

# Chart of the Day

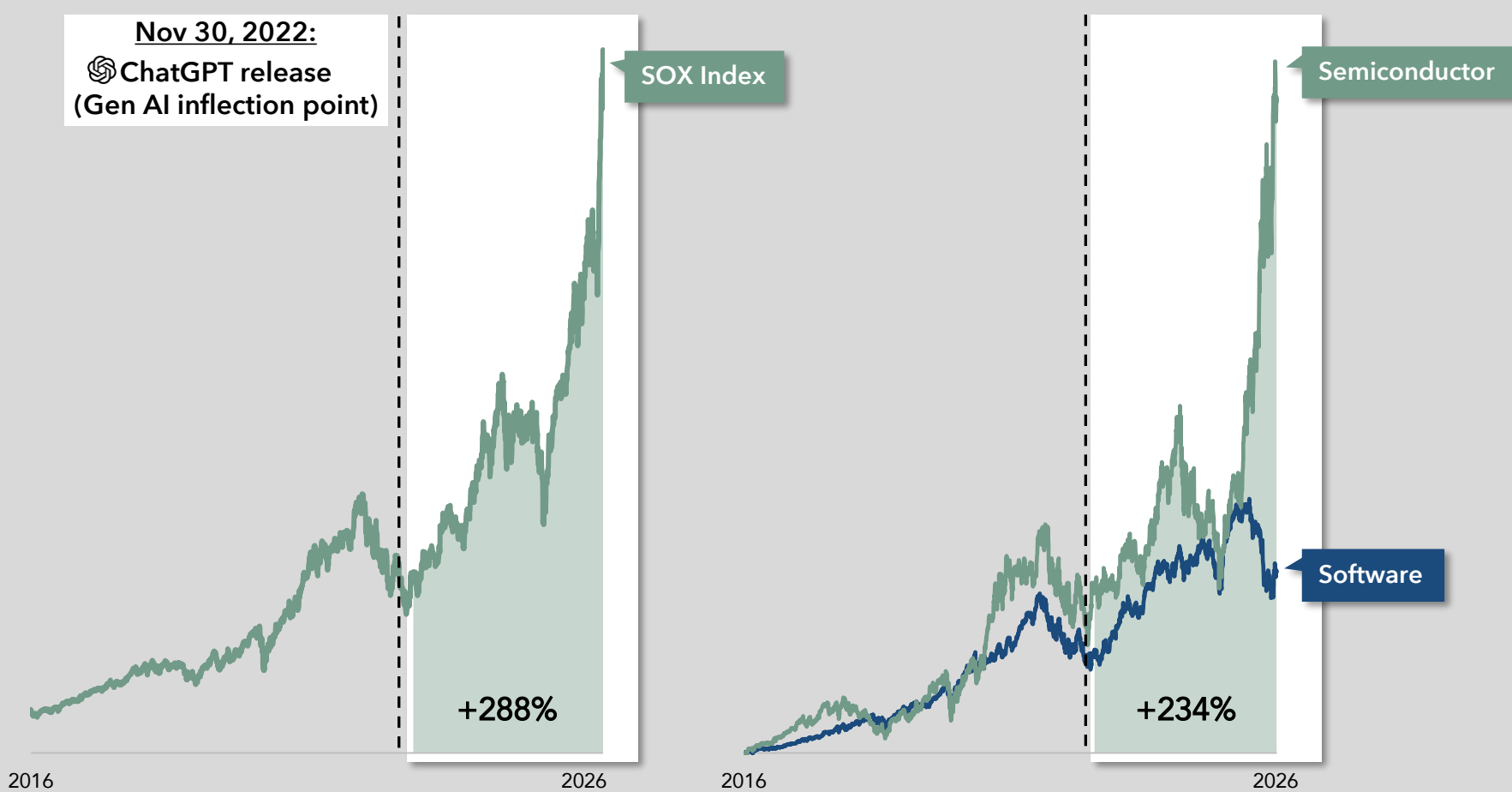


## Semiconductor Valuations Soaring

The generative AI inflection point - marked by ChatGPT's launch on Nov 30, 2022 - triggered one of the most powerful sector re-ratings in modern market history. Several notable drivers explain the role of microchips at the epicenter of this structural megatrend: (1) unique processing power of GPU's; (2) AI compute demand growing faster than Moore's Law; (3) datacenter capex supercycle requirements for compute, memory and networking chips; (4) supply constraints driving higher pricing power; and (5) AI rapidly improving semiconductor industry economics itself.

**PHLX semiconductor index (SOX)**

**S&P 1500 software vs. semiconductor performance**

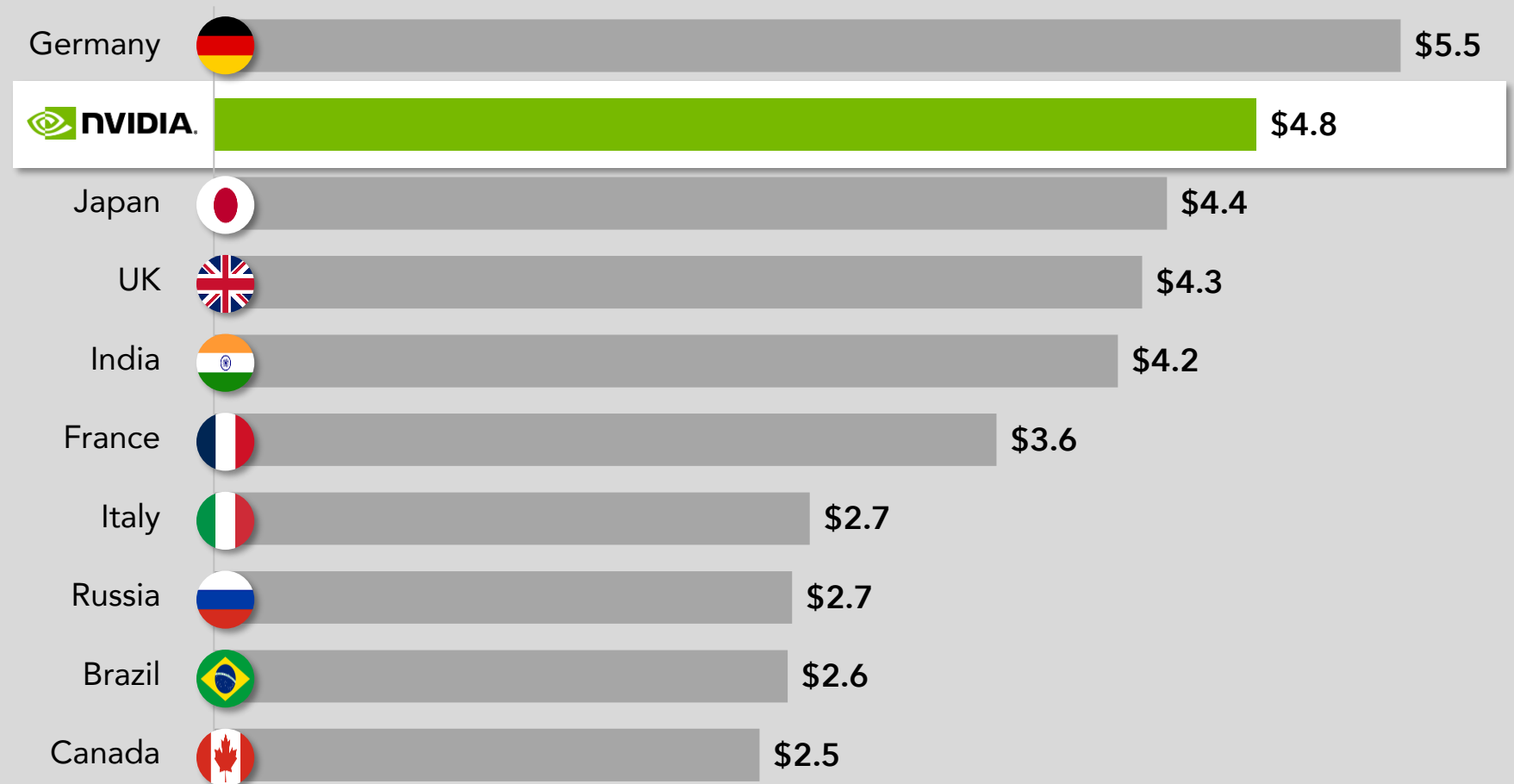


Source: (1-2) Bloomberg. Data as of May 5, 2026. S&P 1500 data is normalized as of April 29, 2016.

## The World's Most Valuable Company

NVIDIA, the world's most valuable company, has a valuation of nearly \$5 trillion, larger than the GDP of every global economy except the US, China and Germany. NVIDIA's valuation reflects not just cyclical chip demand but the company's position as the de-facto infrastructure layer of AI's seismic buildout. Notably, the world's most valuable company has a 5-year revenue CAGR in the high-60s percent, with gross, operating and FCF margins above 70%, 60% and 45%, respectively.

**World's largest economies (ex-US & China) vs. NVIDIA, USD tn**



Source: (1) IMF, "World Economic Outlook (April 2026)". Bloomberg. NVIDIA data as of May 5, 2026.

### Global Corporate & Investment Banking Capital Markets Strategy Team



**Tom Joyce**  
Managing Director  
Tom.Joyce@mufgsecurities.com  
(212) 405-7472



**Stephanie Kendal**  
Vice President  
Stephanie.Kendal@mufgsecurities.com  
(212) 405-7443



**Angela Sun**  
Associate  
Angela.Sun@mufgsecurities.com  
(212) 405-6952

"Macro stability isn't everything, but without it, you have nothing."