the best guides to future bond returns. Real yields, what you earn after inflation, are the highest since 2008, so investors are being paid well to own duration.

Source: Bloomberg, BlackRock, as of 10/06/2026

What could knock us off course

We are constructive, but these are the things we are watching most closely

1

Fed pace

A measured Fed is priced. A faster hiking cycle is not

2

Oil and Iran

Escalation would push energy and inflation higher

3

Midterms

AI and data centers are becoming a political issue

4

Power and permitting

The build depends on getting electricity and sites online

5

Consumer

Lower income households feel energy prices first

None of these change our base case today. We think staying invested while being honest about what could change our minds is the right posture heading into year end.



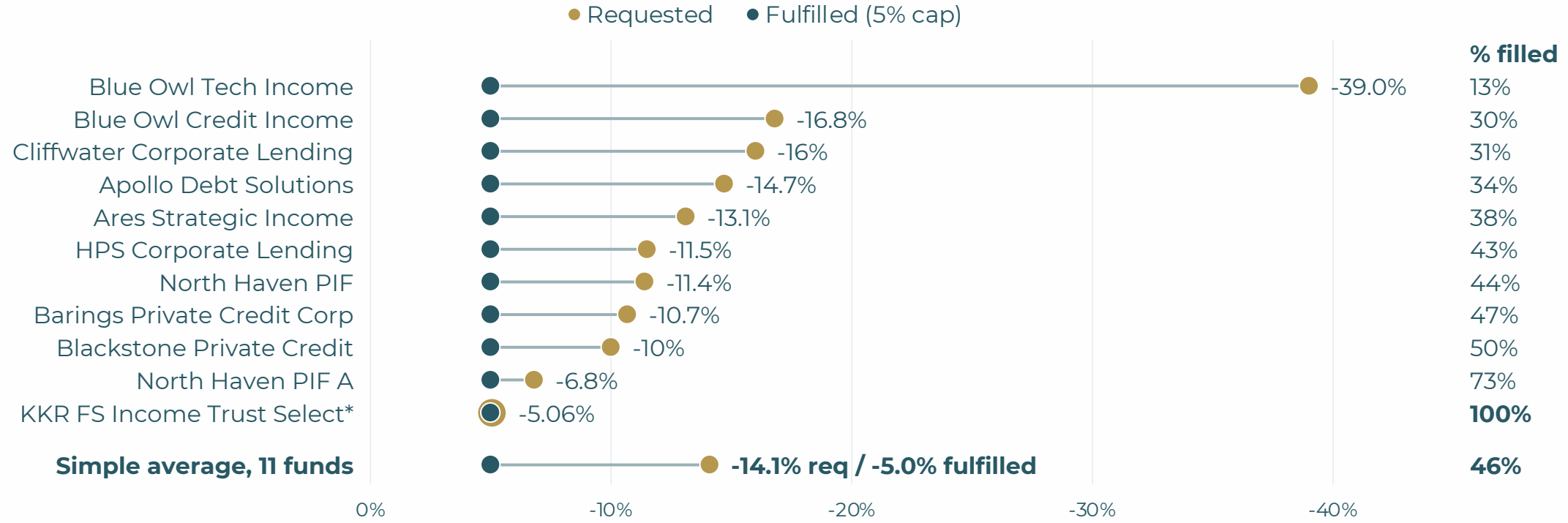
Private Markets

Redemption activity stabilized but still elevated

Most private credit redemption requests have stabilized

Gates held: every fund capped payouts near 5%

Q3 2026 repurchase requests vs fulfilled, % of shares outstanding



Redemption activity accelerated from Q1 to Q2 but appears to be subsiding. BDCs with more software exposure still under significant pressure.

*KKR FS Income Trust Select: 5.06% of shares requested vs. 5.0% offered; 100% of requests filled.

Requests under 5%, paid in full: Golub (GCRED) 4.8%, BlackRock (BDEBT) 4.6% (preliminary), Oaktree (OSCF) 3.8%, Goldman Sachs (GSCRED) 2.0%, HPS Corporate Capital Solutions (HCAP) 1.9% (press reports), KKR FS Income Trust (K-FIT) 1.5%, Antares (ABDC) 0.45% (preliminary), Fortress (FPLF) ~0.07% of offer.

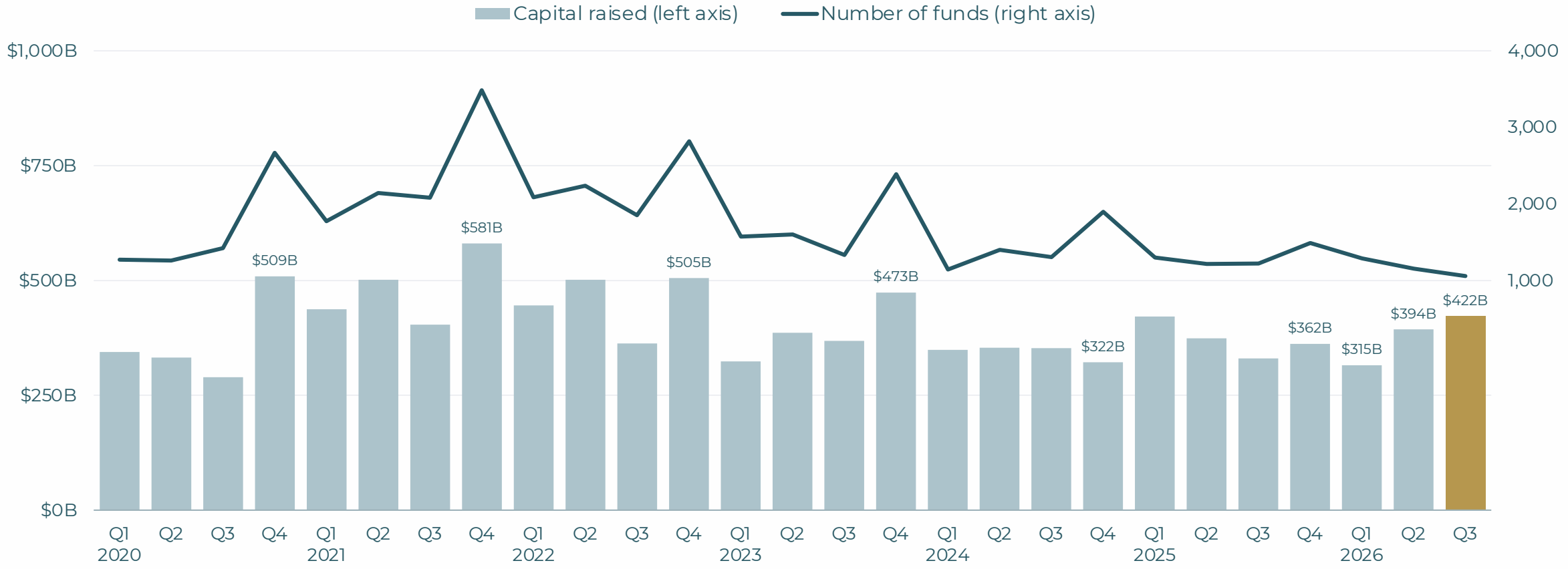
Source: Company letters, SEC tender filings, Bloomberg, Reuters, PitchBook LCD (Q3 2026), as of 9/30/26. % filled = fulfilled / requested. Simple averages; average % filled is the mean of fund rates.

Private credit – Institutional investors driving fundraising

Fund sizes increasing as capital raising favor larger funds

Even with redemptions elevated, new capital keeps coming in

Aggregate capital raised and number of funds



Despite material redemption activity in BDC structures, private credit fundraising has increased.

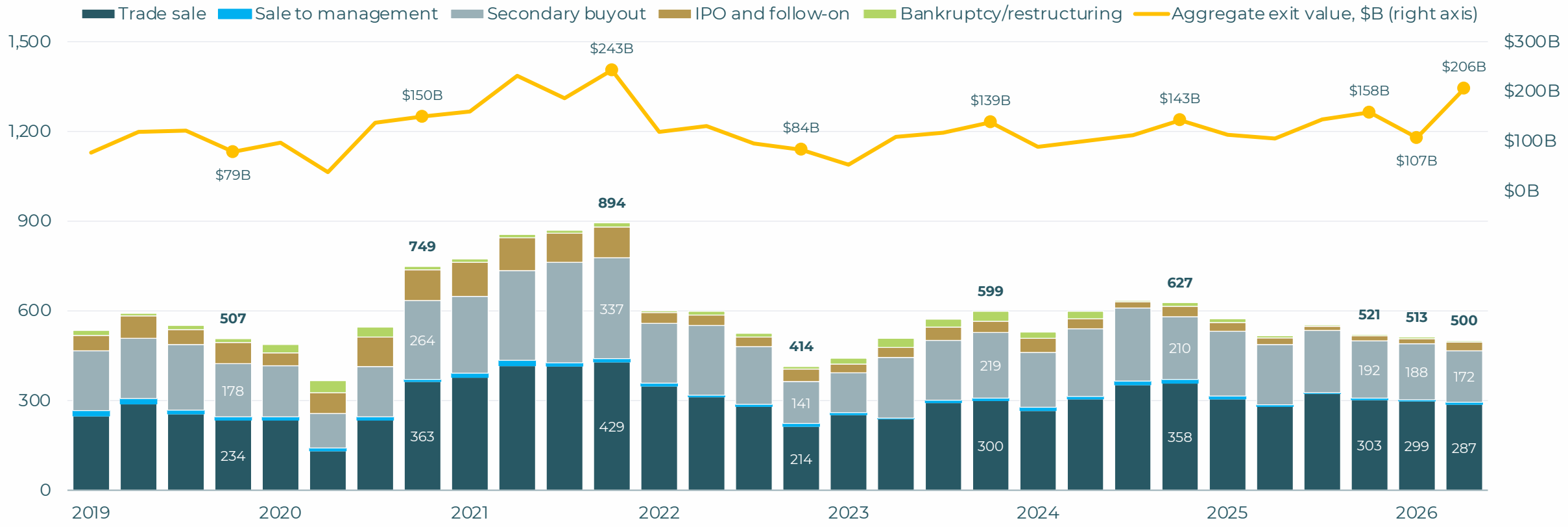
Source: Preqin, as of 9/30/206.

Distributions on the mend? The exit environment is improving

IPOs and follow-ons were 6% of Q2 2026 exits, against 12% at their Q4 2021 peak

Bigger deals are driving the exit recovery

Number of exits by route and aggregate exit value, quarterly



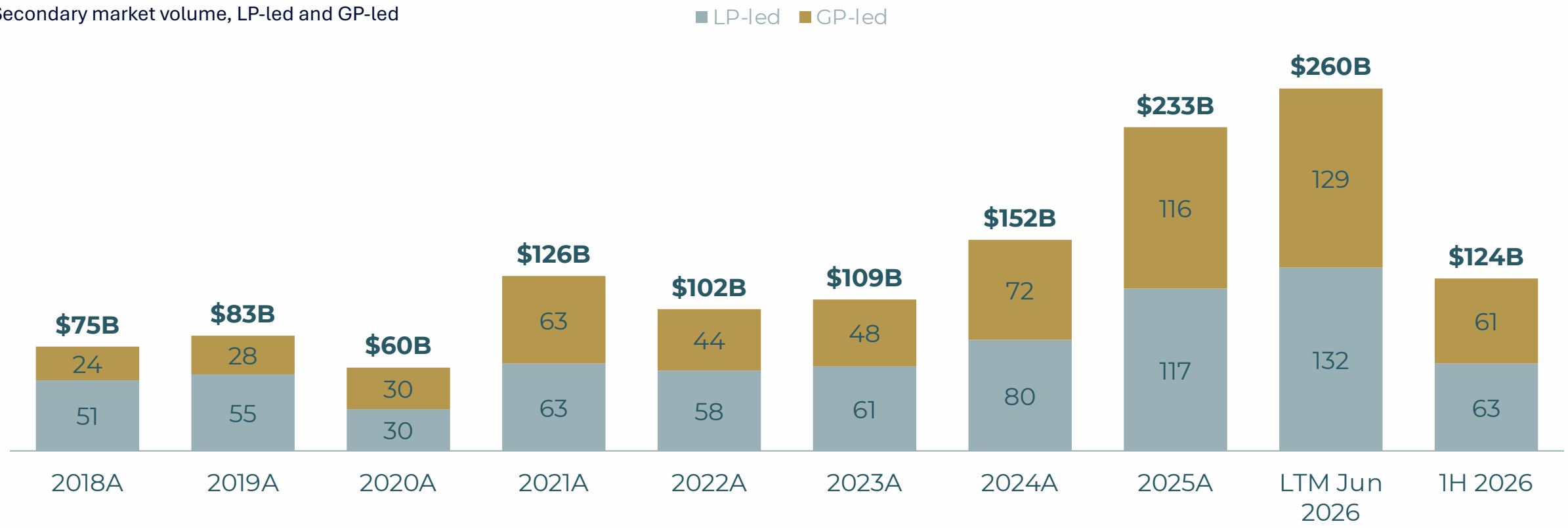
While distributions have been disappointing in recent periods, aggregate dollar volume for exits doubled from Q1 to Q2.

Source: Preqin, as of 6/30/2026.

Secondaries – Record $260B LTM volume, half GP-led

GP-led deals grew from 32% of volume in 2018 to 49% in 1H 2026, and 1H 2026 volume reached $124B

Volume has more than doubled since 2023
Secondary market volume, LP-led and GP-led



Secondaries continue to experience rapid growth, with GP-led secondaries now representing half of volume.

Source: Lazard, as of 6/30/26. LTM = last twelve months to June 2026; A = actual. Totals may not sum due to rounding.

LP-led sells fund stakes; GP-led moves assets to a new vehicle

The two routes differ in who sells, what is sold and who makes the decision

LP-led

Limited partner (LP) → Sells its stake → **Secondary buyer**

The fund and its assets stay as they are. The buyer takes the LP's place.

Decision: the LP chooses to sell

GP-led

Existing fund → Asset moves → **Continuation vehicle**

Existing LPs choose: sell for cash or roll over
GPs roll over equity

New investors fund the purchase

Decision: the GP proposes the deal

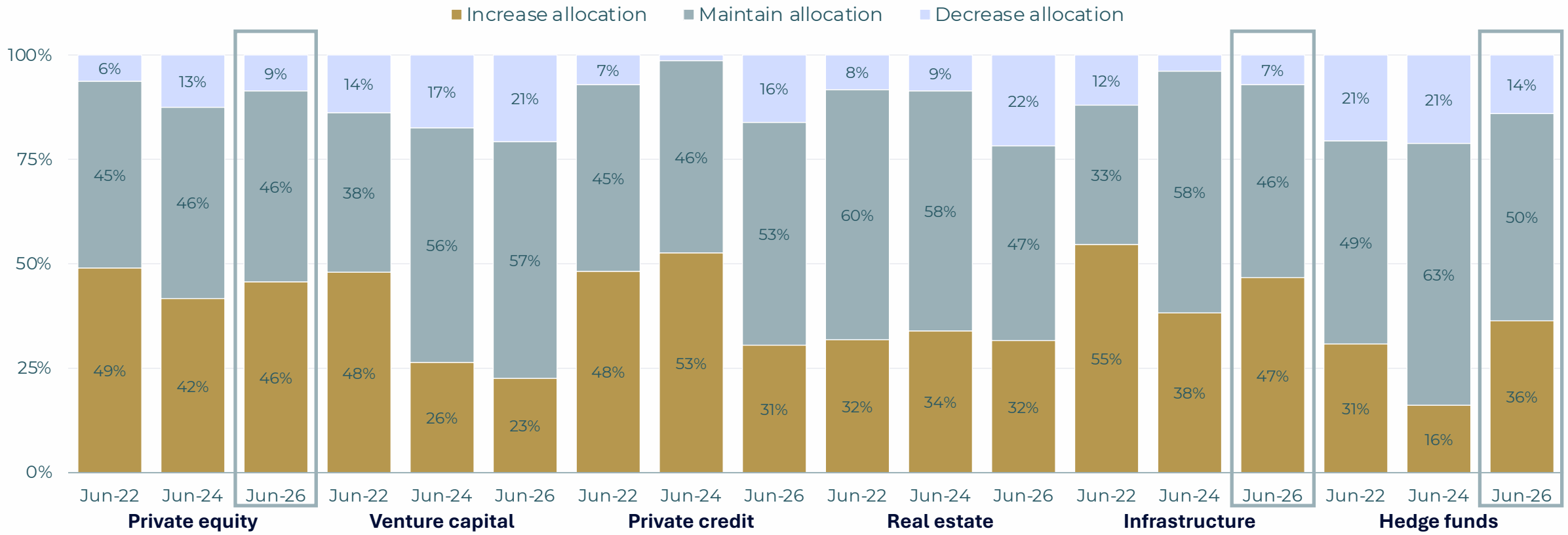
LP-led and GP-led secondaries have very different approaches, as GP-led typically involving single “trophy” assets and LP-led involving a pool of companies.

Illustrative structures. Individual transactions vary.

Institutional allocation study

Allocations focused on Private Equity, Infrastructure, and Hedge Funds

Broadly investors are still increasing their allocations to private markets
Investor allocation intentions by asset class, % of respondents



Institutions plan to keep adding to private markets, led by infrastructure and private equity. Private credit is the one area that has cooled after years of heavy inflows. We see that as digestion, not a retreat, and it's why we diversify across private market strategies.

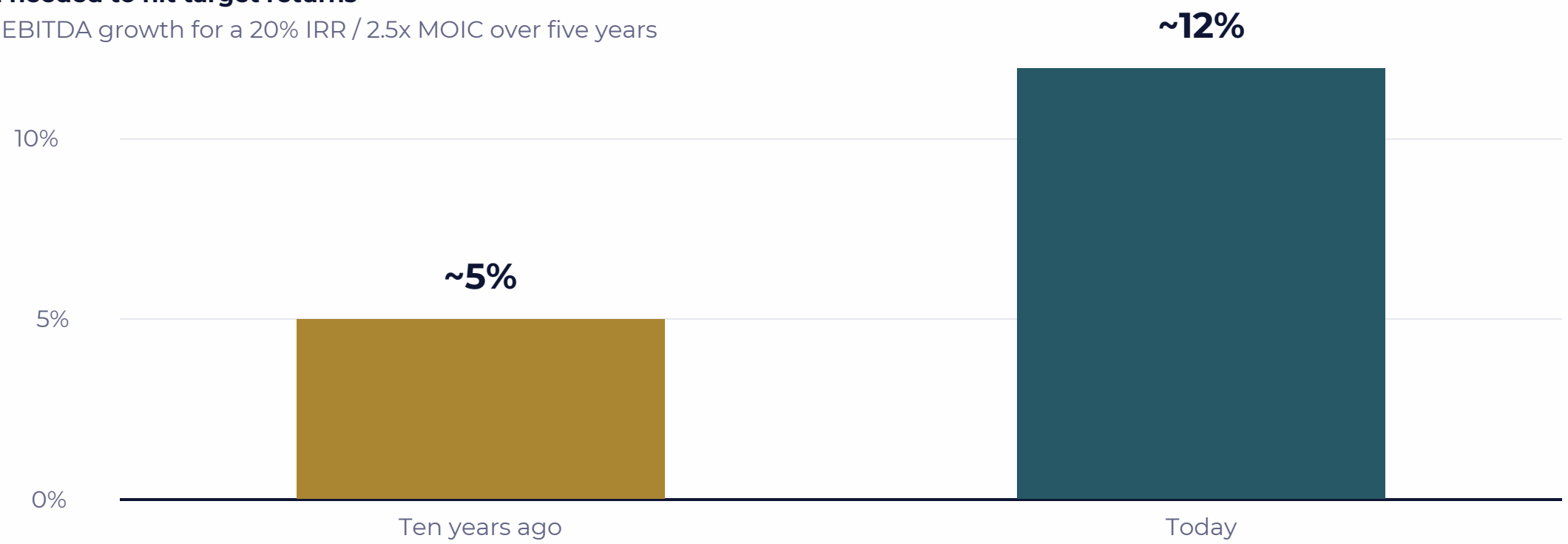
Source: Preqin Investor Surveys, June 2022 to June 2026, as of 6/30/26. Shares may not sum to 100% due to rounding.

In today's buyout market, operations do more of the work

Cheaper debt and rising multiples no longer carry returns. Earnings growth does.

Growth needed to hit target returns

Annual EBITDA growth for a 20% IRR / 2.5x MOIC over five years



EBITDA growth driven by revenue growth and/or cost-take outs through business optimization. PE returns more dependent on driving EBTIDA growth.

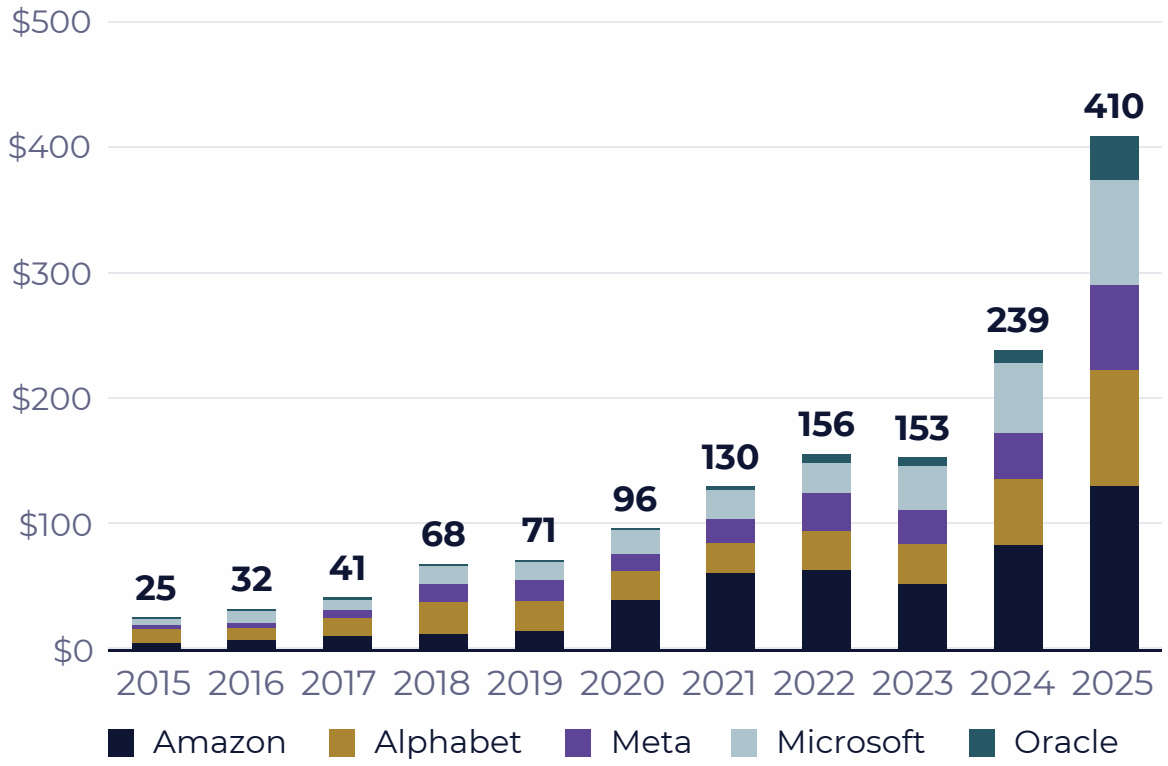
Source: Bain & Company, Global Private Equity Report 2026, Figure 1 (illustrative US buyout), as of 2/22/2026. Values approximated. Third-party data, not a Dynasty view.

What's driving demand for digital infrastructure

Spending is rising, and power is the constraint.

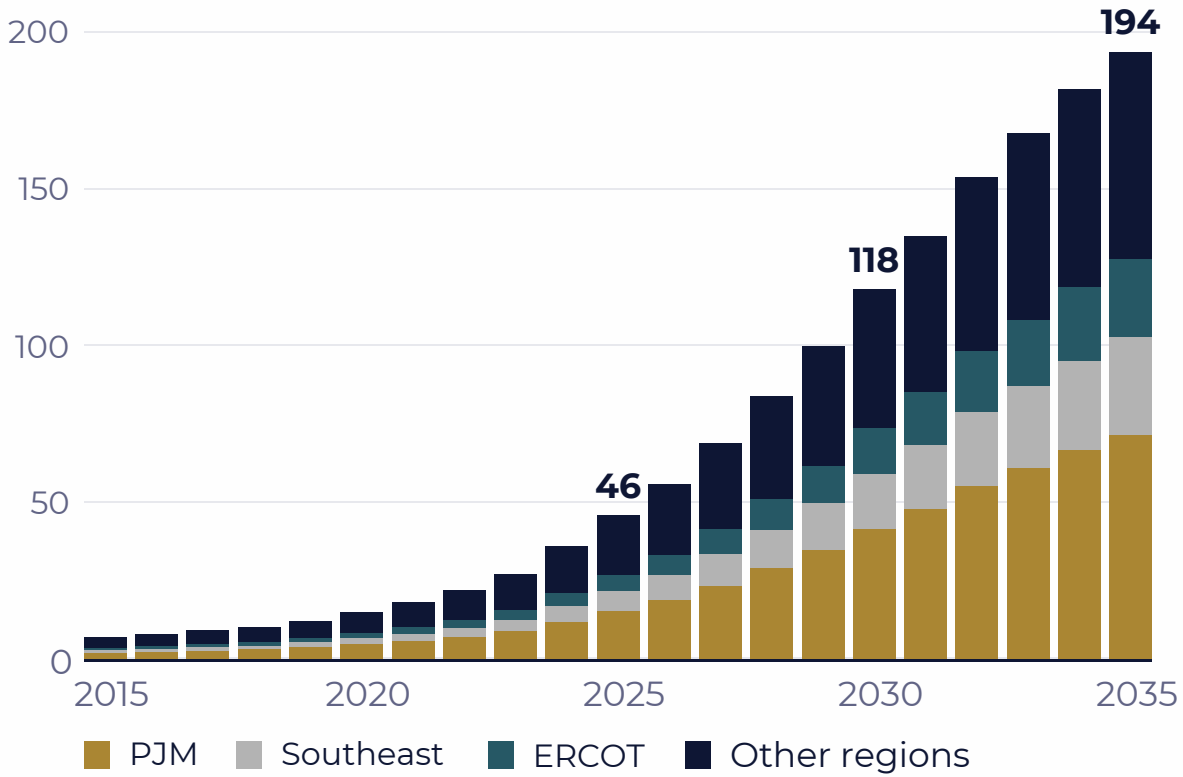
Hyperscaler capex, 2015–2025

USD billions. Amazon, Alphabet, Meta, Microsoft, Oracle



US data center capacity, forecast

Installed capacity by region, gigawatts (GW)



Private infrastructure is experiencing more interest given concerns around direct lending, with growth partially driven by digital.

Source: S&P Capital IQ, accessed February 2026 (via Hamilton Lane), as of 5/6/2026. Values approximated from the source chart.
Source: BloombergNEF, DC Byte, July 2026 forecast; year-end values, as of 7/21/2026. Third-party estimate, not a Dynasty view. Regions grouped; values approximated.

What's next?

How ChatGPT looks at me when I ask it to make the responses feel "more human"



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