CIO believes investors should complement technology exposure with other secular themes and broader equity opportunities. (UBS)

Can technology regain its poise?

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Technology shares came under renewed pressure last week as investors questioned the durability of AI-related capital spending after a strong rally.

The Philadelphia Semiconductor Index fell 7.9% over the week, underperforming the MSCI All Country World's 2% loss. Asian markets that have heavy tech exposure, such as South Korea's Kospi, experienced daily swings of over 5%. Several negative headlines added to the pressure. Apple shares fell after the company said it would be raising prices to reflect concerns about memory and storage shortages. Weakness in the shares of top US hyperscalers, which are down an average of 20% this month, added to concern that these companies might come under pressure to moderate capital spending on AI. These developments overshadowed further evidence of robust demand for chips. Chipmaker Micron reported a 15-fold rise in profits and signaled strong ongoing demand for its memory chips, which are used in servers that train and host AI models.

This week, investors will look for further evidence that hyperscalers remain committed to capital expenditure plans, that supply bottlenecks in memory and advanced components remain supportive for pricing, and that cloud revenue growth and enterprise AI adoption can continue to justify heavy capital outlays.

Our view is that AI remains a powerful structural opportunity. We expect AI-related capital expenditure to keep rising, with annual spending approaching USD 1 trillion next year, and we believe demand across the hardware and infrastructure buildout remains strong. Despite this positive medium-term outlook, recent volatility should continue to remind investors that shareholder pressure, stretched positioning, and narrow market leadership can create further swings. We recommend diversified and active exposure across the AI value chain and geographies, including infrastructure, enabling technologies, platforms, and application beneficiaries. We also believe investors should complement technology exposure with other secular themes and broader equity opportunities. We view global equities as Attractive and recommend staying invested while reviewing concentration risk.

Original report – **Weekly Global: What to watch in the week ahead, 29 June 2026.**

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