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AI Stocks Are a Long Way From Bubble Territory

By Al Root [Follow](#) June 23, 2023 8:09 pm ET

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How will we know when AI has reached bubble territory?

Michael Nagle/Bloomberg

The S&P 500 [SPX -0.77% ▼](#) index fell 1.4% this past week, snapping a five-week winning streak, while the Dow Jones Industrial Average [DJIA -0.65% ▼](#) dropped 572 points, or 1.7%, and the Nasdaq Composite [COMP -1.01% ▼](#) declined 1.4%, ending an [eight-week winning streak](#). Yet even after the drops, the S&P 500 remains up 13% in 2023.

It's no secret what's driving the gains. The big seven stocks, Apple [AAPL -0.17% ▼](#) (ticker: AAPL), Microsoft [MSFT -1.38% ▼](#) (MSFT), Alphabet (GOOGL), Amazon.com (AZMN), [Nvidia \(NVDA\)](#), [Tesla \(TSLA\)](#), and [Meta Platforms \(META\)](#), are up a market capitalization-weighted average of 25% since the Nasdaq started its run eight weeks ago, and 14% since Nvidia reported [blowout quarterly numbers](#) on May 24, boosted by rising demand for artificial-intelligence computing power.