Sujet traité : L'IA est à l'origine de « la prochaine révolution industrielle ». Wall Street encaisse / AI Is Driving « the Next Industrial Revolution. » Wall Street Is Cashing In.

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# AI Is Driving 'the Next Industrial Revolution.' Wall Street Is Cashing In.

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Nvidia shares have become a barometer for AI-capability demand. Photo: brendan mcdermid/Reuters

Demand for artificial intelligence is still booming, a year after the phenomenon first took Wall Street by storm. Far beyond the tech sector, investors are finding winners in old-school pick-and-shovel stocks.

Deep-pocketed companies are investing heavily in AI technology, which has meant a windfall for chip makers such as and a host of businesses—such as suppliers of power, labor and raw materials—to operate their products.

Wall Street is taking notice. The utilities sector of the S&P 500 has returned 15% over the past three months, topping all other corners ofthe index. Energy and materials stocks have outperformed the broader market, which has advanced 4.2% over that period. Share prices are surging for industrial firms that stand to benefit from data-center expansion and renovation.

Nvidia's earnings report last week showed that demand for AI capabilities is only gaining steam. The company booked $26 billion in sales for its latest quarter, more than triple the total from a year earlier. The graphics-chip manufacturer's stock is trading at record levels, more than doubling this year.

"The next Industrial Revolution has begun," with businesses and countries converting existing data centers into "AI factories," Chief Executive Jensen Huang said on an investor call.

Big-tech companies such as Microsoft and Meta Platforms are spending billions on Nvidia's chips and related infrastructure to build out their own AI capabilities. The government could be joining in: A bipartisan Senate group recommended tens of billions of dollars in new federal spending related to AI in the years ahead.

WSJ's Asa Fitch breaks down how Nvidia reached its $2 trillion market cap—and why AI is fueling the company's rapid growth. Photo illustration: Jordan Kranse

"That is where the investable opportunities are," said Lauren Goodwin, economist and chief market strategist at New York Life Investments. "It's data-center builders and operators, power and utilities."

Data center executives have said that surging demand means longer delivery times for essential equipment such as backup generators and cooling systems.

“We have seen a broadening out of the AI trade. It’s no longer dependent on just one stock,” said Nadia Lovell, senior U.S. equity strategist, global wealth management at UBS. “Chips are foundational, but they’re not the whole house.”

The Global X U.S. Infrastructure Development ETF has returned 13% this year, outpacing the S&P 500’s 11% advance.

Shares of Vertiv Holdings, which makes equipment that powers and cools data centers, have more than doubled this year. The company said new orders grew 60% from a year earlier in the first quarter. Wall Street analysts had expected about 15% growth and have revised their profit forecasts sharply higher for the years to come.

“Though still in its early stages, AI is quickly becoming a pervasive theme across our end markets,“ Vertiv CEO Giordano Albertazzi said last month.

Eaton, a company that makes power-management equipment, has advanced 42% this year. Johnson Controls, which manufactures electronic systems for commercial buildings, is up 28%.

Infrastructure stocks could get a further boost if the Federal Reserve cuts interest rates later this year, as many investors expect. Investors will be watching Friday’s release of the personal-consumption expenditures index, the Fed’s preferred inflation gauge, for clues about the path forward on rates.

The rally has left shares trading well above their long-term averages. Eaton trades at 31 times its expected earnings over the next 12 months, while Vertiv trades at 40 times. The S&P 500’s multiple is 21 times.

The unfolding spending boom means high valuations for industrial firms are less of a risk than usual, according to Joseph Ghio, an analyst at Williams Jones Wealth Management. “These companies are less cyclical than they used to be,” he said, adding that he thinks Eaton can nearly double its profit over the next five years.