April 2026

From WSJ with the first two of three from the front page of Friday's:

AI Investments Drive Rebound In U.S. Growth

GDP expands by 2%, though consumers tap the brakes on spending for goods

BY HARRIET TORRY

The U.S. economy expanded at an annual rate of 2% in the first quarter as businesses invested heavily in artificial intelligence, rebounding from a fourth quarter dented by a government shutdown.

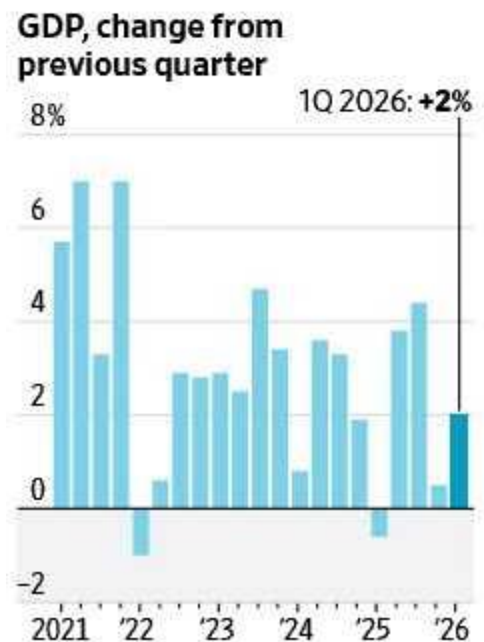
At the same time, the economy didn't expand as fast as economists expected, weighed down by softer consumer spending growth.

Economists surveyed by The Wall Street Journal were expecting a stronger, 2.2% seasonally and inflation-adjusted gross domestic product increase for the January-to-March quarter. …

The first quarter saw a strong increase in business spending on categories tied closely to AI, like equipment and intellectual property products, underscoring just how much AI has become an engine for the nation's economy. Overall business investment increased at a 10.4% annual rate in the quarter, the strongest growth in nearly three years. …

Consumer spending, the economy's main engine, rose at a 1.6% pace in the first quarter, slower than the 1.9% pace in the fourth quarter of last year. Consumers shelled out more on services like healthcare, but their spending on goods declined slightly.

Some analysts still saw spending as solid, considering the shock at the fuel pumps following the launch of the Iran war and particularly bad winter weather. Also, the personal-consumption expenditures price index (the Fed's preferred gauge) climbed to 4.5% in the first quarter, compared with an increase of 2.9% the prior quarter.



Still, pressure is expected to grow as people keep funneling take-home pay into their gas tanks. The U.S. and Israel launched attacks on Iran on the last day of February, and the average price of regular gasoline has jumped about 44% since then.

But much of that increase happened beyond the scope of this GDP report. Regular fuel has averaged about $4.11 a gallon during April, according to AAA data, up from March's $3.67 average. Fuel costs are rising fast this week and hit a $4.30 postwar high Thursday. …

Spending by the federal government rose at a 9.3% rate, picking up strongly from a 16.6% contraction in the prior quarter. The fourth quarter drag was due to the record-long government shutdown that ended in November. …

The U.S. economy entered the year on a steady, albeit weaker, footing. Growth had slowed sharply in the fourth quarter of 2025, hurt by the government shutdown. The economy shed jobs over the final three months of the year, although payroll growth has picked up since then, averaging 68,000 jobs a month in the first quarter.

Measures of inflation and inflation expectations have also picked up in recent months, complicating the pathway for rate cuts this year by the Federal Reserve. Investors started the year expecting two rate cuts in 2026; they now see a more than 80% probability the Fed will keep interest rates on hold through December, according to CME Group data.

The GDP report came a day after Fed officials wrapped up their latest policy meeting. They voted Wednesday to hold the short-term interest-rate target steady, citing elevated inflation and low job gains.

"Developments in the Middle East are contributing to a high level of uncertainty about the economic outlook," the Fed's rate-setting Federal Open Market Committee said. …

National Debt Now Tops 100% of GDP

BY RICHARD RUBIN

WASHINGTON—The U.S. national debt now exceeds 100% of gross domestic product, crossing a once-unthinkable threshold, on the way toward breaking the record set in the wake of World War II.

As of March 31, the country's publicly held debt was $31.265 trillion, while GDP over the preceding year was $31.216 trillion, according to data released Thursday. That puts the ratio at 100.2%, compared with 99.5% when the last fiscal year ended Sept. 30. That figure will likely climb because the government is running historically large annual deficits of nearly 6% of GDP, which add to the debt.

The government is spending $1.33 for every dollar it collects in revenue, and the budget deficit this year is projected at $1.9 trillion. That is little changed from 2025 as Republicans' tax cuts kick in before their spending cuts take effect. …

The government becomes more sensitive to interest rates as debt grows. One in seven dollars of federal spending now goes to interest. A 0.1 percentage-point interest-rate increase would cost $379 billion over 10 years, the Congressional Budget Office said.

Without changes, the U.S. is headed toward the debt ratios of France, Italy, Greece and Japan, which have faced degrees of economic stress. The U.S. does have more room to borrow than those countries because it controls the global reserve currency (for now) and because of Treasury debt's position as an investor haven (again, for now). …

The U.S. hasn't finished a fiscal year with debt above 100% of GDP since 1946. That looks likely to change. Unlike in 2020-21, the drivers of the deficit are structural, not temporary, and interest rates are higher. CBO forecasts the ratio will reach 100.6% for the fiscal year ending Sept. 30 and exceed the record by 2030.

These estimates use federal debt held by the public, which economists prefer to a commonly cited, larger figure that includes debt the government owes itself. The GDP figure represents nominal economic output, unadjusted for inflation, over the prior four quarters.

Debt-to-GDP hit its all time high of 106.1% in 1946. It fell in --the following decade because of postwar growth, inflation, and reductions in military spending, and it went under 50% by 1957. As recently as 2008, debt was below 40% of GDP.

Since then, the U.S. borrowed heavily to steer the country through the 2007-09 financial crisis and the pandemic. Congress cut taxes in 2013, 2017 and 2025, expanded government health coverage and veterans benefits, and did little to alter major spending programs. …

“If you told me 20 years from now that the debt-to-GDP ratio was going to be 100%, I would be ecstatic,” said William Gale, an economist at the Brookings Institution.

CBO projects debt will rise to 120% of GDP by 2036 and 175% by 2056. Those forecasts assume President Trump’s new tax cuts, such as the deductions for tips and overtime pay, expire as scheduled over the next few years. They also assume tariff levels that predate the Supreme Court decision restricting Trump’s authority. …

holding the debt-to-GDP ratio around 100% would require significant and unpopular policies. Over the next decade, cumulative deficits are projected at $24 trillion. Stabilizing at 100% would require a combination of spending cuts and tax increases of about $10 trillion.

Debt fears were a top political concern from the 1980s through the 1990s, and lawmakers were motivated to respond. Tax increases and spending cuts, with strong growth, yielded budget surpluses. Now, higher debt and deficits bring statements of concern but little action to alter the fiscal course.

“The thing that really scares people is the politics are so dysfunctional,” Gale said. “If you just saw the economic forecast and you had confidence that political leaders could get together and solve this problem, it would calm everybody down.”

Stocks Post Best Month Since 2020

BY JARED MITOVICH

U.S. stocks rolled through a divided Federal Reserve, war in the Middle East and a gantlet of tech earnings to wrap up their best month in six years. …

For the month, the S&P 500 rose 10%, the Nasdaq increased 15% and the Dow added 7%. Both the S&P 500 and Nasdaq had their best monthly performance since November and April 2020, respectively. …

The WSJ Dollar Index fell 1.8% in April.

Bonds and commodities haven’t reflected the same optimism about the war’s impact as stocks and currencies, though an oil-price surge to wartime highs cooled Thursday. Front-month U.S. crude futures fell to $105.07 a barrel while Brent crude futures for oil changing hands in June receded to around $114.01 a barrel. …

The 10-year Treasury yield settled at 4.389%, still near its high since the start of a ceasefire between the U.S. and Iran.

The AI Frenzy Is Back and Lifting the Entire Stock Market to Record Highs

Signs of froth are everywhere, with the IPOs of Anthropic and OpenAI expected to be the biggest ever and investors desperate to find ways in

By James Mackintosh
April 26, 2026

Artificial intelligence has saved the stock market—again.

Plenty of investors and even central bankers have watched the S&P 500 hit record highs and worried that share prices have lost touch with the reality of $100-a-barrel oil.

But if there's a problem, it's not only, or even mainly, a failure to recognize the fragility of the cease-fire in the Gulf.

Everything depends on whether the AI boom is a bubble.

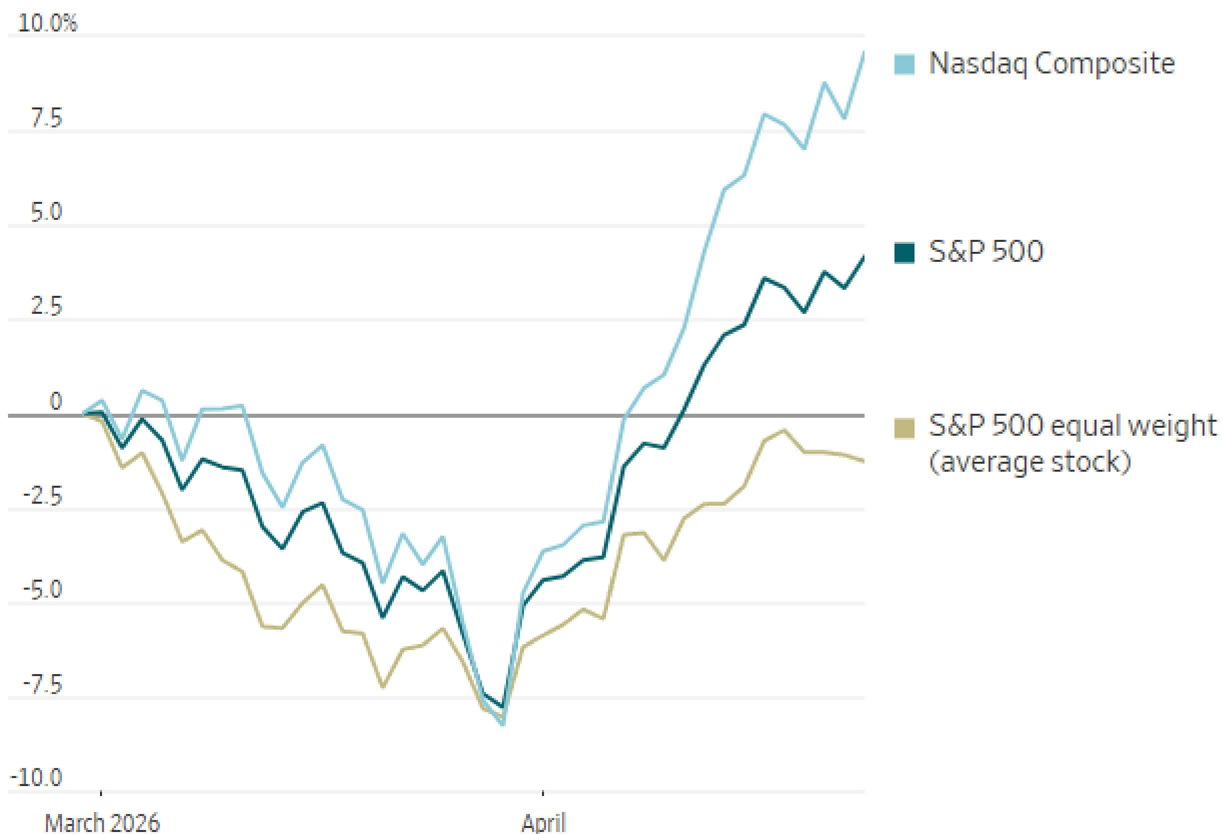
Here are a few facts often missing from the discussion about how stocks have performed since the U.S. and Israel started bombing Iran at the end of February:

- In the S&P, 118 stocks have fallen more than 10%, notably those now facing higher costs for fuel, aluminum and other raw ingredients, or those dependent on sales to customers hit particularly hard, such as farmers. That compares with only 82, mostly AI-related, that are up more than 10%.
- Exclude the AI version of the Magnificent Seven stocks—Broadcom alongside Alphabet, Amazon, Apple, Meta, Microsoft and Nvidia—and the market value of the S&P is actually down. Put another way, these seven are lifting the entire market.
- The average U.S. stock has fallen almost as much as the MSCI All Country World Index excluding the U.S., because more than half the S&P members are down. Yet the U.S. index is up 4%, and the tech-heavy Nasdaq 8%, because the biggest stocks are so big they more than offset the falls elsewhere.
- Half the S&P's sectors are down. Two of those that are up—consumer discretionary and communications services—are, like the market, dominated by a large AI company. A majority of the stocks in those sectors fell.

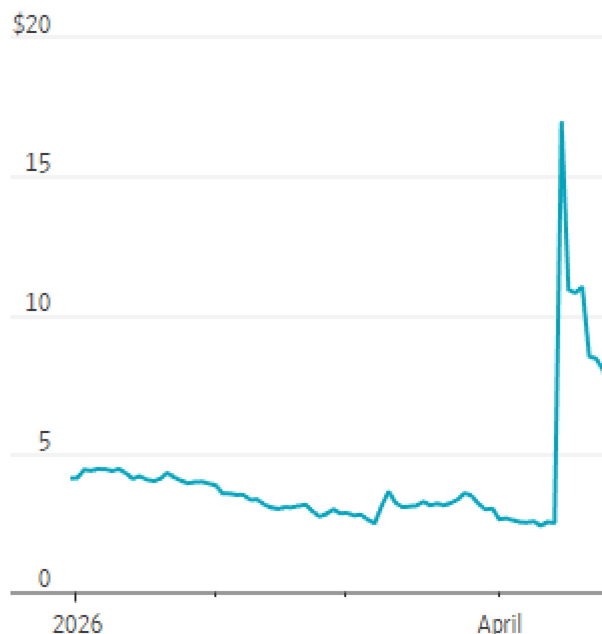
What really matters then is the same thing everyone in markets has been debating for the past year or more: whether there's a bubble in AI.

Investors are betting on continued rapid data-center construction, helping the picks-and-shovels stocks such as Nvidia, even as they don't expect positive free cash flow from AI developers themselves until the end of the decade.

Signs of froth are everywhere in AI. The IPOs of Anthropic and OpenAI are expected to be the biggest ever, and investors are desperate to find ways into the stocks before they list.



Data-center construction is a meaningful driver of the economy. Investors have proved willing to buy anything with an AI label slapped on it, whether one of the endless Silicon Valley startups or, briefly, sneaker maker Allbirds and Trump-affiliated payments company-turned-crypto treasury Alt5 Sigma. Even Cisco, the dot-com darling, this year finally passed its March 2000 share-price high thanks to its sales to data centers. It only took 26 years.



Hope overcomes every obstacle: The risk that AI becomes a widely available commodity, the constant hallucinations, repeated business-model pivots by OpenAI, massive investment requirements, deep uncertainty about the technology, rising political opposition and doubts about customers' willingness to pay.

The pro-AI case is simple: This time is different. AI will have bigger effects, and more quickly, than past technologies that led to bubbles, from canals and railways through bicycles and electricity to the dot-com bubble. It will transform the economy. Profits for AI companies will be mahoosive. And anyway, the leading stocks are still cheap compared with the dot-com bubble peak.

Ultimately we only ever know a bubble for sure after it bursts. If a technology lives up to the market's expectations, prices were right and it wasn't a bubble. But there are a lot of major questions the AI industry can't yet answer, and investors seem happy to believe it will all work out.

One basic point of history to remember: The biggest winner from the internet—Google, now Alphabet—wasn't even public when the bubble burst in 2000. Likewise, given uncertainty about the technology behind AI, there's no guarantee that today's leaders will ultimately come out on top.

Back then, the telecommunications companies were the picks-and-shovels suppliers of the fiber and home and office connections that made the internet run, and were investing as much capital as they could secure. Hopes were high, just as they are for the chip makers and other data-center suppliers raking in profits today. Back then, the hopes proved entirely unfounded.

Still, if the fantastical-sounding human-equivalent AIs are developed, this time could be different. Or, at least, the bubble could inflate a lot further before it pops. That's the problem with bubbles: Even if you correctly identify one, being early is the same as being wrong.

From voidzilla on April 16th: **"the fastest growing product ever"**
https://www.youtube.com/watch?v=vS2zr4_PMtQ (18 min.)

Five from WSJ's Markets A.M. April 30th:

It's a Blowout Earnings Season. Here's Why That Might Be a Bad Sign.

By Spencer Jakab

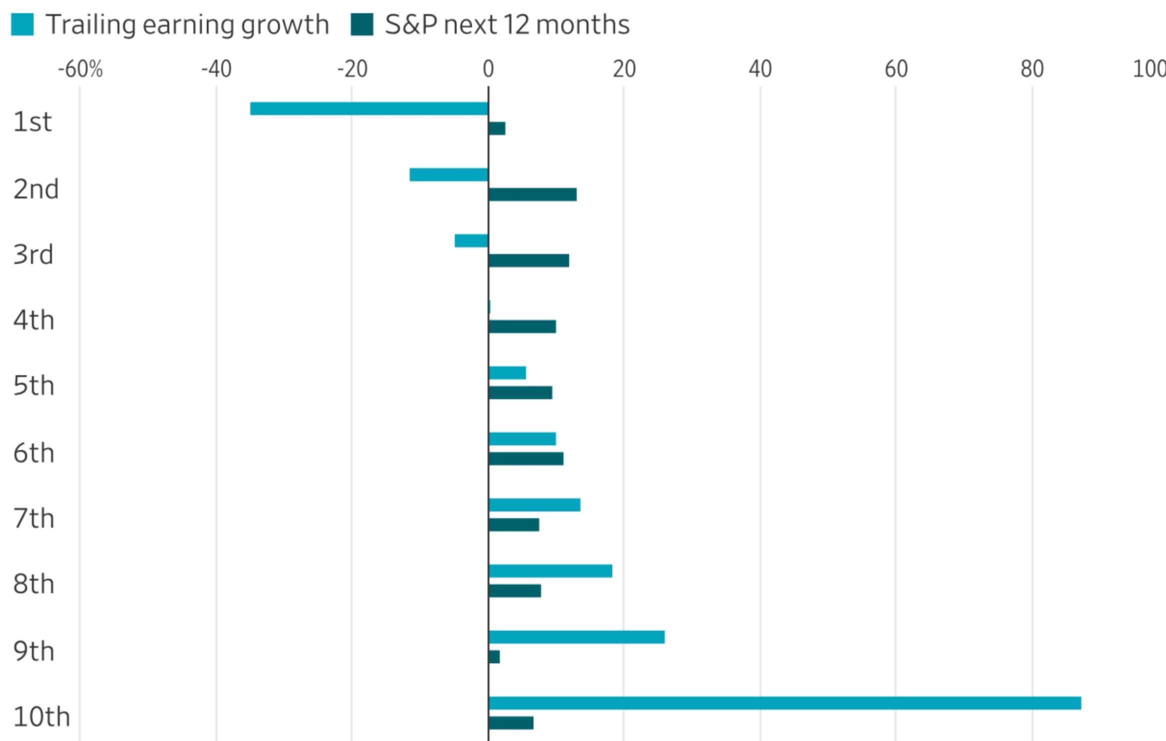
Rearview Mirror

It's a question so basic only a five-year-old would ask it, but sometimes five-year-olds ask really good questions: Why do people get so excited about earnings season?

Profits are why stocks are worth owning in the long run, of course. It's obviously great, then, if they just grew quickly. Fund managers interviewed in the media routinely cite strong earnings growth as a reason to keep buying stocks, even when valuations look stretched. But that isn't always the case.

By the end of this week, more than 70% of large U.S. companies will have reported quarterly results and it's shaping up to be the best season in years. The S&P 500's earnings per share are seen rising by about 19% when it's done—nearly twice the past decade's average pace. Net-profit margins haven't been so high in 15 years, according to FactSet.

If anything, that's a slightly concerning sign. Looking back at data provided by Yale economist Robert Shiller for each month over the past century, it's mostly been during recoveries from sharp recessions that fast year-over-year earnings growth preceded big gains for stocks in the next 12 months.



Deep into an economic boom, like now, sharp growth often heralded lousy performance. Some of the most rapid earnings growth outside of recoveries occurred toward the ends of major bull markets such as in July 1929, December 1973, March 2000 and early 2007.

Except for extreme periods during or right after major recessions, there's actually an inverse relationship between how fast earnings have just grown and how well stocks went on to do in the coming year.

But we invest for the future, so why not look at the earnings growth that analysts predict instead of what already happened? Because their crystal balls get foggy—especially during boom times.

The bottom-up consensus forecast called for S&P 500 earnings to grow by about 15% in 2000, for example. The actual pace was less than 4%. And 2008 was much worse. Consensus expectations in late 2007 of 16% were way off the mark. Earnings collapsed by more than three-fourths during the financial crisis.

For what it's worth, analysts see earnings growing by 19.5% this year and 15.7% in 2027.

That sounds encouraging, but meeting those forecasts won't be child's play.

April 27th:

Don't Get Greedy With AI Stocks

By Spencer Jakab

Ludicrous Mode

Is it too soon to use the "B" word?

We'll only know after the fact if AI-related stocks are in a bubble. Even so, there's rarely been such a combination of signals to literally and figuratively take some chips off the table.

Little bits of silicon are now at the heart of this boom as memory demand surges and individual investors rush in. A new exchange-traded fund dedicated to the sector raced to $1 billion under management in just 10 days this month.

The PHLX Semiconductor Index is up by 41% in a month. It's risen 150% over the past year. There's no law of nature that caps how high those numbers go, but patterns do repeat. Technical analysts think it's too far, too fast.

"Whatever you call it—bubble or not—this is textbook parabolic price action," wrote the team at BTIG.

If fundamentals are more your thing, you might have read some reassuring takes recently about many memory-related stocks still trading at reasonable valuations. Some even seem dirt cheap.

If you squint, it's sort of true. Using forward price-to-earnings ratios, Micron, Sandisk, Kioxia, Samsung Electronics and SK Hynix all carry single-digit multiples even though they've risen by between 300% and 3,000% in a year. Others sport modest premiums to the S&P 500. The magic is in the margins.

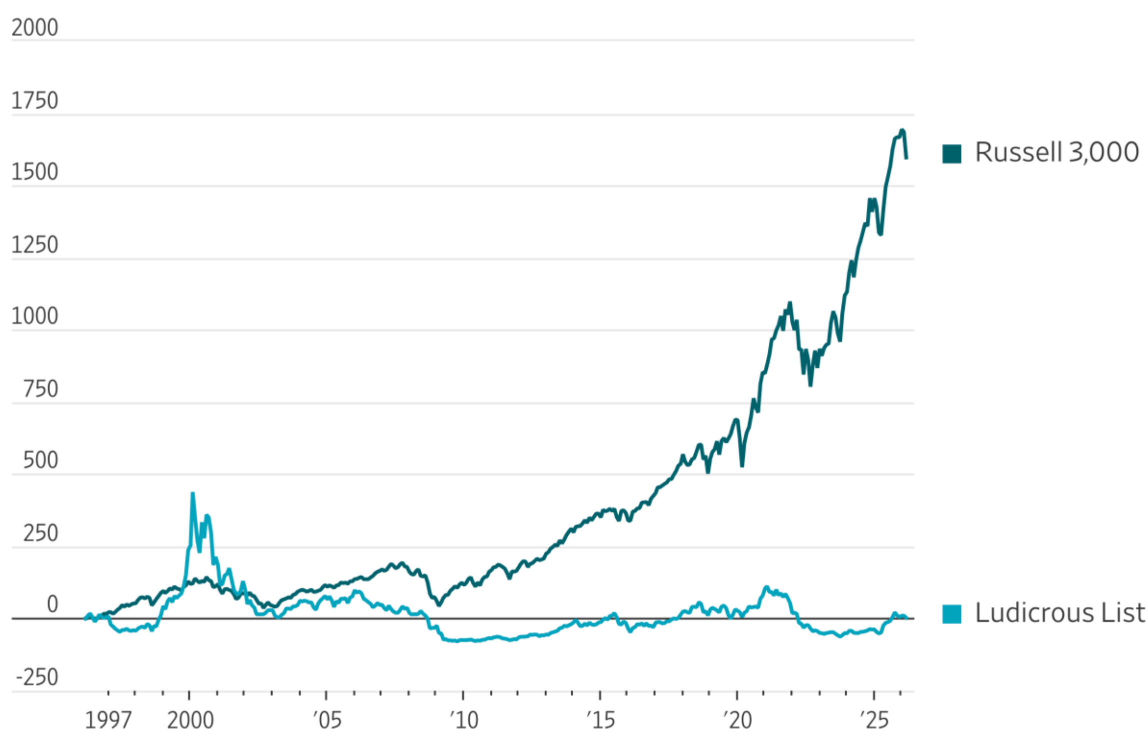
For its next fiscal year, for example, analysts polled by FactSet see memory chip maker Micron having a 78% operating margin. Its average over the past 30 years has been just 4.5%. The last time we checked, Micron hadn't repealed the laws of economics.

To get a sense of when such cyclical stocks are overstretched, look at price-to-sales ratios instead. Bespoke Investment Group features several AI-related stocks on something it calls the "Ludicrous List," which sounds about right. To make the cut, a company needs to have a price-to-sales multiple of at least 10 times and to have at least doubled over the past year.

To understand what 10 times assumes, read tech pioneer [Scott McNealy's "what were you thinking?"]" quote from our dot-com bubble 25th anniversary newsletter. Bespoke points out that the peak of that mania was one of only two times that there have been as many stocks on its Ludicrous List.

An investor only owning those companies that made Bespoke's list would have done dreadfully. In the 30 years through the end of March, the Ludicrous List had a cumulative return of less than 3%. That isn't annualized—it's the total return. Owning the broad Russell 3000 stock index would have earned 1,596%.

The sums being poured into AI infrastructure are unprecedented. There *are* precedents for what happens to a group of stocks that act like this, though. BTIG's analysts point out that "parabolas only end one way: in equal and opposite fashion."



Note: "Ludicrous" stocks trade at price-to-sales above 10, have at least doubled in a year and have market values above $500 million
Source: Bespoke Investment Group

April 24th:

Is Wall Street Repeating Its Covid Goof?

By Spencer Jakab

Don't Worry, Be Happy

Prices on our screens might be making us complacent about a looming economic drag. The Iran conflict's effects will get a lot uglier.

There's widespread faith that, while not perfect, the stock market is good at seeing around corners. For example, it often swoons months before economists predict recessions and then rallies before they give the all-clear. Millions of people putting their savings at risk distill available information pretty well.

But the hit to global supplies of oil, gas, fertilizer, helium, aluminum and other commodities from the Strait of Hormuz blockade is the sort of thing the market, and most Wall Street professionals, are bad at processing. This wouldn't be the first time a bubbling threat that will be obvious in hindsight was underestimated.

We know now that by late February 2020, Covid-19 was spreading at a speed that quarantines could no longer control. Investment strategists played armchair epidemiologist for weeks, dutifully updating case counts and laying out scenarios.

The whole world shutting down wasn't their base case. Stocks hit a record on Feb. 19, and the gravity of the emergency didn't resonate with many Americans until weeks later.

The main exception to Wall Street's relaxed message about Hormuz is from energy specialists.

"I've been surprised by how the (stock) market is willing to look through the fact that the strait continues to remain shut," said Josh Martin, head of securities and equity capital markets at Pickering Energy Partners, on a company podcast.

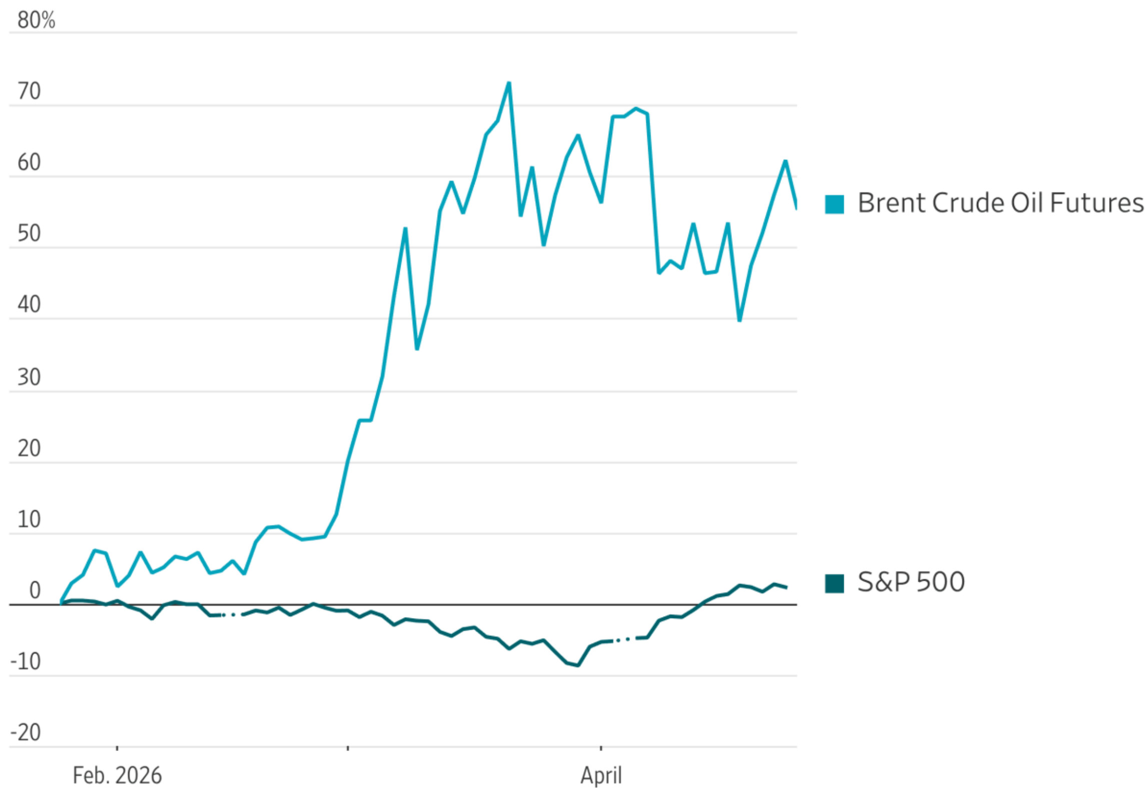
Americans are concerned about pump prices but, with no physical shortages, a billion missing barrels seems as abstract as 10,000 pneumonia cases in far-off Wuhan. Even with a deal, stories will soon start to roll in about travel disruptions and factory shutdowns in Asia and then in Europe.

In the best case, it could take six months for markets like jet fuel and petrochemicals to normalize. Agriculture will feel the pinch for longer, and liquefied-natural gas will be crimped for years because of damaged infrastructure in major producer Qatar.

The Covid comparison isn't perfect: High prices are denting demand already, and this isn't as big or sudden of a crisis as the pandemic. But strategic-reserve releases, supplies already at sea and, until recently, Iran's own substantial shipments, have dulled the blow and made it seem less-serious to ordinary consumers.

The damage is cumulative, though. One reason energy-futures don't fully reflect this is that any glimmer of hope blows up bullish derivatives positions. Two of the largest per-barrel drops in crude futures ever have occurred in recent weeks.

A wave of pain is headed for major economies under the rosiest scenario. Even if it's worse in Asia and Europe, it will be felt on the bottom lines of American companies that rely on their customers and their factories.



April 16th:

Mr. Market Is Off His Meds

By Spencer Jakab

Crazy Is as Crazy Does

For anyone who still believes the stock market is totally rational, the past seven weeks have provided an expensive education.

Whatever your opinion about the conflict in Iran, including how much longer it might last, war clearly isn't good for most companies, all else being equal. And all else is pretty much equal over such a short span: Cold fusion wasn't perfected, cancer wasn't cured and the economy didn't leap into a faster gear.

Yet the S&P 500 is higher, energy stocks are lower and the VIX "fear gauge" is down since the outbreak of hostilities. How do you explain that, much less act on it?

It's tempting to believe that the market knows something you don't based on the collective wisdom of millions of investors. Unless it's your job to tout stocks, though, don't twist yourself into knots thinking up reasons. In the same vein, don't assume stocks are "wrong" and thus headed for a fall, either.

As finance professor Meir Statman put it: "The market may be crazy, but that doesn't make you a psychiatrist."

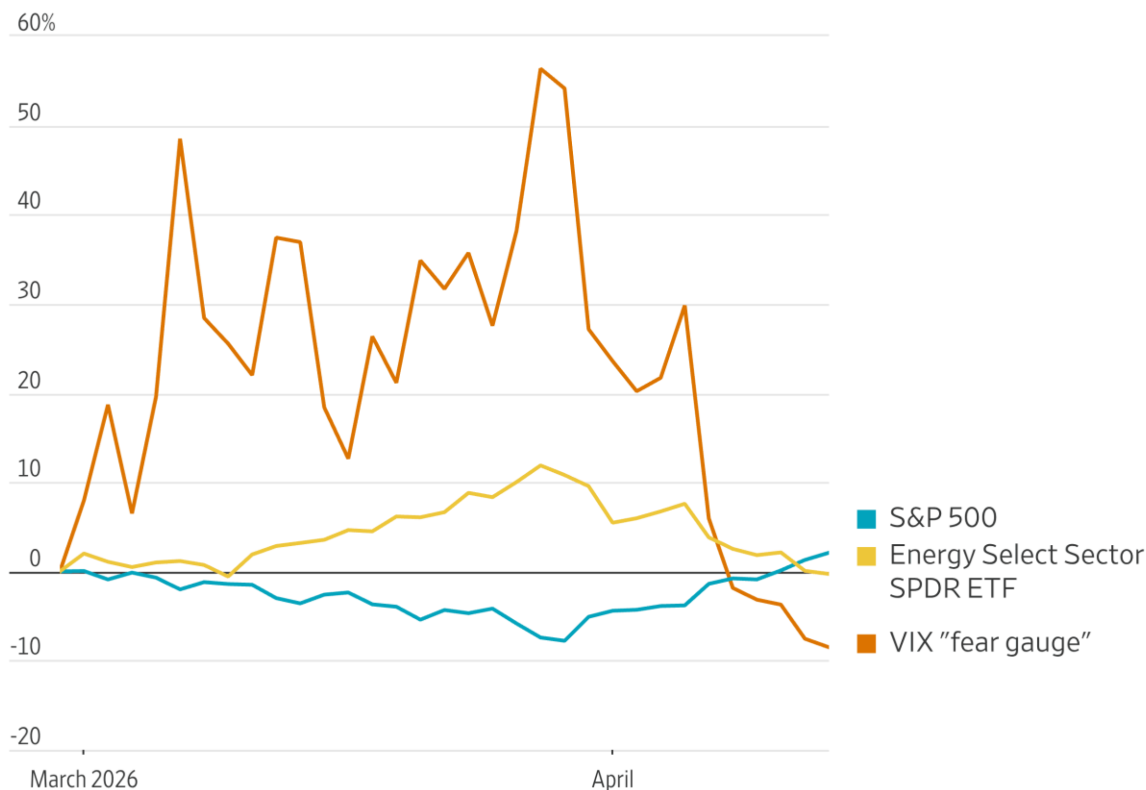
There's a difference, though, between erratic behavior on the macro and on the micro level. Jumping in and out of the market entirely is costly. Buying or avoiding a specific stock or sector could be worthwhile if their prices can't be justified.

Warren Buffett's mentor Benjamin Graham used the parable of a business owner with an emotionally unstable partner, "Mr. Market." Some days he might want to buy out your share at a ridiculously high price. Other times he might want to sell his to you for a song. You could act on that profitably or just ignore it.

Companies can spark temporary insanity by just saying some magic words. The latest: Allbirds, the maker of comfy shoes for the Silicon Valley crowd, recently sold its intellectual property and assets for less than 1% of its peak valuation. Then on Wednesday its stock surged 582% after the company said it would "pivot its business to AI compute infrastructure, with a long-term vision to become a fully integrated GPU-as-a-Service (GPUaaS) and AI-native cloud solutions provider." (From voidzilla: **things are getting very stupid** https://www.youtube.com/watch?v=rpZmjI8wFss <7 min.)

Uh huh. As disorienting as wild market moves feel, people who invest actively should be relieved. If stock prices were totally rational instead of mostly rational then there would be no hope.

Who would you rather play poker against, Mr. Market or Mr. Spock?



April 13th:

Fund Managers Tell Tall Tales

By Spencer Jakab

On Their Tippy Toes

Baseball players don't get to calculate their own batting averages, but they've had lots of leeway about one stat that mattered to them—how tall they are.

With this year's adoption of Automated Ball-Strike technology, Major League Baseball made everyone undergo strict height measurements. Much like online dating profiles, it turns out that athletes like saying they're at least 6 feet tall if they can do it with a straight face. The Athletic reports that the opening day roster lost a collective 20 feet of height with a cluster winding up at 5 feet 10 or 11 inches.

If only mutual funds were held to such strict measurements. You've probably heard, for example, that a majority of active managers fail to beat their benchmark in the long run. But, like a batter doubling as umpire, the rules allow funds to tweak their strike zone after the fact in fund literature.

Professors Kevin Mullally and Andrea Rossi found that more than a third of funds they sampled over a 12-year stretch changed their benchmark at least once. It was generally in a way that flattered their returns. That might mean swapping the S&P 500 for the Russell 1000 or moving to an index that emphasizes value or growth instead.

The technique was most common among high-fee funds or those sold by brokers, and it had a positive effect on inflows. But it gets worse: Financial firms raise their entire industry's stat line by showing only those funds they kept open.

Dimensional Fund Advisors, which advocates passive investing, studied actively managed stock mutual funds between 1991 and 2020. Over that time an average of about 100 funds were liquidated each year, with 2009, the trough of a bear market, seeing the highest number.

Poorly performing funds are most likely to get the chop. The median surviving fund still trailed what its return should have been by 0.84 percentage points a year. That would have been a much worse 1.44 percentage point gap if defunct funds had been counted.

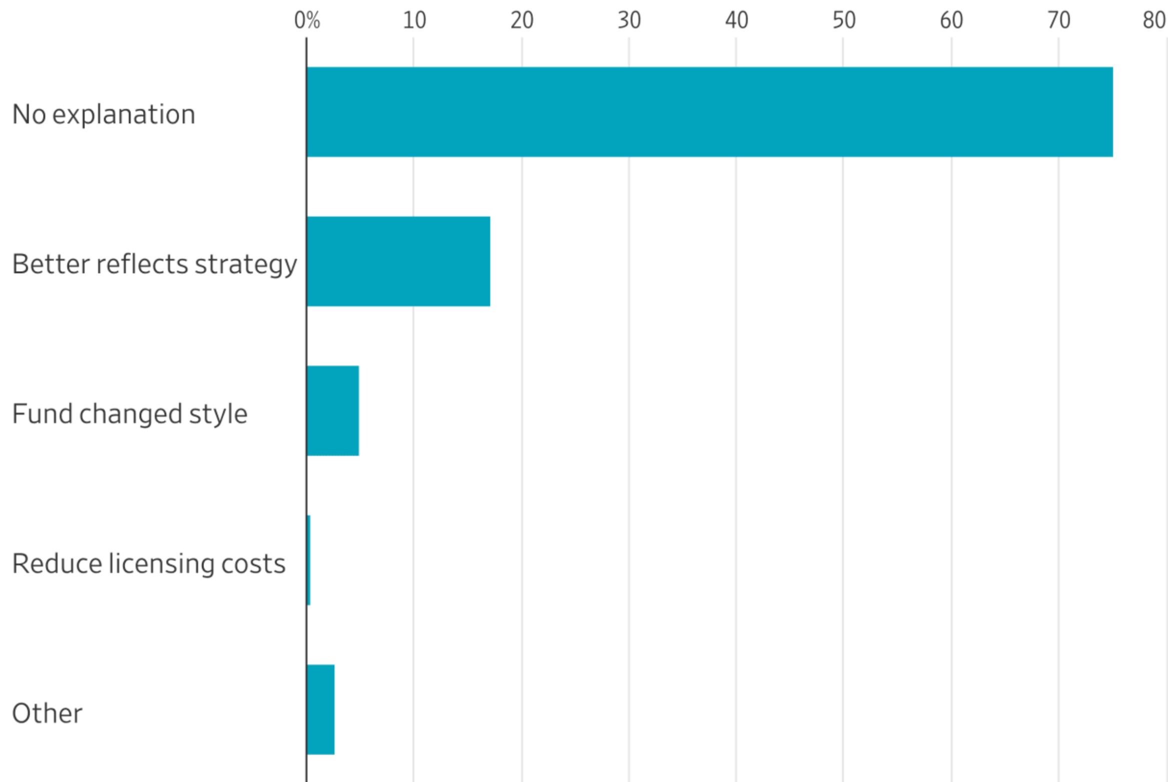
Finally, there are Morningstar's influential ratings. A 2024 study says some funds intentionally change their holdings to land in a weaker category where they're likely to earn more stars—a technique called "box jumping." It's akin to a team switching to a weaker division midseason to earn a playoff spot based on the same record.

Not that stars tell us much: A Journal study in 2017 showed that five-star funds often regress to being just average after winning the accolade. About 10% fall to the lowly one-star category.

Talk about a nasty slider.

Changeup

Reason given by mutual funds for switching their benchmark



Source: Kevin Mullally and Andrea Rossi

From Global Investment Strategy on Thursday:

There is an old saying on Wall Street that stocks take the stairs up, and the elevator down.

The past two months have seen the opposite pattern: Stocks slowly declined as oil prices rose but then ripped higher on hopes (yet to be realized) that the Hormuz Crisis is coming to an end.

Buying the dip has been such a successful strategy for so long that investors turned a blind eye to downside risks.

TABLE 1

Since 2010, Stocks Have Done Much Better When Forward Earnings Estimates Were Trending Lower

	AVERAGE SUBSEQUENT 1-MONTH RETURN OF S&P 500 BASED ON CHANGE IN 12-MONTH FORWARD EPS (NTM EPS) OVER VARIOUS HORIZONS (PERCENT, NON-ANNUALIZED)								
	1985 - PRESENT			1985 - 2009			2010 - PRESENT		
	NTM EPS INCREASED	NTM EPS DECREASED	NET DIFFERENCE	NTM EPS INCREASED	NTM EPS DECREASED	NET DIFFERENCE	NTM EPS INCREASED	NTM EPS DECREASED	NET DIFFERENCE
OVER PAST 1 MONTH	0.82	0.90	-0.08	0.78	0.55	0.22	0.87	2.19	-1.32
OVER PAST 3 MONTHS	0.99	0.37	0.62	1.01	-0.04	1.05	0.97	1.58	-0.61
OVER PAST 6 MONTHS	0.94	0.52	0.42	0.93	0.11	0.82	0.95	1.61	-0.66
OVER PAST 12 MONTHS	0.84	0.85	0.00	0.80	0.42	0.38	0.90	2.01	-1.10

SOURCE: FACTSET AND S&P GLOBAL.

The fact that earnings estimates continue to grind higher has only emboldened the bulls. The problem is that analyst estimates tend to lag the stock market. Since 2010, a strategy of buying the S&P 500 if 12-month forward earnings estimates had declined over the prior month would have returned more than a strategy of buying the stock market if earnings estimates had risen over the prior month (**Table 1**). …

Follow-ups

From Jason Zweig's The Intelligent Investor on Apr. 21:

AI Mania: The Reruns Have Started

Last week, struggling shoe company Allbirds announced that it would convert itself into a provider of artificial-intelligence computing power called NewBird AI, and the stock shot up 582% in a day.

That was no surprise to Michael Cooper, a finance professor at the University of Utah. In the late 1990s, lots of companies added ".com" or "Internet" to their corporate names to pump their share prices during the tech boom. (Before Computer Literacy Inc. could even officially change its name to fatbrain.com, the stock shot up 33%.) In a research paper published in 2001, Cooper and his colleagues found that firms that opportunistically renamed themselves got a 53% short-term boost in stock-market returns.

Naturally, when the dot-com boom went bust between 2000 and 2002, companies raced to *erase* ".com" and

Note: Includes corporate changes from 2020 through 2025. Returns relative to overall U.S. stock market.
Source: Michael Cooper, Peter Won and Hanjun Kim, University of Utah.

"Internet" from their names. In another study, Cooper and his colleagues found that scrubbing dot-com names gave stocks a short-term upward jolt averaging 64%.

The same sort of silliness repeated a few years ago when companies started stuffing references to cryptocurrency into their corporate names. For instance, when Long Island Iced Tea Co. became Long Blockchain Corp. in 2017, the stock surged by as much as 531%. (The following year, the stock was delisted.)

Before Allbirds fluttered into NewBirdAI, I asked Cooper to look at whether companies announcing a pivot to AI have been getting a stock boost. He and his colleagues Peter Won and Hanjun Kim looked at firms that shifted their stated business strategy to "AI." Here's how they did on average, relative to the overall stock market, in the 30 days before and the 90 days after they touted the change.

Sure enough, it's deja vu all over again!