



(UBS)

CIO believes the bull market remains intact

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US equities rose to a record high at the start of the week after the AMD-OpenAI deal's announcement added fuel to the artificial intelligence (AI) momentum that continues to power the market.

The deal involves the chipmaker supplying OpenAI with 6 gigawatts' worth of advanced graphics processing units (GPUs) over multiple years, while OpenAI will have the ability to acquire up to 10% of AMD's shares at just USD 0.01 per share, depending on the project hitting certain milestones. It marks the latest in a string of pacts announced by OpenAI as the ChatGPT maker builds out more computing capacity. Last week, OpenAI signed letters of intent with Samsung Electronics and SK Hynix to buy memory chips, after it struck separate deals with NVIDIA, Oracle, and Broadcom over the past month.

With hundreds of billions in investment commitments and the bull market on track for its three-year anniversary, fears of an AI bubble that could rival the dotcom era are mounting.

But there have been warnings of a bubble for almost as long as the AI boom has been in full swing. According to the Chief Investment Office (CIO), a period of consolidation would not come as a surprise after such a strong recent run, but they believe the equity rally is underpinned by solid fundamentals that should continue to support the market.

With price-to-earnings (P/E) ratios for today's tech giants still well below those of the tech firms at the peak of the dotcom bubble, CIO believes the bull market remains intact. Investors looking to manage timing risks should consider phasing in and using market dips to add exposure to CIO's preferred areas, including the Transformational Innovation Opportunities of *Artificial intelligence*, *Power and resources*, and *Longevity*.

Original report – [AI deal powers US equities to record high, 7 October 2025.](#)



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