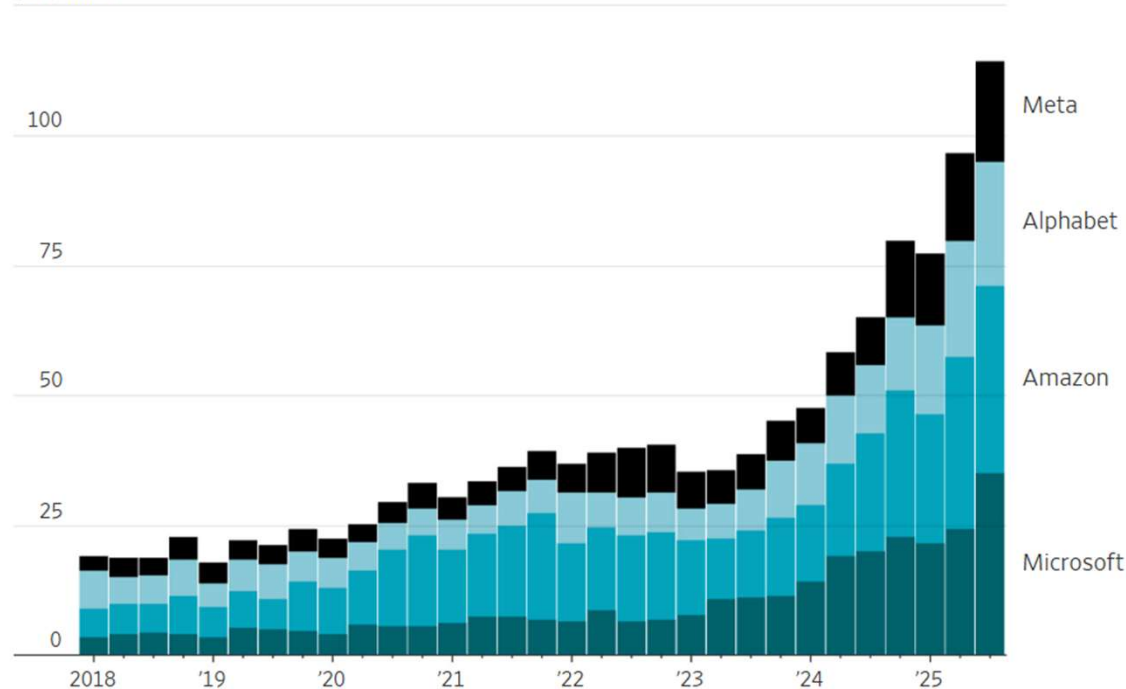


Silicon Valley's biggest companies are already planning to pour \$400 billion into artificial intelligence efforts this year. They all say it's nowhere near enough. Are we in a bubble ? (Wall Street Journal)



Capital expenditures, quarterly

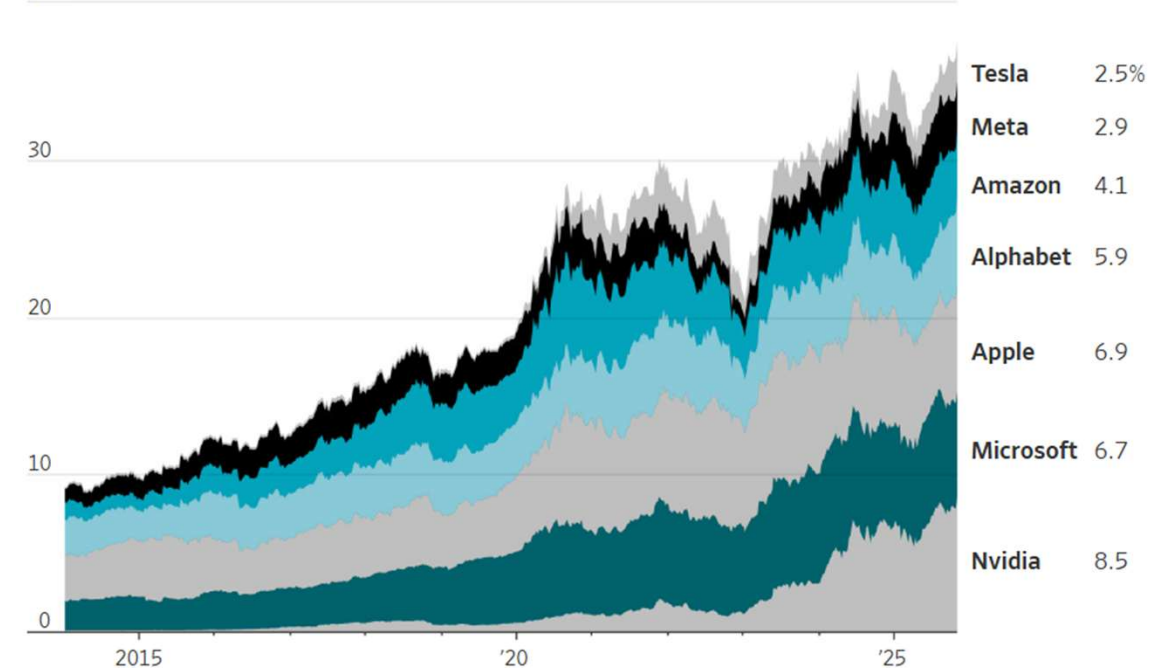
\$125 billion



Note: Data are for calendar quarters and include finance leases.
Source: the companies

Market values as a share of the S&P 500's total value

40%



Note: Weekly data. Tesla joined the S&P 500 in December 2020.
Source: FactSet

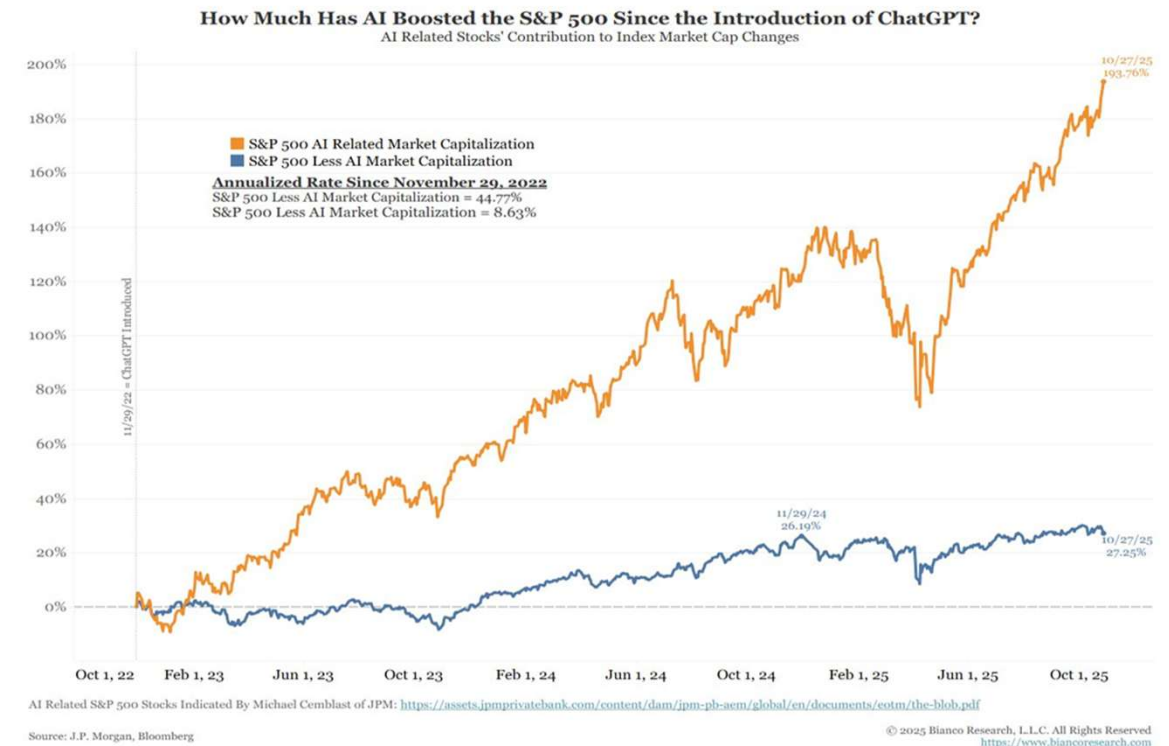
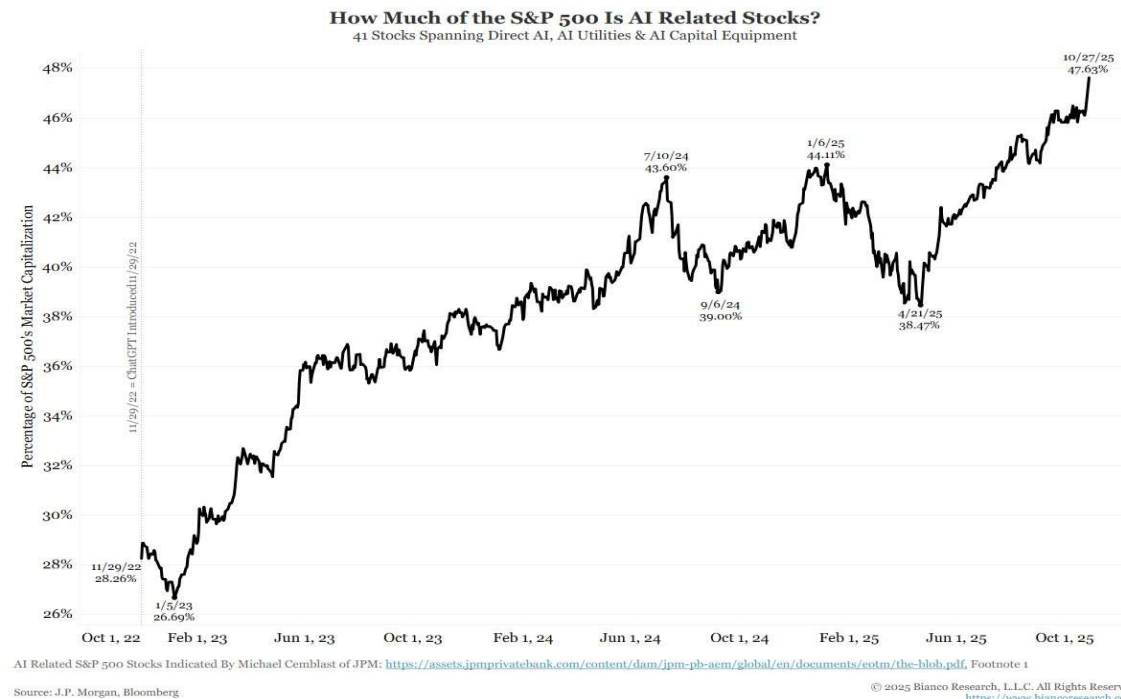
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Penta Advisory Monaco SAM

Le Monte-Carlo Palace, 7 boulevard des Moulins - MC 98000 Monaco - T: +377 93 50 38 49

JP Morgan has identified 41 AI-related stocks, 8% of the S&P 500. These stocks account for 47% of the index's market cap and have jumped by 194% since the introduction of ChatGPT in Nov 2022 vs 27% for the other 459 non-AI-related stocks



¹ Our S&P 500 AI universe is composed of 41 stocks from three categories, based on analyses of earnings transcripts conducted by Dubravko's JP Morgan Global Market Strategy Team and by Empirical Research

Direct AI (29): NVIDIA, Microsoft, Apple, Alphabet, Amazon, Meta, Broadcom, Tesla, Oracle, Palantir, AMD, Salesforce, IBM, Uber, ServiceNow, Qualcomm, Arista, Adobe, Micron, Palo Alto, Intel, CrowdStrike, Cadence Design, Dell, NXP, Fortinet, Digital Realty Trust, HP and Super Micro Computer. **AI utilities (8):** NGR, Vistra, NextEra, Southern, Constellation, Public Service Enterprise, Entergy, NiSource. **AI capital equipment (4):** Eaton, Trane, Johnson Controls, Quanta

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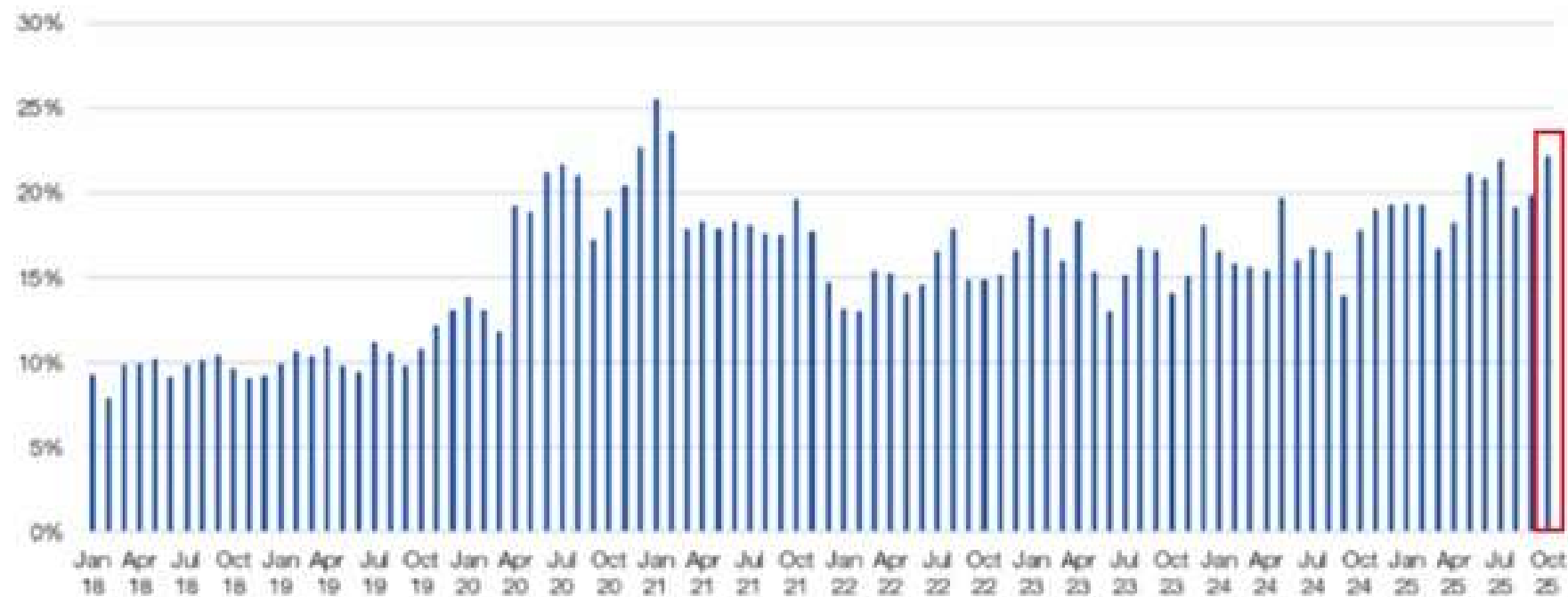
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Retail investors now reflect 22% of all stock market trades, the highest since Feb 2021. Retail's activity has now doubled from pre-2020 levels. Additionally, individual investors are now reflecting a record 16% of total single-stock trading volume



Retail % of Total Cash Market (Shares)

January 2018-October 2025



Source: Citadel Securities, as of October 24th, 2025. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

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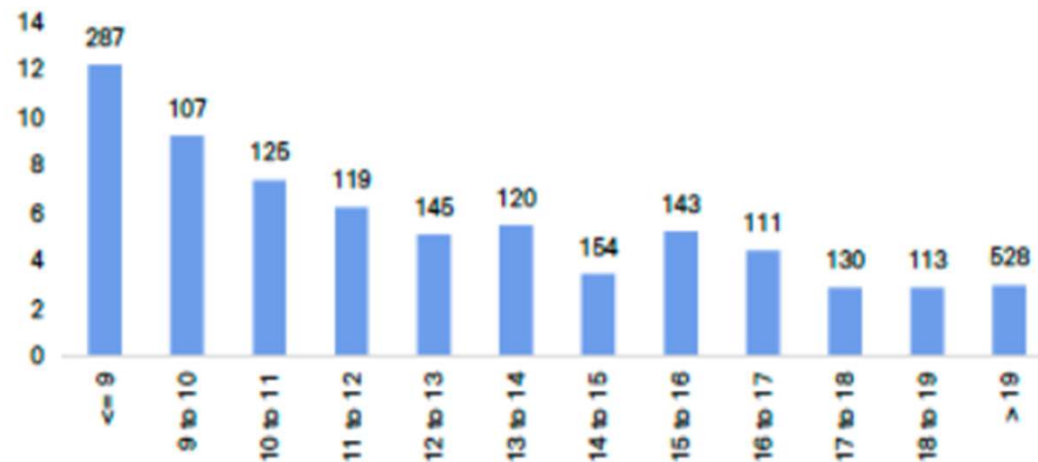
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Starting P/E or CAPE ratio are good predictor of medium/long-term equity performance. The current level of valuation suggests limited 5-year forward equity return

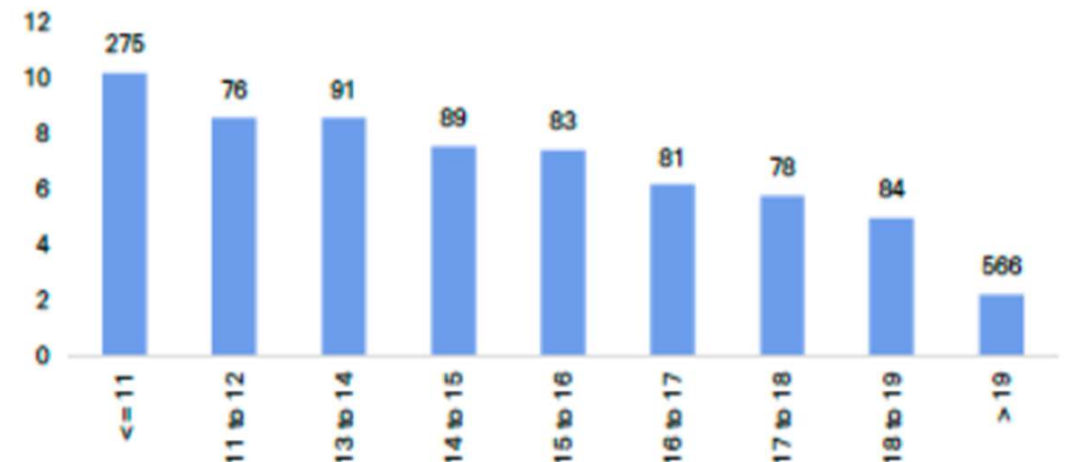


Figure 44: Median 5-yr real total stock return by buckets of starting P/E ratio



Source : Finaeon, Bloomberg Finance LP, Haver Analytics, Deutsche Bank. Note: data labels above each column are the number of observations within each interval.

Figure 45: Median 5-yr real total stock return by buckets of starting CAPE ratio



Source : Finaeon, Bloomberg Finance LP, Haver Analytics, Deutsche Bank. Note: data labels above each column are the number of observations within each interval.

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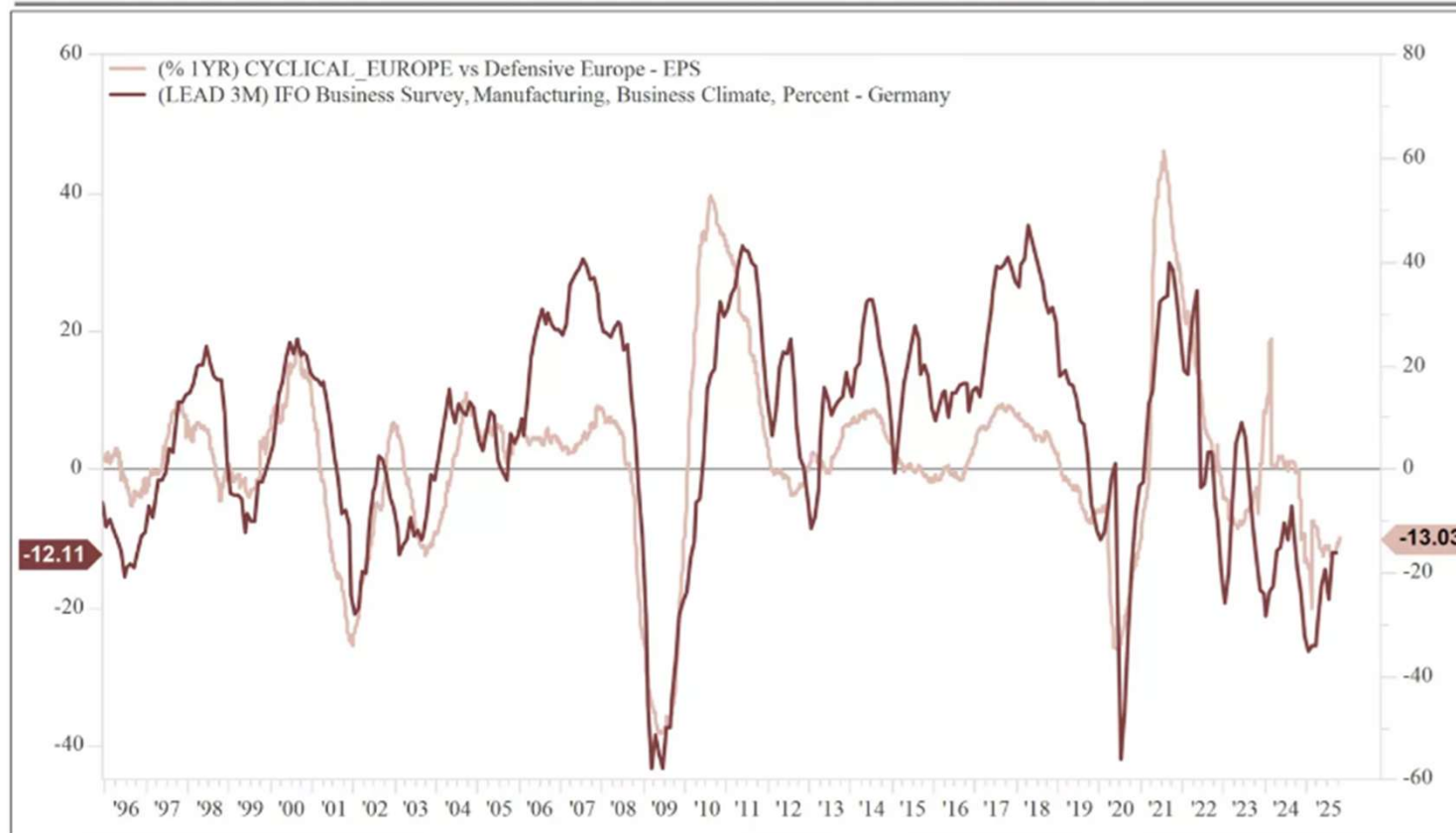
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If the IFO survey continues to show improvement, it could signal a more favorable environment for European cyclicals



Cyclicals' earnings look set to accelerate (vs defensive peers)
IFO Business Survey Manufacturing (3m lead) and Europe Cyclical vs Defensive NTM EPS (YoY)



Source: FactSet; Pictet Trading Strategy; as of 29/10/2025

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