LIGHTVIEW INSIGHT · AI · SEMICONDUCTORS

Same AI Trade, Different Fates: Why Only the Chipmakers Cracked

In the first week of November the big four tech builders gained value while chip and power-gear suppliers lost more than $770 billion. The market has started pricing AI by who spends the money and who receives it

By **LightView** **November 11, 2026** Information as of November 10 (US closes through November 9)

Key takeaways

1. **AI did not collapse; AI stocks split in two.** In the week from October 30 to November 6, which included the Nasdaq's worst day since April 2025, the big four builders added about $318 billion in market value while eight chip, optics and power-gear suppliers lost about $773 billion (LightView estimate).

2. **Big tech's capex is the suppliers' revenue.** The four spent about $201.5 billion on capex in the third quarter alone, and 55% of Nvidia's data center revenue came from hyperscale customers. Suppliers' results depend on someone else's spending plans.

3. **The worry was the pace, not the amount.** The four are on track to raise capex about 94% in 2026, but the street in June expected only around 22% growth in 2027 (the same source had 2026 at 84%). Bank of America says capex 20% below hopes could cut AI chip earnings per share by 35–40%.

4. **The trigger appears to have been the election and earnings outlooks, not rates.** The 10-year Treasury yield actually fell to 4.84% on the day of the rout. The day after the election the index rose while chips fell, and tallies showed data center limits winning most local ballot measures.

5. **Korea hurt more because its heavyweights cluster in the supplier layer.** Since the end of September the Kospi has fallen 26%, the same as the US supplier average, and three power-equipment makers are down 43–45%. Next come Nvidia's results on November 17, the Anthropic IPO, and the first 2027 capex numbers early next year.

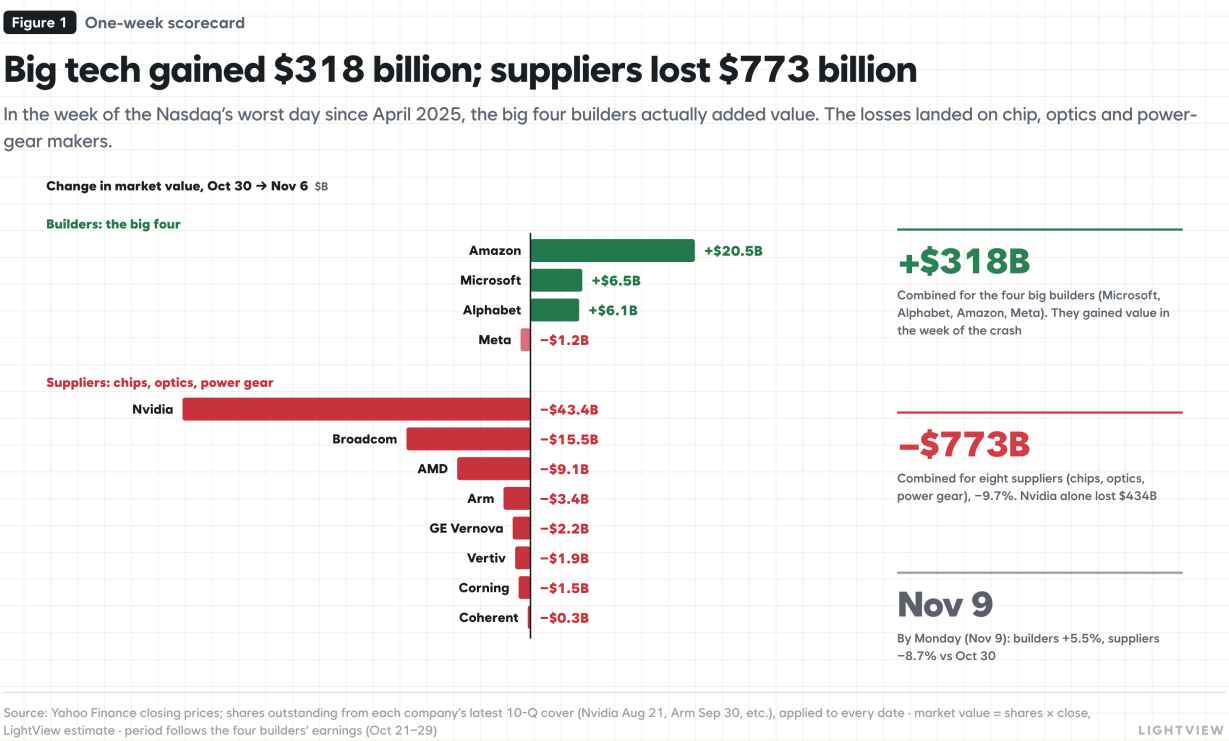
LIGHTVIEW · This column was produced with the help of Anthropic's AI (Claude). We disclose that Anthropic appears in the text as an example of the product layer. It is an analysis of filings and public sources, not a recommendation to buy or sell any security.

1 Same week, opposite report cards

On Thursday, November 5, the Nasdaq Composite fell 5.52%, its biggest one-day drop since April 2025. Most headlines summed up the day as an "AI stock crash," but across the full week that description is only half right.

From October 30 to November 6, eight suppliers (chipmakers such as Nvidia, Broadcom and AMD, power-equipment makers Vertiv and GE Vernova, and optics firms Corning and Coherent) lost a combined $773 billion in market value, or 9.7%. Over the same days Microsoft, Alphabet, Amazon and Meta together gained about $318 billion. Both groups were lumped together as "AI winners," yet in the same week they received opposite report cards.

Figure 1 One-week scorecard



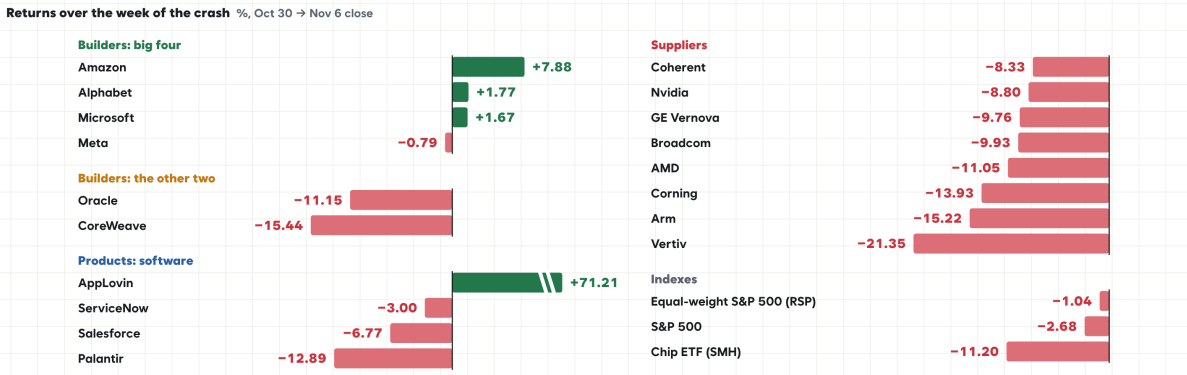
Nvidia alone lost $434 billion, more than the big four gained. NYU professor Aswath Damodaran counted almost $1.8 trillion in AI market value lost on November 5 alone (another tally of 12 stocks put it at about $1.45 trillion); on LightView's own calculation, suppliers lost about $819 billion that day and the big four about $352 billion, more than twice as much on the supplier side. By the next trading day, November 9, the four were still 5.5% above their October 30 level and the suppliers 8.7% below it.

Stock by stock, the dividing line gets sharper. Amazon rose 7.9% that week and Alphabet and Microsoft edged up, but Oracle and CoreWeave, also classed as builders, fell 11.2% and 15.4%, moving like suppliers. Oracle has reportedly planned $90–95 billion in capex this fiscal year and about $40 billion in new debt and equity; builders more reliant on borrowing than the big four appear to have been treated like suppliers.

Figure 5 Within the layers

Only the big four held up; Oracle and CoreWeave fell like suppliers

Builders split among themselves, and software did not move as one: AppLovin jumped 31% the day after its results and 71% over the week.



Source: LightView calculation from Yahoo Finance closes (not dividend-adjusted) · Oct 30 (Fri) close → Nov 6 (Fri) close · AppLovin reported Q3 after the close on Nov 4 · layers: Damodaran's three groups (suppliers, builders, products, Nov 9, 2026) plus customers, arranged by LightView; model-lab examples are LightView's; AppLovin, ServiceNow and Salesforce were added by LightView

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Software did not move as one either. AppLovin, which reported third-quarter results above expectations after the close on November 4, jumped 31% the next day and 71% over the week, while Palantir fell 12.9%. The equal-weight S&P 500 ETF (RSP) slipped just 1.0% while the chip ETF (SMH) fell 11.2%. The rout looked less like selling AI and more like moving around within it, which raises the next question: on what basis?

2 Companies whose revenue is someone else's capex

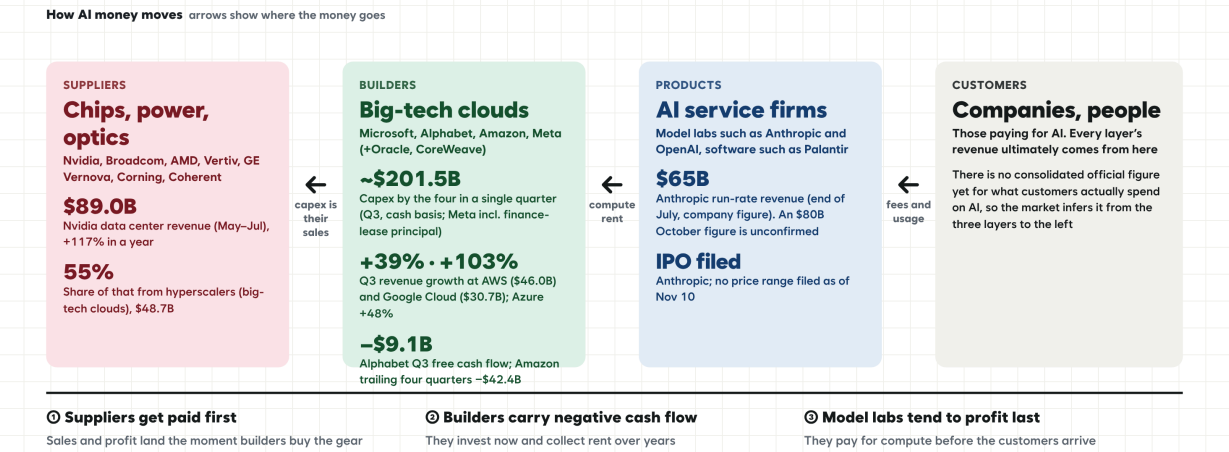
In a November 9 post, Damodaran split AI companies into three groups: suppliers, builders and products. Adding the end customers who pay makes four layers, and following them shows that stocks sharing the AI label earn money in a different order and carry different risks.

Suppliers sell what goes into data centers: chips, power equipment and optics. Builders are the big-tech firms that buy that gear to build clouds. The product layer rents those clouds to make AI services, from model labs such as Anthropic and OpenAI to software companies, and at the end are the businesses and people who pay. The four spent about $201.5 billion on capex in the July–September quarter alone, and in the quarter before (May–July) Nvidia's data center revenue reached $89.0 billion, up 117% in a year, with 55% of it coming from hyperscalers.

Figure 2 Structure

Big tech's capex is the suppliers' revenue

The AI economy is four layers (suppliers, builders, products, customers) linked by money. The same dollar becomes profit at a different time in each layer.



Source: Nvidia 10-Q (quarter ended Jul 26, 2026); Microsoft 10-Q and Alphabet, Amazon, Meta Q3 releases (cash capex total is a LightView estimate); Anthropic run-rate revenue is the end-of-July figure the company gave investors (CNBC, Aug 17) · layers: Damodaran's three groups (suppliers, builders, products, Nov 9, 2026) plus customers, arranged by LightView; model-lab examples are LightView's

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In this structure profit arrives at a different time in each layer. Suppliers book revenue and profit the moment builders buy, while builders invest first and collect rent over years, so they must live with negative cash flow for a while: Alphabet's third-quarter free cash flow was −$9.1 billion and Amazon's over the last four quarters −$42.4 billion. That order has favored suppliers so far, but this week showed they are also the first to shake when investment looks set to slow.

3 The problem is the pace, not the amount

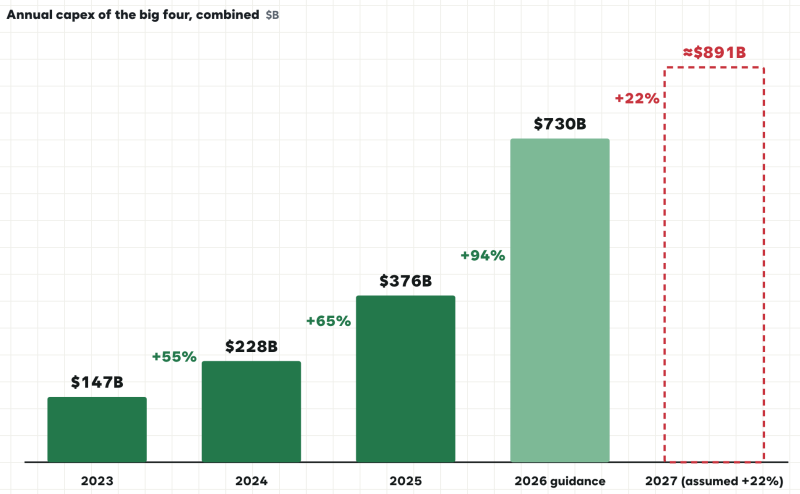
Notably, right up to the rout none of the big four said it would cut capex meaningfully. If anything, plans rose all year.

Alphabet raised its 2026 capex plan from $175–185 billion in February to $195–205 billion in July; Amazon went from about $200 billion to $220 billion; Meta from $115–135 billion to $135–145 billion. Microsoft's calendar-year plan fell from about $190 billion to $170 billion, which the company attributed mostly to a change in data center lease accounting. Combined annual capex at the four rose from $147 billion in 2023 to $376 billion in 2025, and October guidance puts 2026 at about $730 billion, up 94% in a year.

Figure 3 Capex

Spending keeps rising, but the pace may slow

Capex at the big four is set to nearly double in 2026. The street saw much slower growth in 2027 (as of June).



+94%

2026 guidance adds up to about $730B, nearly double in one year and the steepest rise in three years

+22%?

Street forecast for 2027 growth (June, cited by Goldman Sachs). The same source had 2026 at +84%: spending rises, but far more slowly

No big cuts

Alphabet, Amazon and Meta held or narrowed their plans in October. Most of Microsoft's move from ~$190B to ~$170B reflects a lease accounting change (July); in October it also cited delays in third-party capacity

Source: purchases of property and equipment from each 10-K/10-Q cash flow statement (SEC XBRL; Microsoft converted to calendar years by LightView); 2026 = October guidance (Microsoft ~$170B, Alphabet $195–205B midpoint, Amazon ~$220B, Meta $135–145B midpoint). Guidance includes some leases, so definitions differ (growth may be overstated) · 2027 +22% is the street view Goldman Sachs cited in June (dated)

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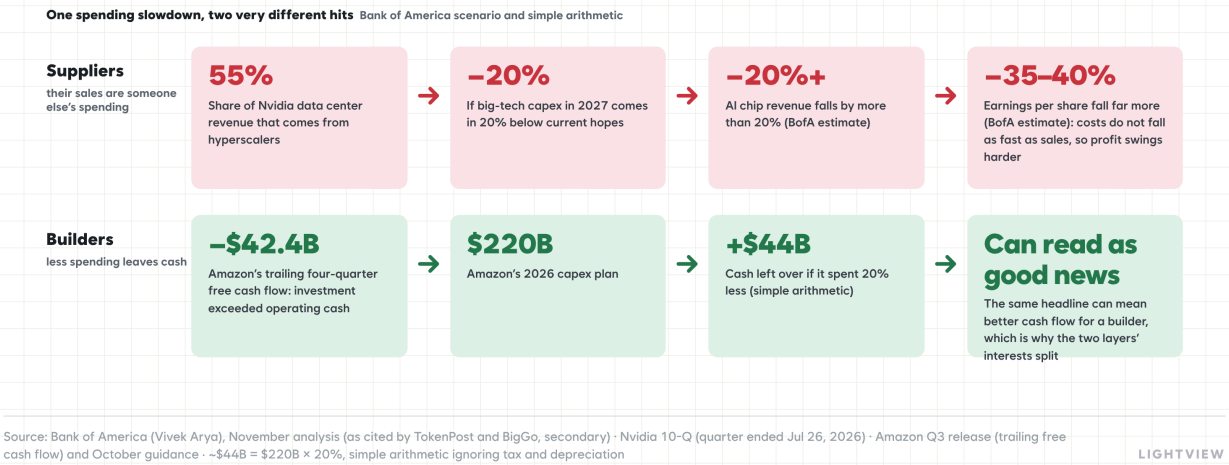
The problem is the year after. The street forecast Goldman Sachs cited in June put 2027 growth at around 22%. Against 84% for 2026 in the same source, spending still rises but far more slowly. Amazon said it will spend "meaningfully more" in 2027 and Alphabet that capex will "increase significantly," yet neither gave numbers, and Meta said it has nothing quantitative until its fourth-quarter call. Because the 2026 growth rate also mixes in definitional differences such as leases, the true pace may be lower, and the market appears to have started pricing in growth that is passing its peak.

The same slowdown plays out in opposite ways by layer. Bank of America reportedly estimates that if 2027 big-tech capex comes in 20% below current hopes, AI chip revenue would fall more than 20% and earnings per share 35–40%. Revenue can drop quickly while costs such as R&D and production capacity do not, so profit swings much harder than sales.

Figure 4 Size of the hit

The same slowdown hits suppliers several times harder

Bank of America estimates that capex 20% below hopes could cut AI chip earnings by 35–40%. For builders, the same event frees up cash.



Source: Bank of America (Vivek Arya), November analysis (as cited by TokenPost and BigGo, secondary) · Nvidia 10-Q (quarter ended Jul 26, 2026) · Amazon Q3 release (trailing free cash flow) and October guidance · ~$44B = $220B × 20%, simple arithmetic ignoring tax and depreciation LIGHTVIEW

Builders read the same news differently. If Amazon spent 20% less than its $220 billion plan for 2026, simple arithmetic leaves about $44 billion in cash, more than enough to cover its trailing four-quarter free cash flow deficit of $42.4 billion. A slower pace trims suppliers' earnings outlook but can improve builders' cash flow outlook, so the two layers share the AI label while their interests diverge. This week the market appears to have priced that difference in earnest.

4 Ballot boxes and outlooks, not interest rates

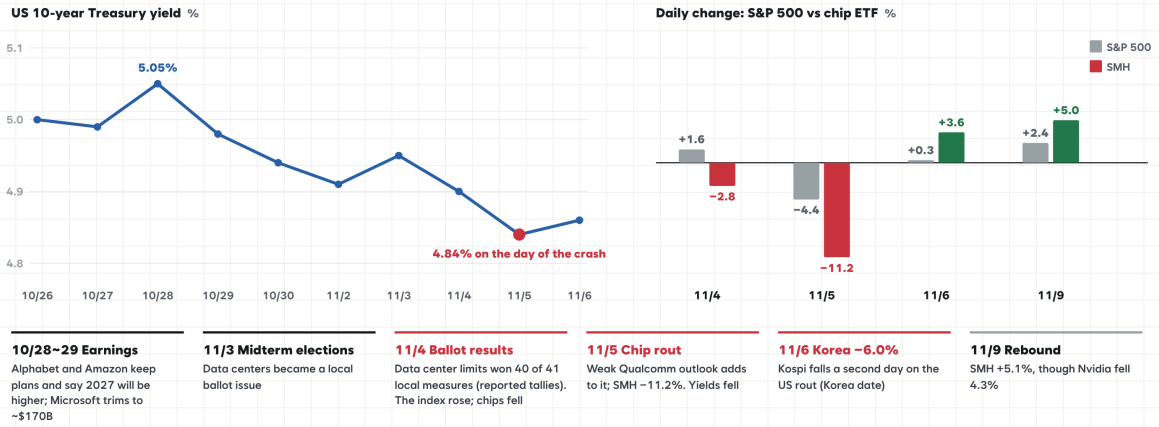
When stocks fall together, rates are the usual suspect, but not this time. On November 5 the 10-year Treasury yield actually fell to 4.84% from 4.90% the day before, well below the more than 5.3% it touched last month.

Chips had already fallen more than 14% in October while the index slipped 0.9%, and on November 4, the day after the election, the S&P 500 rose 1.6% while the chip ETF still fell 2.8%. That day tallies were reported showing data center limits winning 40 of 41 related local ballot measures (unofficial reports citing Ballotpedia's count), and with a weak Qualcomm outlook on top, the chip ETF fell 11.2% on November 5. Our November 9 column, "The Ballot Box Meets AI Infrastructure," covers the votes in detail.

Figure 6 What happened that week

Yields fell, and chips slid even as the market rose after the election

On November 4 the index rose while the chip ETF fell 2.8%. Worries about AI investment, not interest rates, appear to have driven the rout.



10/28–29 Earnings
Alphabet and Amazon keep plans and say 2027 will be higher; Microsoft trims to ~$170B

11/3 Midterm elections
Data centers became a local ballot issue

11/4 Ballot results
Data center limits won 40 of 41 local measures (reported tallies). The index rose; chips fell

11/5 Chip rout
Weak Qualcomm outlook adds to it; SMH −11.2%. Yields fell

11/6 Korea −6.0%
Kospi falls a second day on the US rout (Korea date)

11/9 Rebound
SMH +5.1%, though Nvidia fell 4.3%

Source: US 10-year yield from FRED DGS10 (Treasury daily); indexes and ETF from Yahoo Finance closes, LightView calculation · ballot tallies as reported from Ballotpedia and CNBC counts (unofficial) · earnings remarks from Q3 calls · Korean index on Korea dates

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Harder-to-build data centers affect each layer differently. For suppliers they mean orders delayed or reduced, but for builders that already hold power and land they can become a moat against new entrants. On November 9 the chip ETF rose 5.1%, recovering part of the drop, yet Nvidia fell 4.3%, so reactions split even among suppliers. At the center of the rout, it appears, was not rates but the worry that AI infrastructure may be built more slowly than expected.

5 Why Korea hurt more

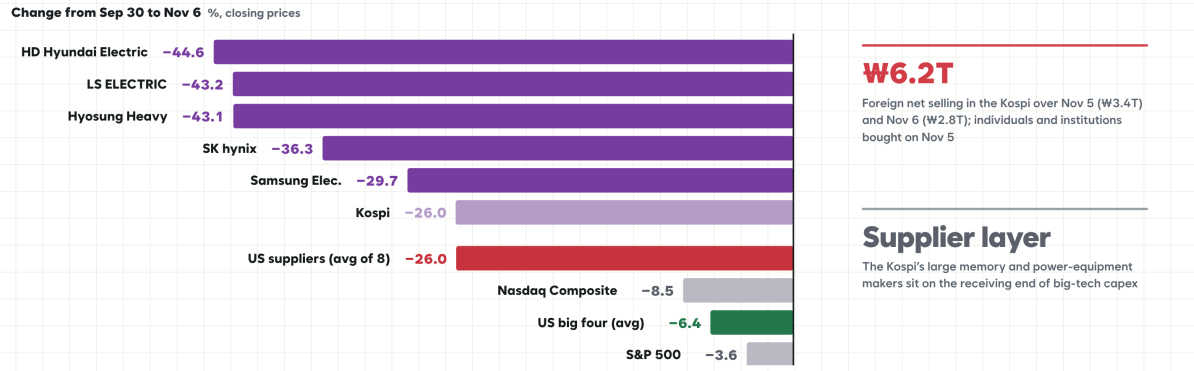
The rout stung Korean investors for a reason: memory and power-equipment makers in the supplier layer sit near the top of the Kospi by market value.

Samsung Electronics and SK hynix sell memory that goes into big-tech data centers, while HD Hyundai Electric, Hyosung Heavy Industries and LS ELECTRIC sell transformers and power equipment for data centers and grids. From September 30 to November 6 the Kospi fell 26.0%, nearly the same as the average drop for the eight US suppliers (26.0%); SK hynix fell 36.3% and the three power-equipment makers 43–45%. Over the same period the US big four fell 6.4% on average and the S&P 500 3.6%.

Figure 7 Korea

Korea's heavyweights fell harder than US suppliers

Since the end of September the Kospi has fallen as much as the US supplier average, and three power-equipment makers are down more than 40%. Foreigners sold over ₩6 trillion in two days.



Source: LightView calculation from Yahoo Finance closes (Korean stocks are redistributed KRX closes) · US supplier and big-four figures are simple averages · foreign net selling from Asia Economy (Nov 5) and Korea Duty Free News (Nov 6) market-close reports

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The dates show Korea fell hard before the US rout (November 5, US time). Korea's November 5 session closed before the US rout, yet the Kospi fell 5.28%, with local reports pointing to the slide in US chip stocks and about ₩3.4 trillion of foreign net selling. The next day it fell another 6.02% in the wake of the US rout, with foreigners selling about ₩2.77 trillion more. One brokerage analyst was quoted as saying worries about slower AI infrastructure spending spread across Korea's chip sector, a sign that the bigger a market's supplier weighting, the more sensitive it is to the pace of big-tech spending.

6 Three crossroads ahead

Whether the layer-by-layer pricing sticks or AI stocks move as one again depends on three upcoming sets of numbers.

First is Nvidia's third-quarter report on November 17: whether hyperscaler revenue kept growing and what it guides for next quarter could set the mood for the whole supplier layer. Second is the Anthropic IPO. As of November 10 no amended filing with a price range had appeared; a smooth big listing of an AI model lab would signal that money for compute keeps flowing, while a stumble could raise doubts about demand at both builders and suppliers (see our November 10 column, "Why Anthropic Is Going Public, Even at a Discount"). Third are the first 2027 capex numbers, due with big tech's fourth-quarter results in January and February.

Figure 8 What to watch

Nvidia results, the Anthropic IPO, and early-2027 capex numbers

Supplier prices may be reset over these three checkpoints. Even the big banks read the same numbers differently.

Three things to watch next dates and numbers

When and what	The number to check	Good for suppliers	Bad for suppliers
Nov 17 (after US close) **Nvidia Q3 results** Aug–Oct quarter	Did hyperscaler revenue keep growing, and what is next quarter's guide?	Hyperscale sales grow double digits again and guidance rises	Guidance misses, or 2027 orders sound uncertain
Date not set **Anthropic IPO** No price range filed as of Nov 10	Valuation and size of a big AI-lab listing	Sells smoothly at the reported $1T-plus. The money for compute keeps flowing	Valuation cut again or delayed. Doubts about who pays for compute
Jan–Feb 2027 **Big-tech Q4 results** Alphabet, Meta: 2027 figures on the Q4 call	The first hard 2027 capex numbers and growth rate	Growth beats the street's June view of +22%	Spending rises but growth slows sharply

Morgan Stanley (Nov 8)
Kept its forecast of $1.6T in hyperscaler capex for 2027 and $1.8T for 2028, and called the rout a buying chance

Bank of America (Nov)
Said the chip bear market could bottom in Q1 2027. The same numbers, read two ways

Source: Nvidia earnings date notice; Anthropic S-1/A (Nov 2, 2026, checked on SEC EDGAR Nov 10); Alphabet and Meta Q3 calls; Morgan Stanley note of Nov 8 (via investinglive); Bank of America (via TokenPost) · the good/bad directions are LightView's summary, not investment advice

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Readings of the same numbers differ. Morgan Stanley kept its forecast of $1.6 trillion in hyperscaler capex for 2027 and called the rout a buying chance, while Bank of America said the chip bear market could bottom in the first quarter of 2027. What is clear is that the market no longer puts stocks in one basket just for carrying the AI name. Checking whether a holding spends big tech's money, receives it, or sells services built on it may be the most practical lesson of this rout.

+ Glossary and sources

Glossary

Capex — money spent on long-lived assets such as data centers, servers and equipment.

Free cash flow — operating cash minus capex. Negative means investment exceeds the cash earned.

Equal-weight index — an index holding every stock at the same weight regardless of size, such as RSP.

Hyperscaler — a giant cloud operator running millions of servers, such as Microsoft, Alphabet, Amazon and Meta.

Guidance — the revenue or spending plans a company gives with its results.

Run-rate revenue — recent revenue, roughly a month's worth, scaled up to a full year.

Filings and company announcements

Microsoft, Alphabet, Amazon and Meta 10-Ks (2023–2025 capex, SEC XBRL), 10-Qs and Q3 releases (Oct 21–29, 2026) · Nvidia 10-Q (quarter ended Jul 26, 2026; data center and hyperscale revenue) · Vertiv and GE Vernova Q3 calls · Anthropic S-1 and S-1/A (SEC EDGAR, checked Nov 10)

Earnings-call remarks from Motley Fool transcripts · some February and April guidance from CNBC, GeekWire, Fortune and AP reports

Market data

Stock, index and ETF closes: Yahoo Finance (Korean stocks are redistributed KRX closes) · US 10-year yield: FRED DGS10 · market value = shares on each company's latest 10-Q cover × close (LightView estimate)

Reporting and analysis

AP (Nov 5), CNBC (Nov 5) · Aswath Damodaran blog and Substack (Nov 9) · Goldman Sachs 2027 consensus (Jun 11, via Yahoo/Investing.com) · Morgan Stanley (Nov 8, investinglive) · Bank of America (via TokenPost and BigGo) · ballot measures: Baxtel, Fortune (Nov 7), citing Ballotpedia counts · Oracle capex and financing (Outlook Business and others, secondary) · Korea: Asia Economy, SBS Biz (Nov 5); Shinailbo, Korea Duty Free News, Newsway (Nov 6)

Market value changes, layer averages and capex totals and growth rates are LightView calculations (the same share count is applied to every date). 2026 guidance differs from past results in whether leases are included. The $1.8 trillion one-day loss, 2027 growth forecasts and the Bank of America scenario are each institution's own estimates, and the ballot tallies are unofficial. A reported $80 billion October run-rate for Anthropic is unconfirmed by the company or filings and was not used. The column reflects information published through November 10, 2026.

AI use and conflict of interest · The operator chose the topic and angle and reviewed and edited the column before publication. Anthropic's AI (Claude) was used for research, drafting and infographics. We disclose this because Anthropic appears in the text as an example of the product layer.