



CIO recommends a balanced approach to AI, combining high-growth semiconductors with resilient software and platform companies. (UBS)

# AI momentum continues amid volatility

9 June 2025, 15:53 UTC, written by UBS Editorial Team US Editorial Team

**US equities continued to rebound last week, climbing to their highest levels since February despite mounting evidence of slowing economic activity. The S&P 500 and the tech-heavy Nasdaq are now just 2.4% and 3.3% below their all-time highs, respectively.**

While market swings have persisted as investors react to shifting trade and economic headlines, secular trends continue to provide a supportive backdrop for equities. Innovation remains a key driver of long-term equity performance in our view, and recent developments reinforce our conviction in the potential of our Transformational Innovation Opportunities (TRIOs): artificial intelligence (AI), power and resources, and longevity. Robust demand for AI compute is fueling record capital investment, with global AI capex expected to rise 60% this year and 33% in 2026, even as US-China tech tensions persist and as recent reports question whether artificial general intelligence is achievable.

In the power and resources space, surging electricity demand driven by AI data centers and electrification has led to major long-term energy contracts and strong sector earnings. Furthermore, May executive orders from US President Trump targeted nuclear generation expansion, reviving the nuclear fuel industry, and streamlining regulation in order to achieve an expanded target of quadrupling US nuclear capacity to 400 GW by 2050 (previously the Biden administration targeted a threefold increase to 300 GW). This is translating into increased investment—International Energy Agency data illustrate that spending on nuclear generation grew by c.14% per annum between 2021 and 2024, after a period of stagnation between 2015 and 2020.

Meanwhile, the longevity theme is supported by rising global demand for health care solutions, with the sector poised for growth despite near-term policy uncertainty and regulatory risks.

*Takeaway:* For investors seeking to benefit from enduring secular trends, we believe our TRIO themes offer durable growth potential that can outlast short-term volatility. We recommend a balanced approach to AI, combining high-growth semiconductors with resilient software and platform companies. In power and resources, we favor the electrification value chain, while in longevity, we see opportunities in select pharmaceutical, medtech, and health care service providers, as well as companies focused on nutrition and wellness. Investors anxious about the potential for further setbacks can also access the themes through structured strategies with capital preservation features, or via instruments that generate yield and seek to buy equities at lower prices than today's.

Original report - [Staying attentive to market risks, but open-minded to investment opportunities, 9 June 2025.](#)

### Disclaimer

This document is prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland), its subsidiaries or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. In the USA, UBS Financial Services Inc. is a subsidiary of UBS AG and a member of FINRA/SIPC. Additional Disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

**This document and the information contained herein are provided solely for your information and UBS marketing purposes.** Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS Group. UBS is under no obligation to update or keep current the information contained herein. **The views and opinions expressed in this material by third parties are not those of UBS.** Accordingly, UBS does not accept any liability over the content shared by third parties or any claims, losses or damages arising from the use or reliance of all or any part thereof.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only and may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties.

Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

**Additional Disclaimer relevant to Credit Suisse Wealth Management:** Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Please visit <https://www.ubs.com/global/en/wealth-management/insights/chief-investment-office/marketing-material-disclaimer.html> to read the full legal disclaimer applicable to this document.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.