



(UBS)

# 10 predictions about AI

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**Artificial intelligence (AI) may become one of the most profound innovations and largest investment opportunities in human history. Here we list 10 predictions about AI as we witness the start of a major investment boom and technological advance that may fundamentally affect all economic sectors.**

1. AI will be the **most profound innovation** and one of the **largest investment opportunities** in human history.
2. AI will kick off a **data center capex cycle** that will dwarf general purpose data center capex in the next years.
3. The **ratio of monetization potential** of the AI application layer to the costs of the enabling and intelligence layers will become a key metric for investment returns.
4. The **race to artificial general intelligence (AGI)** could trigger a capex cycle that inflates an **investment bubble** where the capex of the enabling layer is dissociated from near-term monetization potential of the application layer.
5. The **AI enablers** will be the **first adopters of AI**, driving both revenue and margin upside.
6. **Monolithic players** will emerge along the AI value chain, and the AI market will be dominated by an **oligopoly of vertically integrated "AI foundries."**
7. The AI silicon moment: **AI chips** will capture a **large part of the AI value creation**.
8. **Software** will become **ubiquitous**.
9. **Data assets** will emerge as the **competitive differentiators** for AI adopters.
10. The **application** and **intelligence** layers will **merge** with AGI.

### Investment implications

The artificial intelligence market potential is vast, and we estimate that AI value creation could amount to USD 1.16 trillion by 2027. We believe now is the time for investors to size, and seize, the investment opportunity.

- Be sufficiently invested
- Tilt toward the enabling layer
- Don't cut the winners too soon
- It's not only about the US
- The AI market potential is vast

For much more on these 10 points, see our full presentation [AI: Sizing and seizing the investment opportunity](#), published June 2024.

For a deeper dive on AI, explore the UBS Chief Investment Office whitepaper - [Artificial intelligence: Sizing and seizing the investment opportunity](#).

### Important information

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