

## Macro Roundup Article

**Headline:** [The Life Cycle of Market Champions](#)

### Article

**Link:** <https://www.bridgewater.com/research-and-insights/the-life-cycle-of-market-champions>

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**Tweet:** The 10 largest firms currently constitute 1/3 of US equities market cap, and close to 20% of MSCI global market cap—the highest in over 50 years. Historically, about half of the market champions underperform the market over the next 10-20 years.

**Summary:** One of the defining characteristics of the current market environment is the extent to which a few companies are dominating the top of the stack. The 10 largest US companies account for almost one-third of the US equities market cap—a degree of concentration we haven't seen in decades. The chart illustrates the rise and fall of the largest companies by market cap across different decades (each gray line represents the market cap share of the champions at the start of each decade). Starting from the beginning of each decade, we show the change in market share for each cohort of champions in the years ahead. Over a subsequent decade or two, about half of the market champions underperform the market and fall out of the top 15 champions group. And over long periods of time, almost all champions are dethroned.

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**Primary Topic:** Financial Markets

**Topics:** Financial Markets, GDP, Op-Ed/Blog Post, Weekly

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