



# PHILEQUITY CORNER

By Wilson Sy

## Uncharted Territory

I have been investing for more than five decades, and I have seen my share of bull markets. I saw the oil boom of the 1970s and the gold rush that peaked in 1980. I experienced the bull market that followed the People Power Revolution of 1986, the biggest and longest bull run in Philippine history. I witnessed the internet boom of the late 1990s and the recovery from the ashes of the 2008 global financial crisis.

But I have never seen anything like the AI boom now underway. The returns are not just larger. The gains are also coming faster. In previous bull markets, a 10 percent stock move in one day was considered extraordinary. Today, widely-held big-cap technology and semiconductor names are making outsized moves with unusual regularity. We are in uncharted territory.

## A record first half

The first-half numbers capture the scale. The Dow Jones Industrial Average (DJIA) rose 8.9 percent from January to June, its best first half since 2021. The broader S&P 500 gained 9.6 percent, and the tech-heavy Nasdaq Composite climbed 12.8 percent. The second quarter was even more remarkable, with the S&P 500 rising 14.9 percent and the Nasdaq jumping 21.4 percent – their best quarters since 2020.

But the bigger story was the Russell 2000. Small caps surged 22 percent, their strongest first-half performance since 1991. This confirmed the broadening we discussed in our January 12 article, “Crystal ball at the PSE” – the rally is widening from the “few to the many.”

The index moves are already impressive. But the most spectacular moves came from a small group of names at the very top.

## Chip stocks rewrite the leaderboard

The best-performing stock in the entire S&P 500 was SanDisk, a maker of NAND flash memory that we flagged as 2025’s top name (see “10 Market Snapshots of 2025,” December 29, 2025). SanDisk did not merely repeat its 549 percent performance in 2025; it soared 858 percent in just six months. Behind it is a lineup of storage, memory names, servers, neoclouds, optical networking and other computing infrastructure stocks – the plumbing of the AI era.

Selected Top Performers (1H2026)	Return
SanDisk	858%
SK Hynix (South Korea)	307%
Micron	304%
Intel	278%
Western Digital	271%
Marvell Technology	251%
Seagate	250%
Bloom Energy	248%
Dell	242%
Nebius Group	230%

*Source: Bloomberg, Wealth Research*

## Chip wealth reshapes Taiwan and Korea

This cycle has transformed the fortunes of South Korea and Taiwan. In the first half, South Korea's KOSPI rose 101 percent and Taiwan's TAIEX gained 59 percent. Korea was powered by the boom in memory chips, especially high-bandwidth memory used in AI servers. Taiwan benefited from its dominant position in advanced chip foundry manufacturing.

South Korea's SK Hynix, the world leader in high-bandwidth memory (HBM), surged 307 percent. It overtook Samsung Electronics as Korea's most valuable listed company, ending a reign that had lasted about twenty-five years. Samsung itself rose 178 percent. In Taiwan, TSMC, which manufactures the advanced chips designed by Nvidia, Apple and others, climbed 57 percent. It now accounts for more than 40 percent of Taiwan's stock market value.

## Creating prosperity

This is what a true technology cycle does. It creates wealth far beyond the first company that captures the headlines. The internet boom created Cisco, Amazon, eBay, Yahoo and eventually Google. The birth of the iPhone changed not only Apple, but the entire mobile ecosystem – chips, screens, apps, payments, telecom networks and digital advertising. The cloud boom transformed Microsoft, Amazon, Google, software companies and data centers.

Now AI is doing the same thing, but at a speed and scale that I have never seen before. It is creating prosperity for countries at the center of the supply chain: South Korea in memory, Taiwan in foundries, the US in AI models, chips and cloud, Japan in equipment and materials, and Europe in lithography through ASML.

## Even Siegel is astonished

Jeremy Siegel, noted bull-market stalwart, author of the investment classic *Stocks for the Long Run*, Wharton's Professor Emeritus of Finance and WisdomTree chief economist, has been studying, analyzing and investing in financial markets for nearly six decades. Yet even Siegel said he has not seen anything like this before, calling the moves and swings in semiconductor and chip stocks unprecedented. The AI-driven shortage has sent chip prices, profits and stock prices into record territory.

## The next hand-off

After the breathtaking first-half surge, the most extended AI winners – particularly semiconductors – appear to be pausing as institutions rebalance portfolios. Given the magnitude and speed of the rally, a correction is indeed warranted. As noted by Jeremy Siegel, the recent volatility and wild swings show that these stocks may need time to digest their gains. Meanwhile, leadership is broadening into software, biotech, financials, healthcare, airlines, transportation and other sectors that had been left behind.

## Broadening reaches the Philippines

The PSEi's early-year rally was cut short by the US-Iran war and the spike in oil. Now that oil is retreating, the rally may resume. Foreign buying in select Philippine stocks emerged last week and remains modest, but it is worth watching.

If global rotation continues from the most extended AI winners into laggard sectors and markets, the broadening may finally reach the Philippines. As an oil importer, the country was hurt by the war premium in crude and may now become one of the biggest beneficiaries of its unwinding. With valuations still cheap, Philippine equities deserve a second look.