

SECTOR FACT SHEET

TECHNOLOGY (GICS · Information Technology)

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MARKET SNAPSHOT

TECH SECTOR YTD* +21.9%	NASDAQ COMPOSITE YTD +9.2%	S&P 500 YTD +8.1%	SECTOR WEIGHT, S&P 500 ~34%
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*S&P 500 Information Technology GICS sector, total return, YTD through June 26, 2026. Source: FactSet.

TOP COMPANIES BY MARKET CAPITALIZATION

#	Company	Mkt Cap	Core Business	Sub-Industry
1	Nvidia (NVDA)	\$5.3T	AI accelerators / GPUs	Semiconductors
2	Apple (AAPL)	\$4.6T	Consumer devices, services	Hardware
3	Microsoft (MSFT)	\$3.2T	Cloud, AI (Copilot), software	Software/Cloud
4	Taiwan Semiconductor (TSM)	\$2.3T	Advanced logic foundry	Semiconductors
5	Broadcom (AVGO)	\$2.0T	Custom silicon, infrastructure SW	Semiconductors
6	Micron Technology (MU)	\$1.1T	HBM / DRAM memory	Semiconductors
7	Samsung Electronics	\$0.9T	Memory, consumer electronics	Hardware/Semis
8	Advanced Micro Devices (AMD)	\$0.85T	CPUs, AI accelerators	Semiconductors
9	ASML	\$0.68T	EUV lithography equipment	Semi equipment

Market capitalization as of June 5, 2026. Source: The Motley Fool market data. Figures rounded and fluctuate daily.

KEY TRENDS

- AI capex supercycle:** Big Tech (Amazon, Alphabet, Meta, Microsoft) is on pace for a combined ~\$650B in AI infrastructure capex in 2026, up roughly 60–74% year-over-year.
- Semiconductor boom:** IDC projects total semiconductor revenue will surge past \$1 trillion in 2026 (~\$1.29T, +52.8% YoY), with data-center/AI chips and HBM memory the fastest-growing segments.
- Reshoring:** Under the January 2026 U.S.-Taiwan trade agreement, Taiwanese firms committed \$250B in direct U.S. investment plus \$250B in credit guarantees to expand domestic chip capacity.
- Sovereign AI:** France, Saudi Arabia, and Japan are among nations funding domestic AI infrastructure, lifting equipment suppliers such as ASML and foundries such as TSMC.
- Custom silicon:** Hyperscalers (Google, Amazon, Microsoft) are expanding custom AI silicon programs, a structural risk to merchant-GPU market share over time.

OUTLOOK & RISKS

- Export controls tightened:** The U.S. Commerce Department closed a third-country loophole and banned exports of Nvidia's Rubin and Blackwell AI chips to Chinese-controlled firms, reviving demand overhang concerns in one of the industry's largest markets.
- 2H26 caution flagged:** After a strong first half (sector +21.9% YTD), at least one major brokerage (Schwab) flags 2H26 supply-chain pressure, and a leading ETF strategist downgraded technology to “sector underperform” on leadership-concentration risk.
- Volatility spike:** A June 2026 sell-off (memory-chip cost pressure, soft smartphone demand, cautious AI-chip commentary from a bellwether supplier) showed how quickly sentiment can turn despite strong fundamentals.
- Valuation risk:** Elevated multiples (some AI-infrastructure suppliers trading near 90x+ forward earnings) leave limited room for execution missteps as investors demand proof AI capex is converting into durable profit.
- Earnings tailwind:** 70% of S&P 500 companies issuing positive EPS guidance for Q2 2026 are in Information Technology, and sector net margins are projected near 30.7%, up from 25.2% a year ago — an offsetting fundamental tailwind.

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