

Macro Roundup Article

Headline: [A Few Stocks Drive the Stock Market: Dot.com Vs. Today Vs. the Last 100 Years](#)

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Tweet: Seven stocks made up 70% of S&P; 500 value creation in 2023, but Jesper Rangvid argues that this isn't without historical precedent. In the Dot.com period, Cisco, Dell, Intel, Lucent, and Microsoft had an even more extreme run-up.

Summary: The hype around the “Magnificent 7” stocks [Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla] that have driven the stock market this year is reminiscent of the dot.com era, which ended with a spectacular crash. However, there are two reasons why today’s developments seem less worrying: The rise of hyped stocks was more extreme in the Dot.com era, as was the rise of the rest of the market. While today’s situation is exceptional, with seven stocks accounting for nearly 30% of the total value of the S&P 500, the rule in the past has been that only a few stocks generated most of the value creation of the stock market in the US and internationally.

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Primary Topic: Business Cycle

Topics: Business Cycle, Database, Financial Markets, GDP, Op-Ed/Blog Post, Weekly

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