

YCHARTS

Is the AI Boom the Next Dot-Com?

Charlie Bilello Weighs In



Introductions & Housekeeping

Questions can be submitted using the Q&A feature within the webinar and will be answered during the Q&A.

Please reach out to [hello@ycharts](mailto:hello@ycharts.com) for more information or...

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Charlie Bilello

Chief Market Strategist,
Creative Planning

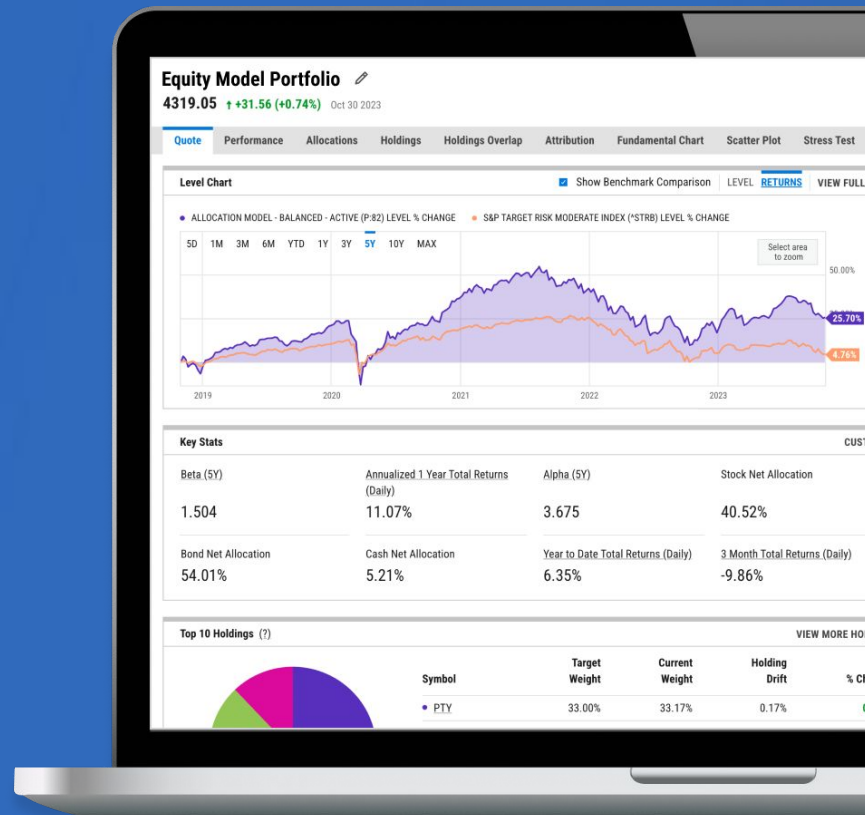


Caleb Eplett

Chief Product Officer,
YCharts

Agenda

- What is a Bubble?
- Warnings Signs of a Bubble?
- The Pushback
- What Investors Should Do
- Live Q&A!

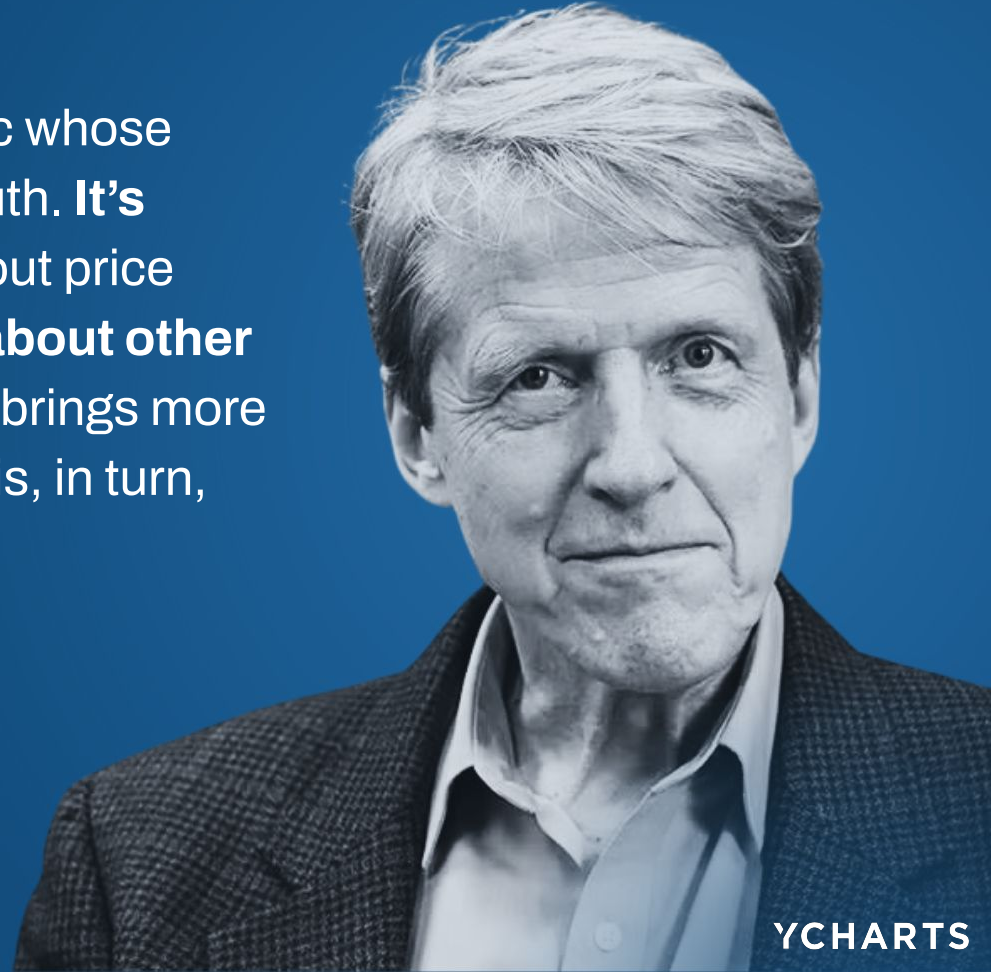


What Is a Bubble?

“

It's a social contagion. An epidemic whose mode of transmission is word of mouth. **It's emotional.** People keep hearing about price increases. **There's a tinge of envy about other people who have done well,** which brings more and more people into the market. This, in turn, pushes up prices.”

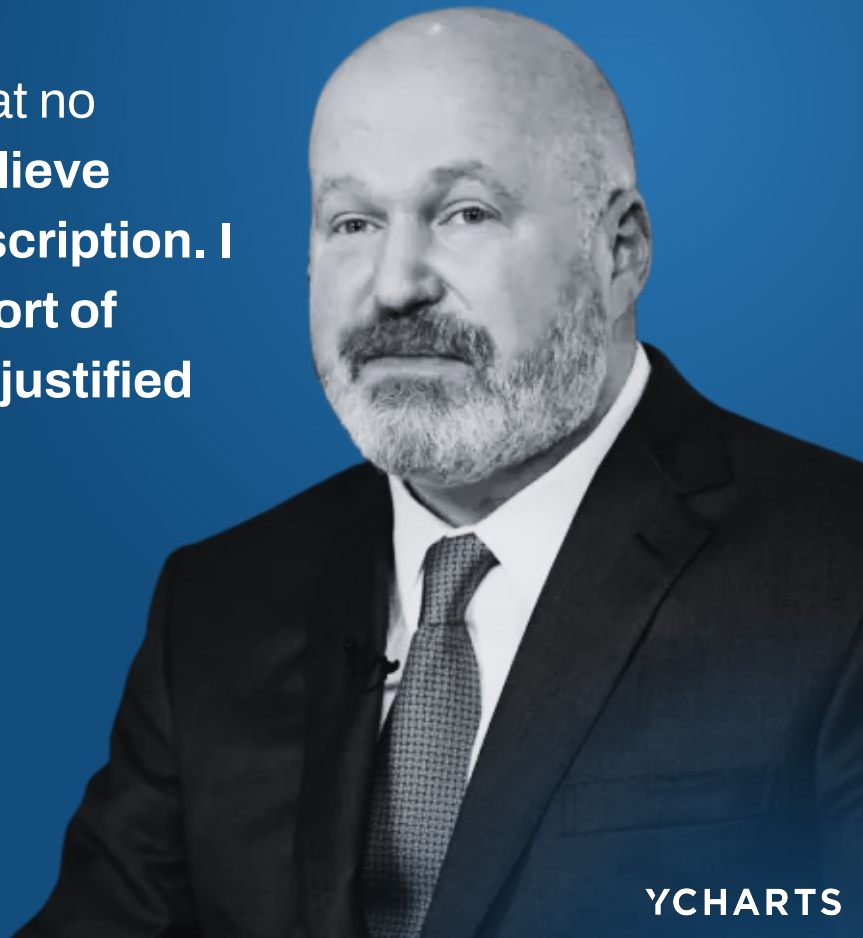
Robert Shiller's Irrational Exuberance



“

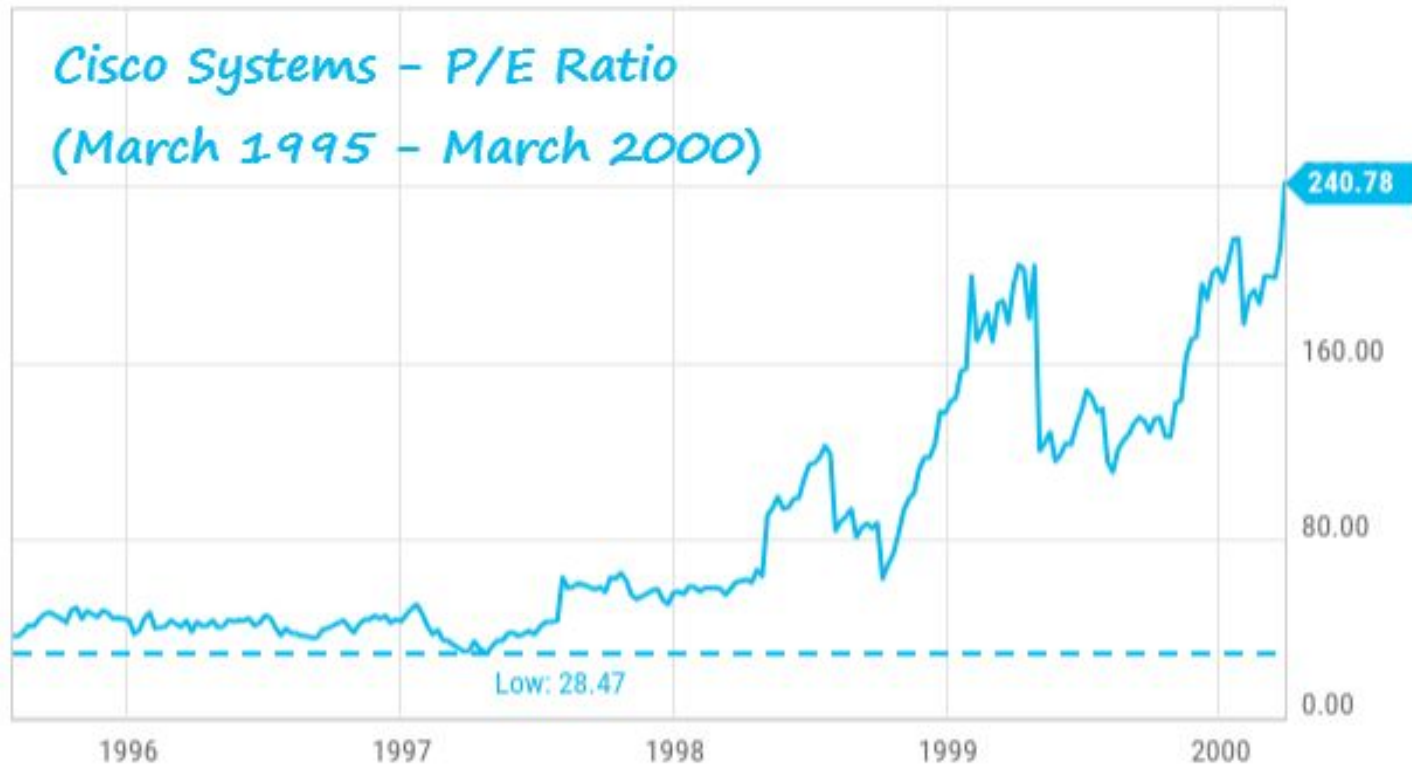
The term bubble should indicate a price that no reasonable future outcome can justify. **I believe that tech stocks in early 2000 fit this description. I don't think there were assumptions - short of them owning the GDP of the Earth - that justified their valuations.**”

Cliff Asness



Cisco Systems, Inc. (CSCO) PE Ratio VAL
240.78

*Cisco Systems - P/E Ratio
(March 1995 - March 2000)*



“

I don't even know what a bubble means.

It's easy to say prices went down, it must have been a bubble, after the fact. I think most bubbles are twenty-twenty hindsight. **After the fact you always find people who said before the fact that prices are too high.** But people are always saying prices are too high. They [bubbles] have to be predictable phenomena.”

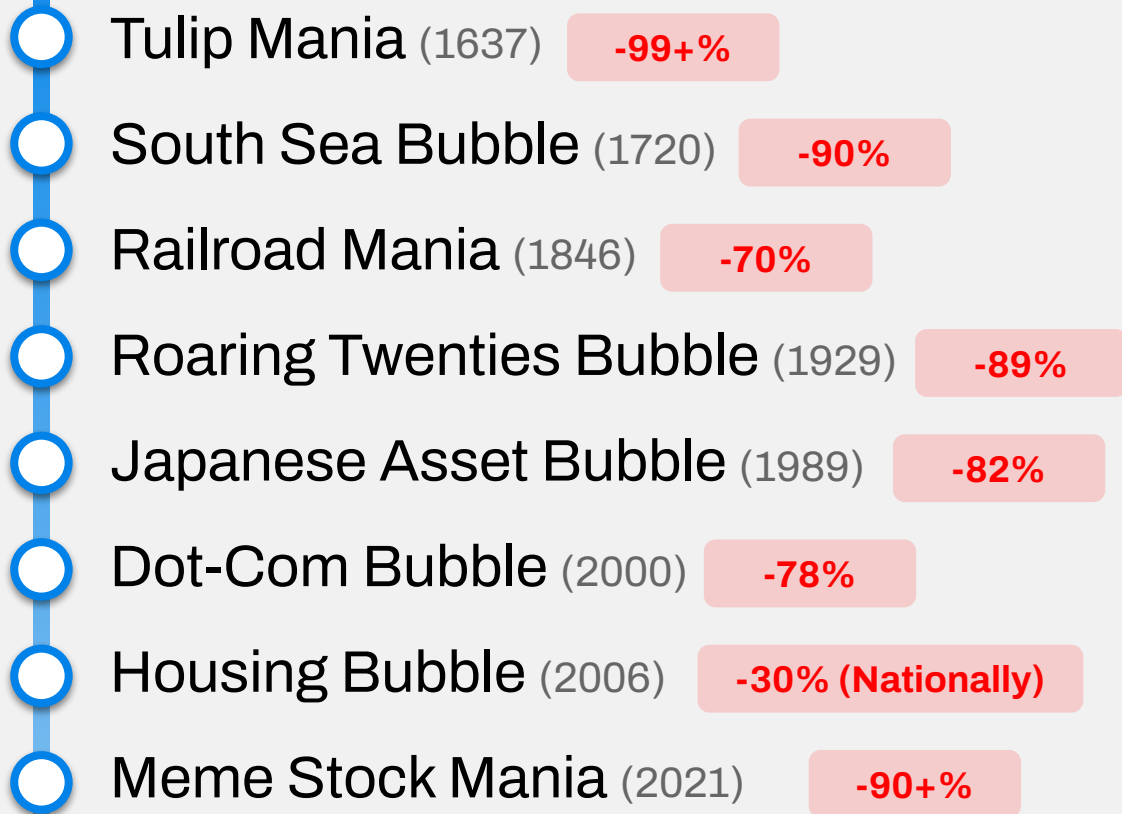
Eugene Fama's Efficient Capital Markets



Famous Historical Bubbles

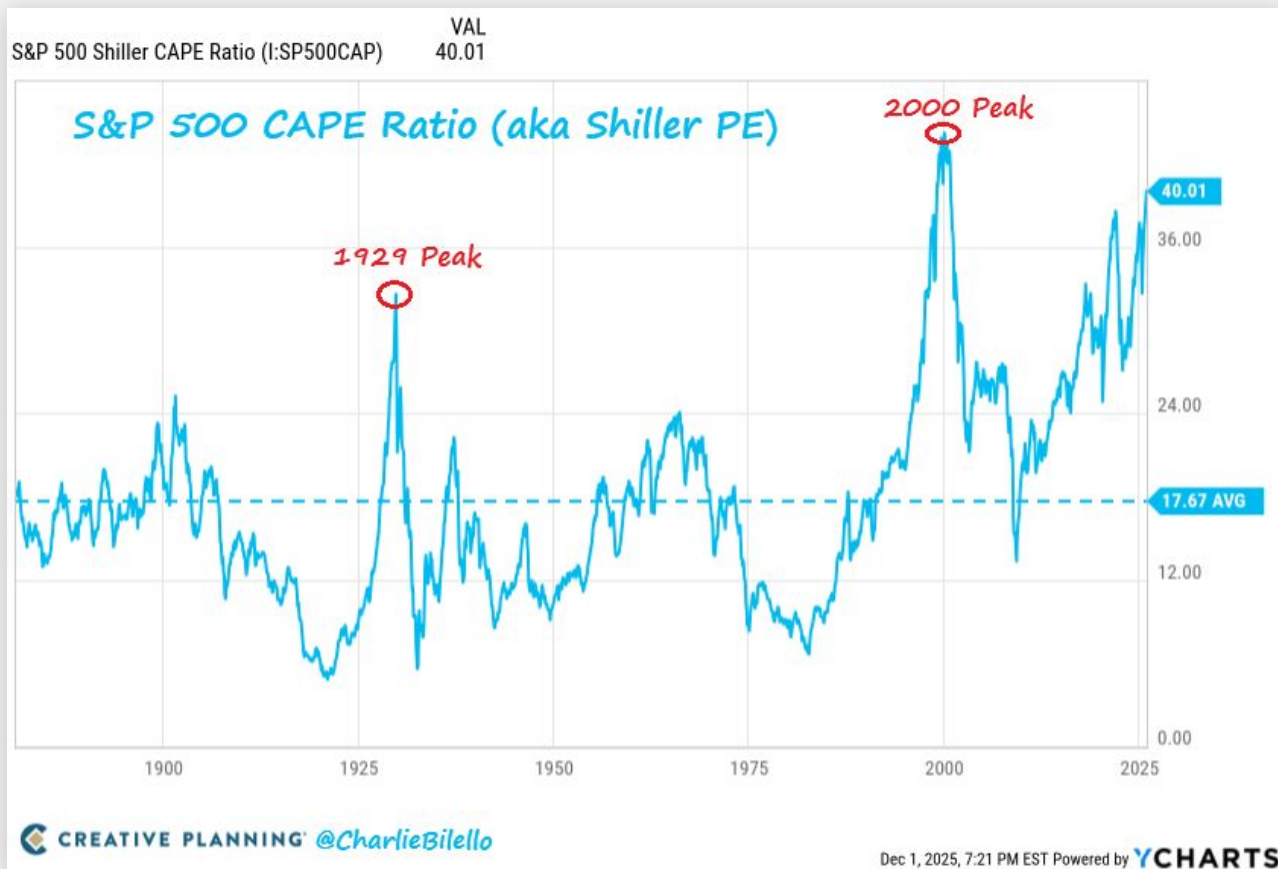
- Tulip Mania (1637)
- South Sea Bubble (1720)
- Railroad Mania (1846)
- Roaring Twenties Bubble (1929)
- Japanese Asset Bubble (1989)
- Dot-Com Bubble (2000)
- Housing Bubble (2006)
- Meme Stock Mania (2021)

Why People Fear Bubbles...

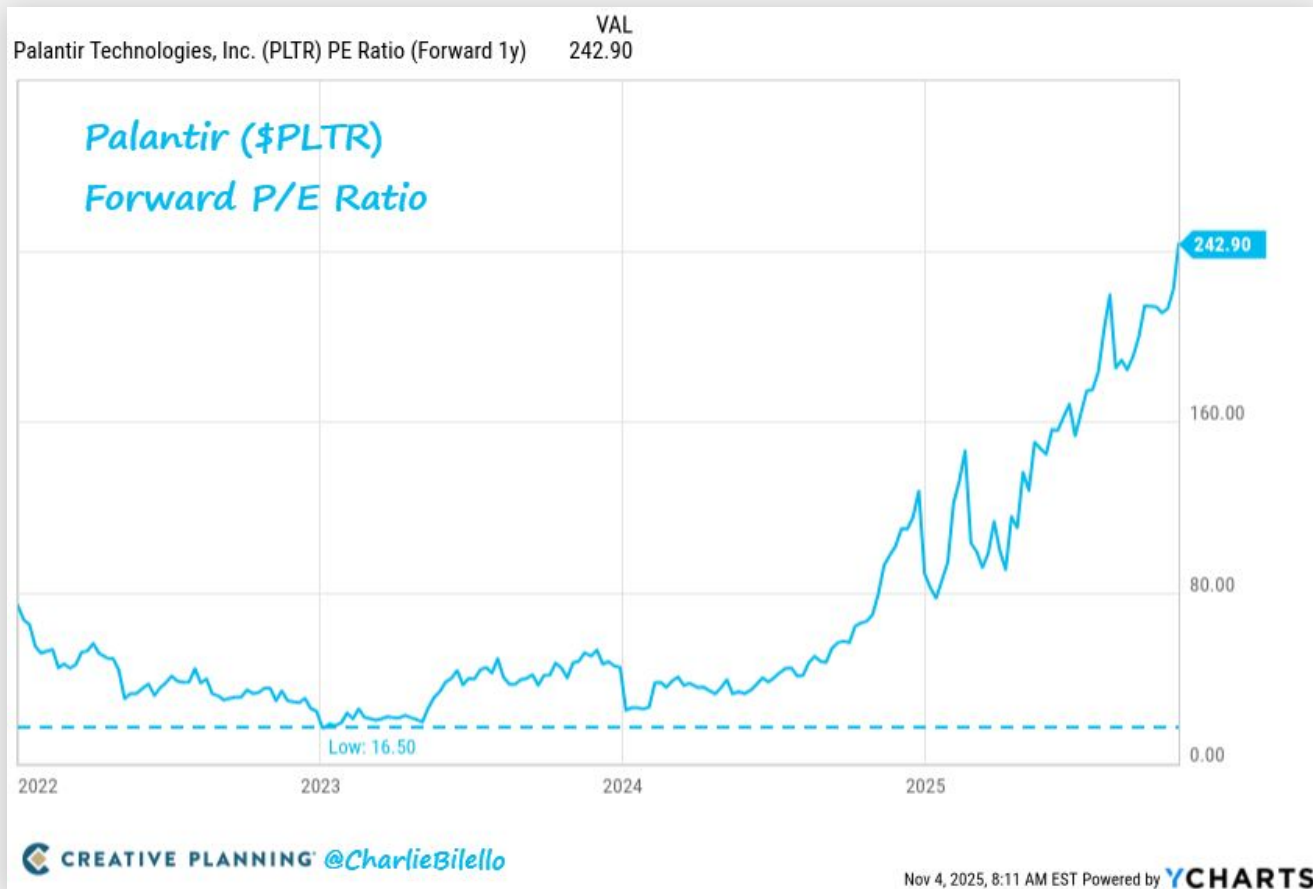


Warning Signs of a Bubble?

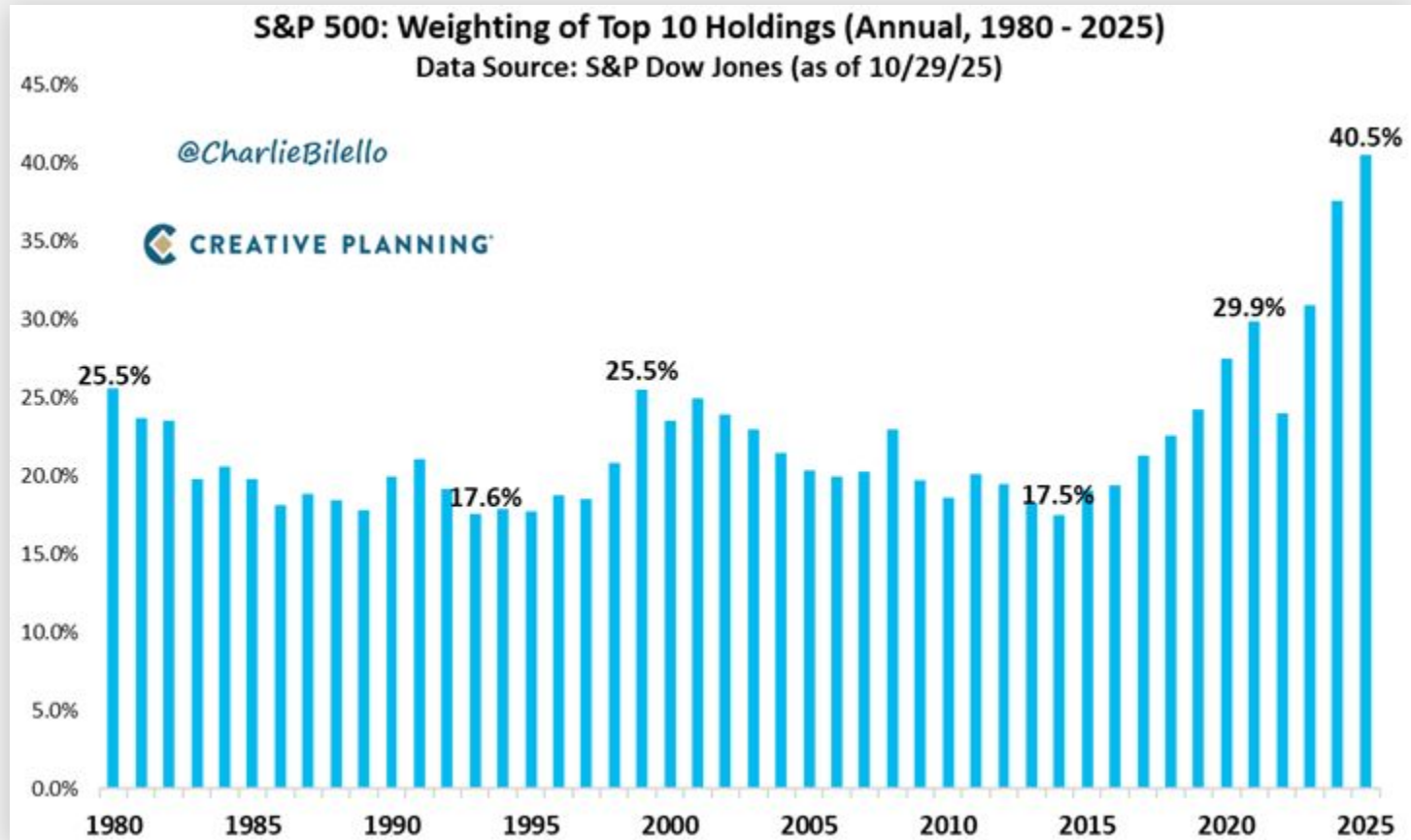
1a) Extreme Valuations



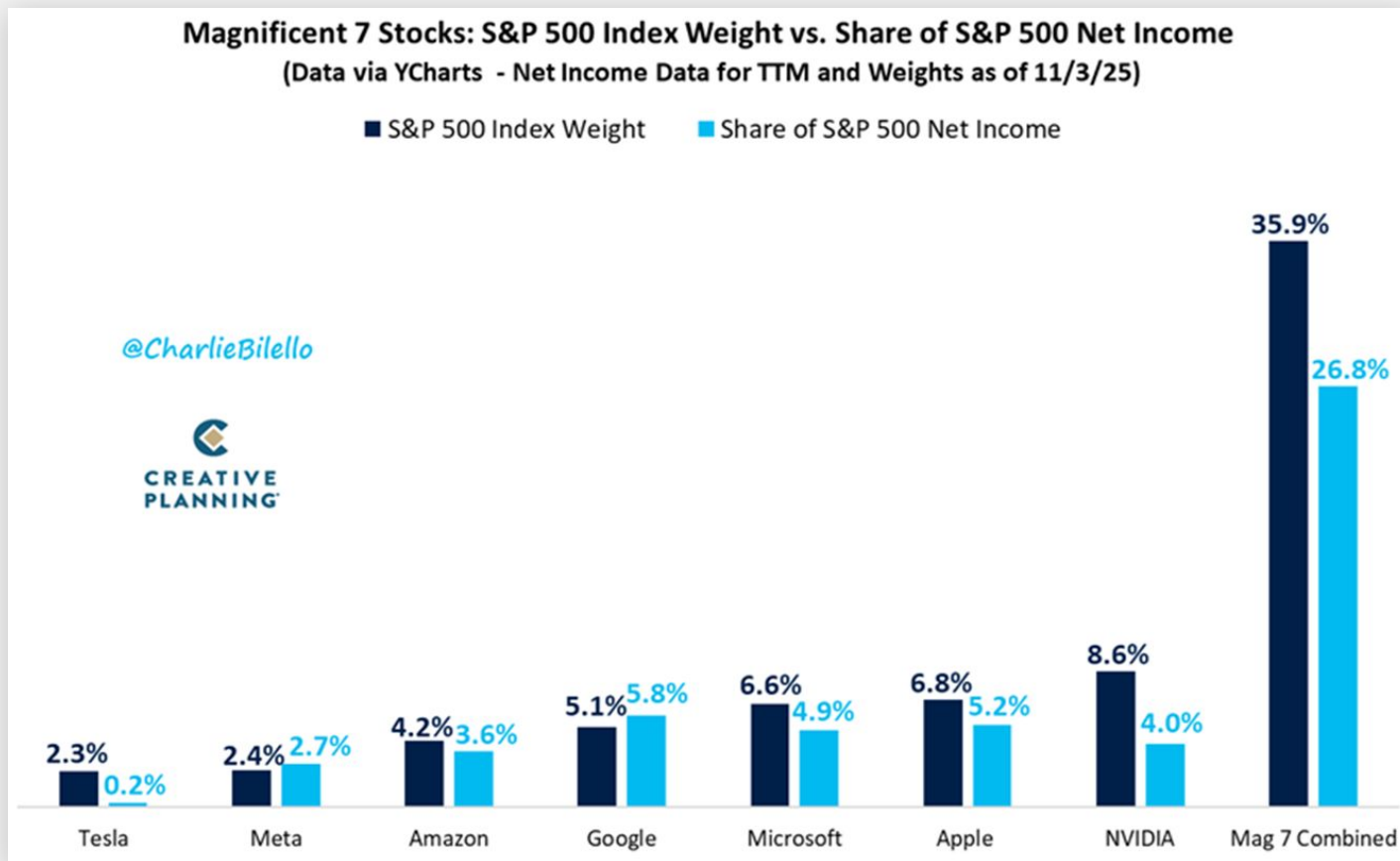
1b) Extreme Valuations



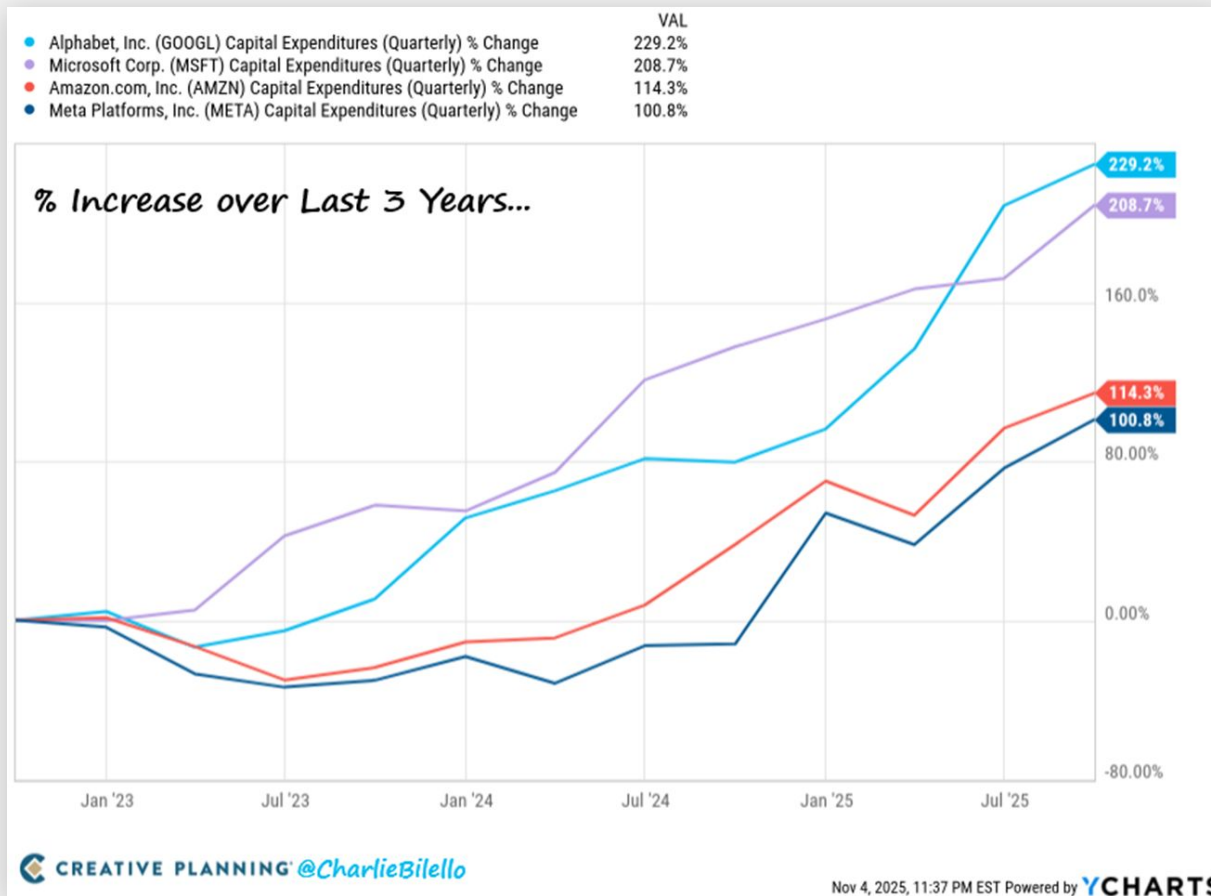
2) Record Concentration in Tech Leaders



3) High Expectations for Future Earnings Growth



4) Exponential Growth in Capital Expenditures



5) Speculation in Companies With No Revenue



6) Insatiable Risk Appetite (ex: Leveraged ETFs)

Volatility Shares files for 21 5x levered ETFs

Fund name	Target
5x AMD ETF	Advanced Micro Devices Inc.
5x AMZN ETF	Amazon.com Inc.
5x COIN ETF	Coinbase Global Inc.
5x CRCL ETF	Circle Internet Group Inc.
5x GOOGL ETF	Alphabet Inc. Class A
5x MSTR ETF	Strategy Inc.
5x NVDA ETF	Nvidia Corp.
5x PLTR ETF	Palantir Technologies Inc.
5x TSLA ETF	Tesla Inc.
5x Bitcoin ETF	Bitcoin
5x Ether ETF	Ethereum
5x Solana ETF	Solana
5x XRP ETF	XRP
5x GDX ETF	VanEck Gold Miners ETF
5x GLD ETF	SPDR Gold Shares
5x MAGS ETF	Roundhill Magnificent Seven ET
5x SLV ETF	iShares Silver Trust
5x SOXQ ETF	Invesco PHLX Semiconductor ETF
5x SPY ETF	SPDR S&P 500 ETF Trust
5x QQQ ETF	Invesco QQQ Trust Series I
5x IWM ETF	iShares Russell 2000 ETF
Source: SEC	

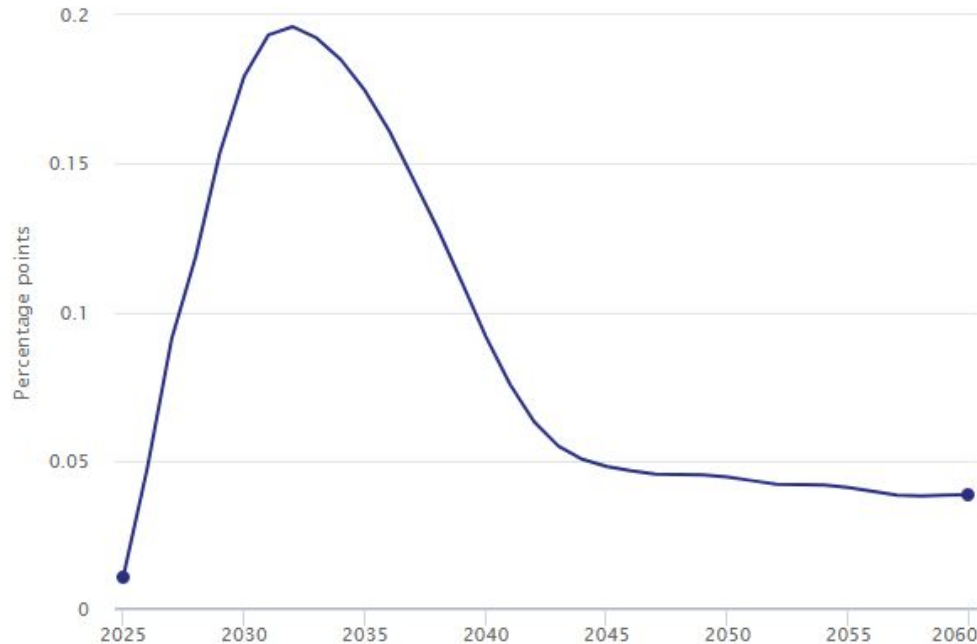


The Pushback

1) This Is a Genuine Technological Revolution

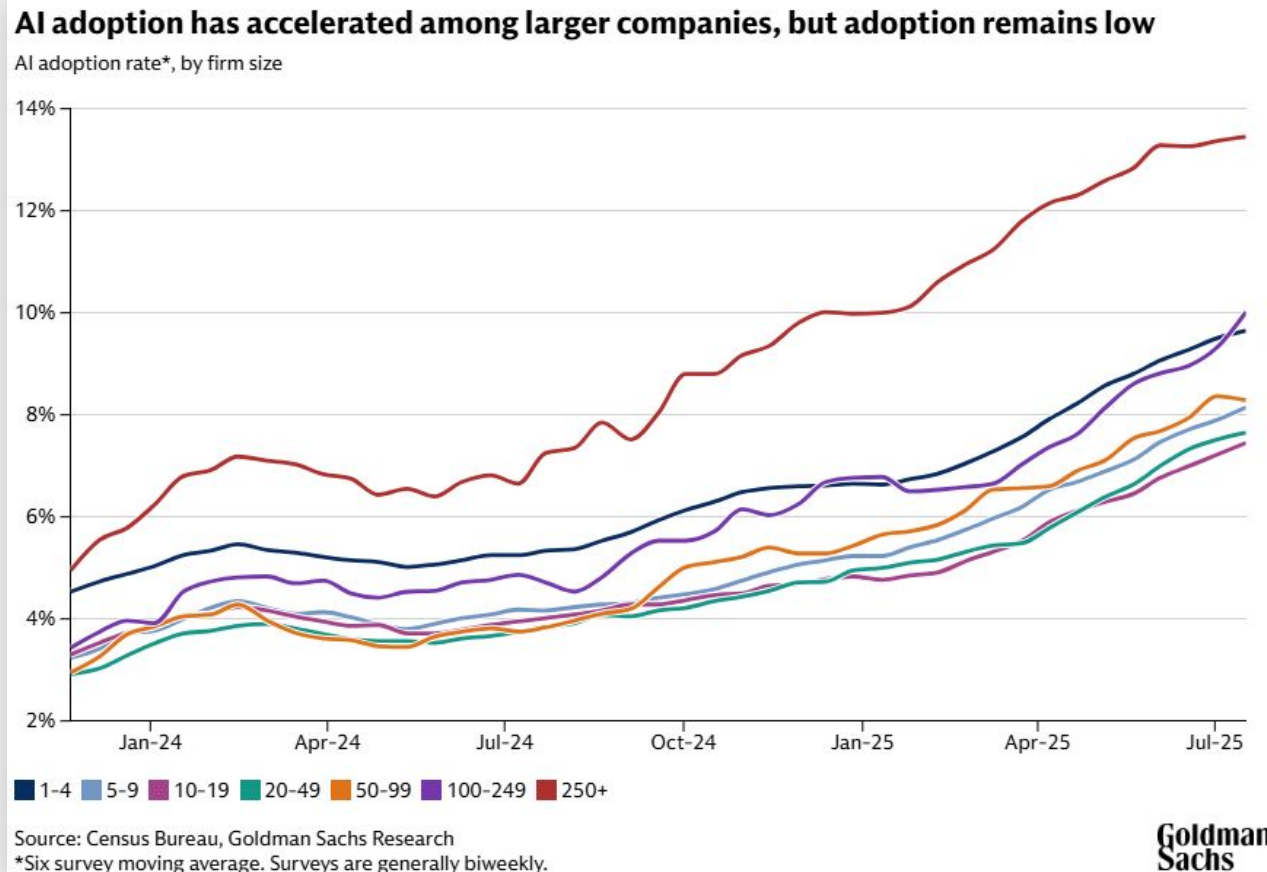
Figure 5. Contribution of Generative AI to TFP Growth

Percentage points

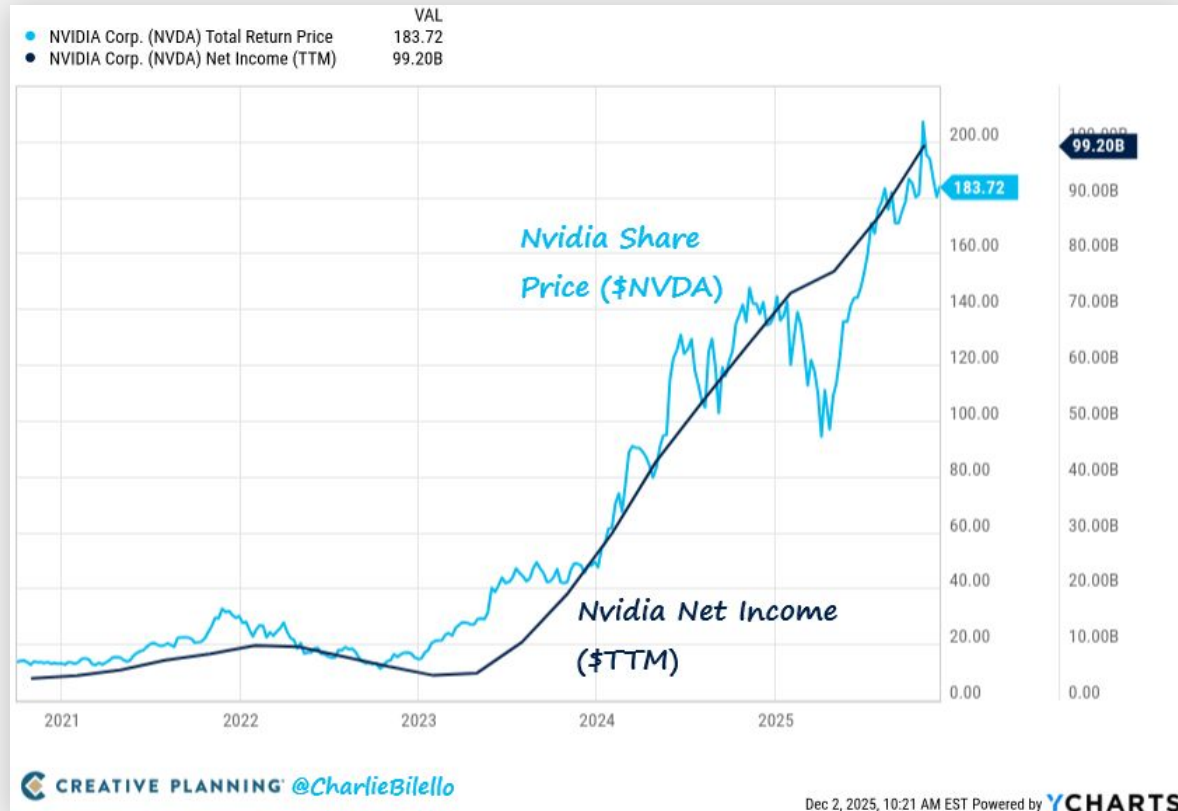


Source: PWB

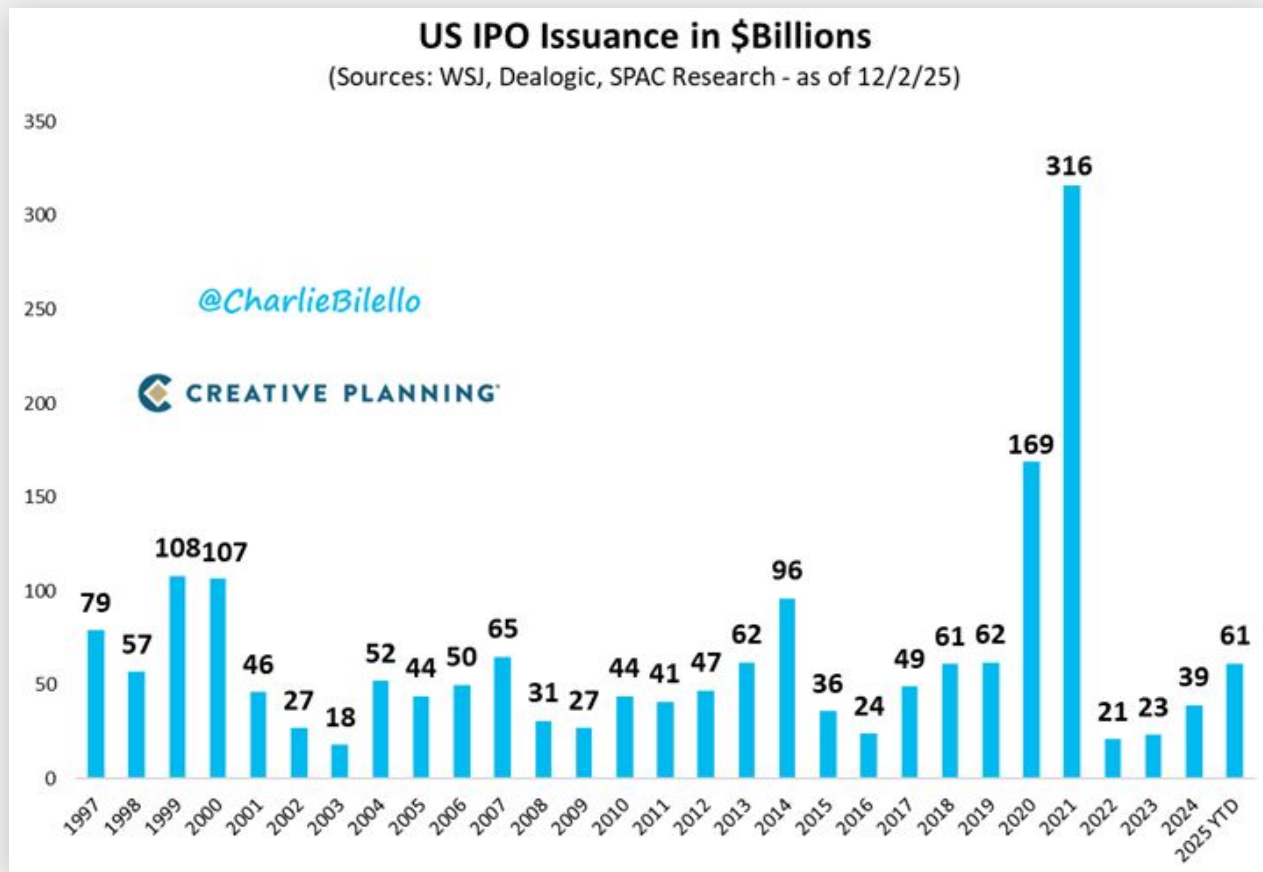
2) We're Still in Early Stages of Adoption/Monetization



3) High Future Earnings Growth Could Justify Today's Lofty Valuations




4) Where's the IPO Mania?



The background of the slide is a dark blue gradient with faint, semi-transparent white lines representing various financial charts, including candlestick patterns and line graphs. A solid white horizontal line is positioned above the title text.

What Should an Investor Do?

1) Have Enough Allocated to Bonds/Cash to Meet All Liquidity Needs

S&P 500 Total Return - Largest Drawdowns (1950 - 2025) (Note: -19% Drawdown or More from All-Time High)							
Drawdown Period	NBER Recession?	Length of Bear Market (Months)	% Decline	New High Month	Months: Prior High to New High	Months: Low to New High	% Gain: Low to New High
Feb 2025 to Apr 2025	?	1.6	-19%	Jun 2025	4.2	2.6	23%
Jan 2022 to Oct 2022	No	9.4	-24%	Dec 2023	24	14	32%
Feb 2020 to Mar 2020	Yes	1.1	-34%	Aug 2020	5.8	4.7	51%
Sep 2018 to Dec 2018	No	3.2	-19%	Apr 2019	6.8	3.6	24%
Oct 2007 to Mar 2009	Yes	17	-55%	Apr 2012	55	37	123%
Sep 2000 to Oct 2002	Yes	26	-47%	Oct 2006	75	49	90%
Jul 1998 to Aug 1998	No	1.5	-19%	Nov 1998	4.3	2.8	24%
Jul 1990 to Oct 1990	Yes	2.9	-19%	Feb 1991	7.0	4.1	24%
Aug 1987 to Oct 1987	No	1.8	-33%	May 1989	21	19	49%
Nov 1980 to Aug 1982	Yes	21	-20%	Oct 1982	23	1.9	25%
Jan 1973 to Oct 1974	Yes	21	-45%	Jul 1976	43	22	81%
Nov 1968 to May 1970	Yes	18	-33%	Mar 1971	28	9.8	48%
Feb 1966 to Oct 1966	No	8.0	-20%	Mar 1967	14	5.6	25%
Dec 1961 to Jun 1962	Yes	6.5	-27%	Apr 1963	16	9.8	37%
Jul 1957 to Oct 1957	Yes	3.3	-20%	Jul 1958	13	9.4	25%
Average		9	-29%		23	13	45%
Median		7	-24%		16	9	32%
 CREATIVE PLANNING®				@CharlieBilello Note: Total Returns Including Dividends, Closing Prices Only (Data Sources: YCharts, S&P Dow Jones)			

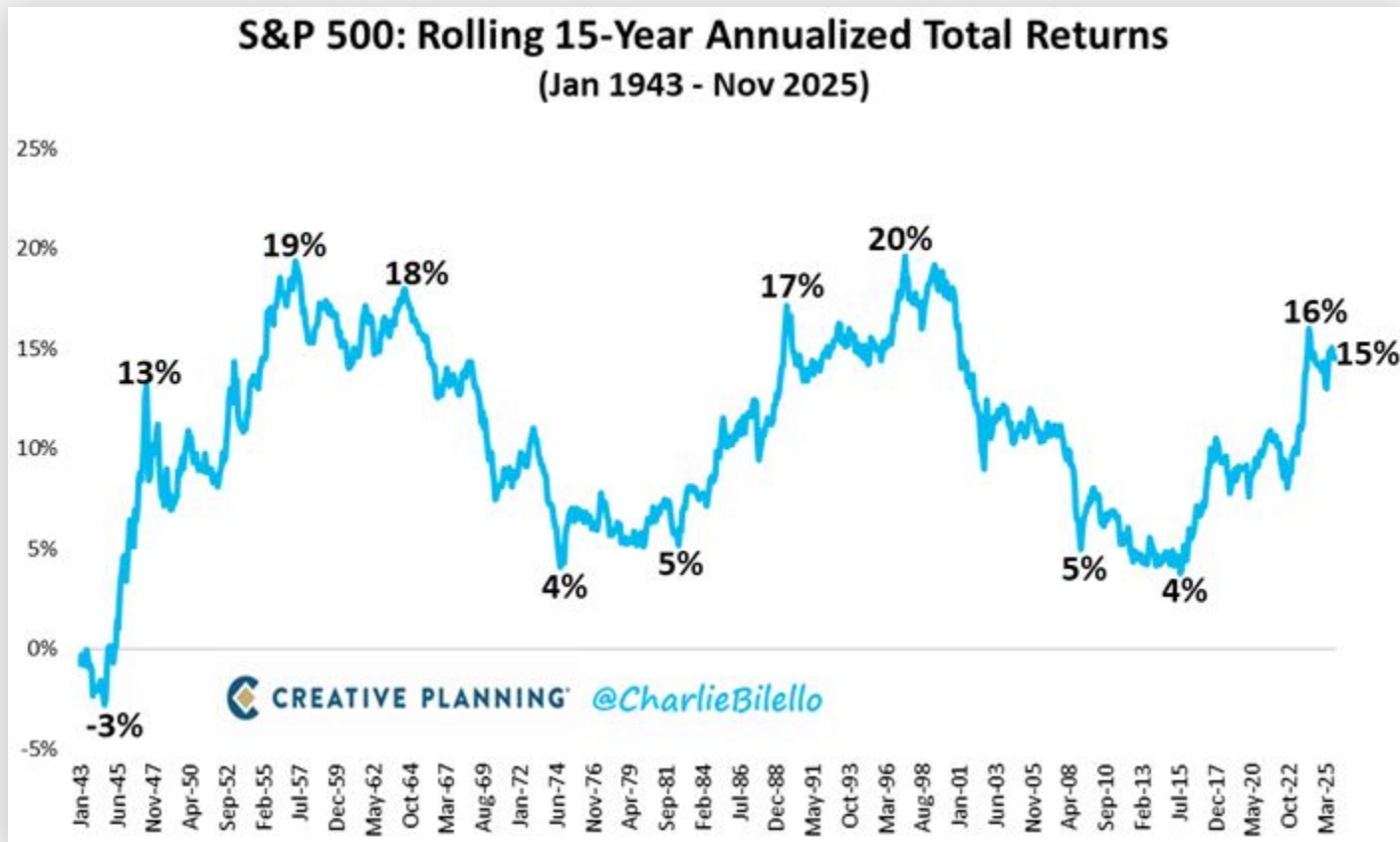
2) Understand Your True Risk Tolerance

Starting Assets	% Decline and \$ Losses								
	-1%	-5%	-10%	-15%	-20%	-25%	-30%	-40%	-50%
\$10,000	(\$100)	(\$500)	(\$1,000)	(\$1,500)	(\$2,000)	(\$2,500)	(\$3,000)	(\$4,000)	(\$5,000)
\$50,000	(\$500)	(\$2,500)	(\$5,000)	(\$7,500)	(\$10,000)	(\$12,500)	(\$15,000)	(\$20,000)	(\$25,000)
\$100,000	(\$1,000)	(\$5,000)	(\$10,000)	(\$15,000)	(\$20,000)	(\$25,000)	(\$30,000)	(\$40,000)	(\$50,000)
\$200,000	(\$2,000)	(\$10,000)	(\$20,000)	(\$30,000)	(\$40,000)	(\$50,000)	(\$60,000)	(\$80,000)	(\$100,000)
\$500,000	(\$5,000)	(\$25,000)	(\$50,000)	(\$75,000)	(\$100,000)	(\$125,000)	(\$150,000)	(\$200,000)	(\$250,000)
\$1,000,000	(\$10,000)	(\$50,000)	(\$100,000)	(\$150,000)	(\$200,000)	(\$250,000)	(\$300,000)	(\$400,000)	(\$500,000)
\$1,500,000	(\$15,000)	(\$75,000)	(\$150,000)	(\$225,000)	(\$300,000)	(\$375,000)	(\$450,000)	(\$600,000)	(\$750,000)
\$2,000,000	(\$20,000)	(\$100,000)	(\$200,000)	(\$300,000)	(\$400,000)	(\$500,000)	(\$600,000)	(\$800,000)	(\$1,000,000)
\$3,000,000	(\$30,000)	(\$150,000)	(\$300,000)	(\$450,000)	(\$600,000)	(\$750,000)	(\$900,000)	(\$1,200,000)	(\$1,500,000)
\$5,000,000	(\$50,000)	(\$250,000)	(\$500,000)	(\$750,000)	(\$1,000,000)	(\$1,250,000)	(\$1,500,000)	(\$2,000,000)	(\$2,500,000)
\$10,000,000	(\$100,000)	(\$500,000)	(\$1,000,000)	(\$1,500,000)	(\$2,000,000)	(\$2,500,000)	(\$3,000,000)	(\$4,000,000)	(\$5,000,000)
\$20,000,000	(\$200,000)	(\$1,000,000)	(\$2,000,000)	(\$3,000,000)	(\$4,000,000)	(\$5,000,000)	(\$6,000,000)	(\$8,000,000)	(\$10,000,000)
\$50,000,000	(\$500,000)	(\$2,500,000)	(\$5,000,000)	(\$7,500,000)	(\$10,000,000)	(\$12,500,000)	(\$15,000,000)	(\$20,000,000)	(\$25,000,000)
\$100,000,000	(\$1,000,000)	(\$5,000,000)	(\$10,000,000)	(\$15,000,000)	(\$20,000,000)	(\$25,000,000)	(\$30,000,000)	(\$40,000,000)	(\$50,000,000)
\$500,000,000	(\$5,000,000)	(\$25,000,000)	(\$50,000,000)	(\$75,000,000)	(\$100,000,000)	(\$125,000,000)	(\$150,000,000)	(\$200,000,000)	(\$250,000,000)
\$1,000,000,000	(\$10,000,000)	(\$50,000,000)	(\$100,000,000)	(\$150,000,000)	(\$200,000,000)	(\$250,000,000)	(\$300,000,000)	(\$400,000,000)	(\$500,000,000)

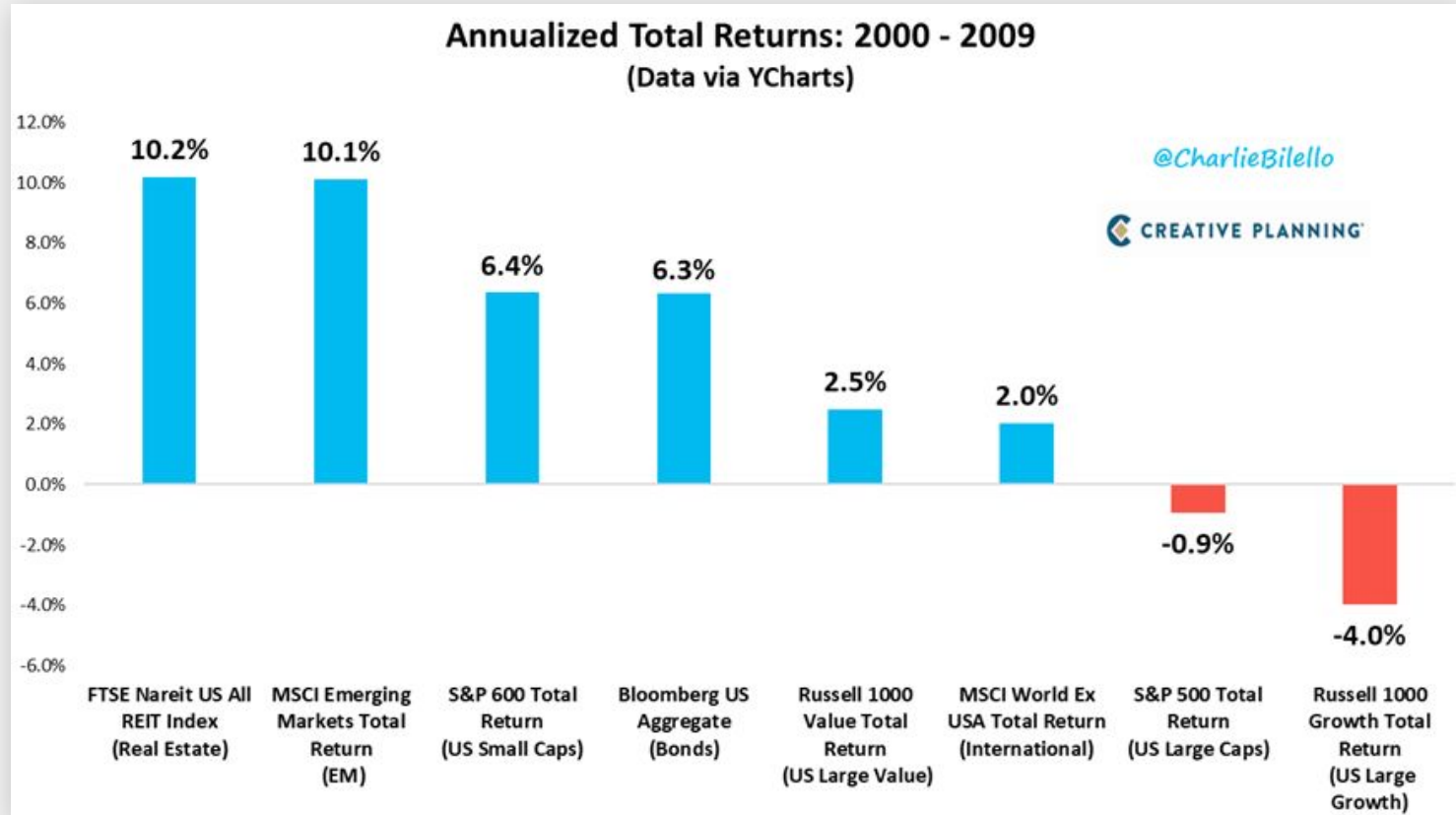
3) Don't Try to Time the Market - But Use Big Declines to Rebalance & Increase Risk Exposure

Wilshire 5000 - Worst 9 Months Periods & Forward Returns (1971 - 2025)									
Worst 9 Month Periods				Forward Total Returns					
Rank	Total Return	Start Month	End Month	3-Month	6-Month	1-Year	3-Year	5-Year	10-Year
1	-46.7%	Jun-08	Feb-09	26%	42%	56%	102%	189%	372%
2	-39.3%	May-08	Jan-09	8%	23%	35%	73%	147%	309%
3	-37.0%	Jul-08	Mar-09	17%	36%	52%	91%	167%	341%
4	-34.5%	Jan-74	Sep-74	9%	36%	41%	84%	153%	392%
5	-32.3%	Mar-08	Nov-08	-16%	6%	27%	53%	132%	288%
6	-30.6%	Apr-08	Dec-08	-11%	4%	28%	52%	134%	246%
7	-29.7%	Aug-08	Apr-09	14%	20%	41%	72%	142%	315%
8	-28.6%	Feb-08	Oct-08	-14%	-7%	11%	41%	108%	250%
9	-28.1%	Nov-73	Jul-74	-5%	1%	21%	50%	90%	255%
10	-27.2%	Mar-74	Nov-74	19%	35%	36%	65%	123%	334%
11	-27.2%	Sep-08	May-09	12%	20%	23%	53%	135%	268%
12	-27.0%	Apr-74	Dec-74	25%	46%	38%	70%	135%	356%
13	-26.6%	Jan-02	Sep-02	8%	4%	26%	66%	115%	129%
14	-25.9%	Jan-22	Sep-22	7%	15%	21%	87%		
15	-25.0%	Dec-73	Aug-74	-1%	18%	29%	62%	121%	333%
16	-23.7%	Feb-74	Oct-74	7%	22%	26%	51%	100%	318%
17	-22.0%	Oct-73	Jun-74	-25%	-18%	19%	41%	75%	236%
18	-21.8%	Feb-01	Oct-01	8%	5%	-13%	18%	53%	58%
19	-21.6%	Apr-02	Dec-02	-3%	13%	32%	58%	93%	113%
20	-21.2%	Jul-00	Mar-01	7%	-10%	3%	9%	33%	55%
Average Worst Periods				5%	15%	27%	60%	118%	262%
Average All Periods				3%	6%	12%	41%	79%	218%
Differential				2%	10%	15%	19%	40%	44%
CREATIVE PLANNING				Data as of 11/30/25		@CharlieBilello			

4) Set Realistic Expectations



5) Make Sure You're Really Diversified



Q&A

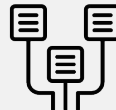
Charlie's Top YCharts Tools & Use Cases:

- **Creating visuals** to educate others & simplify complex or dense subject matter
- **Sharing insights or data** on Twitter/X to start dialogues
- **Identifying stocks and funds** that meet certain investment criteria

Proposals



AI Chat



Charts



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