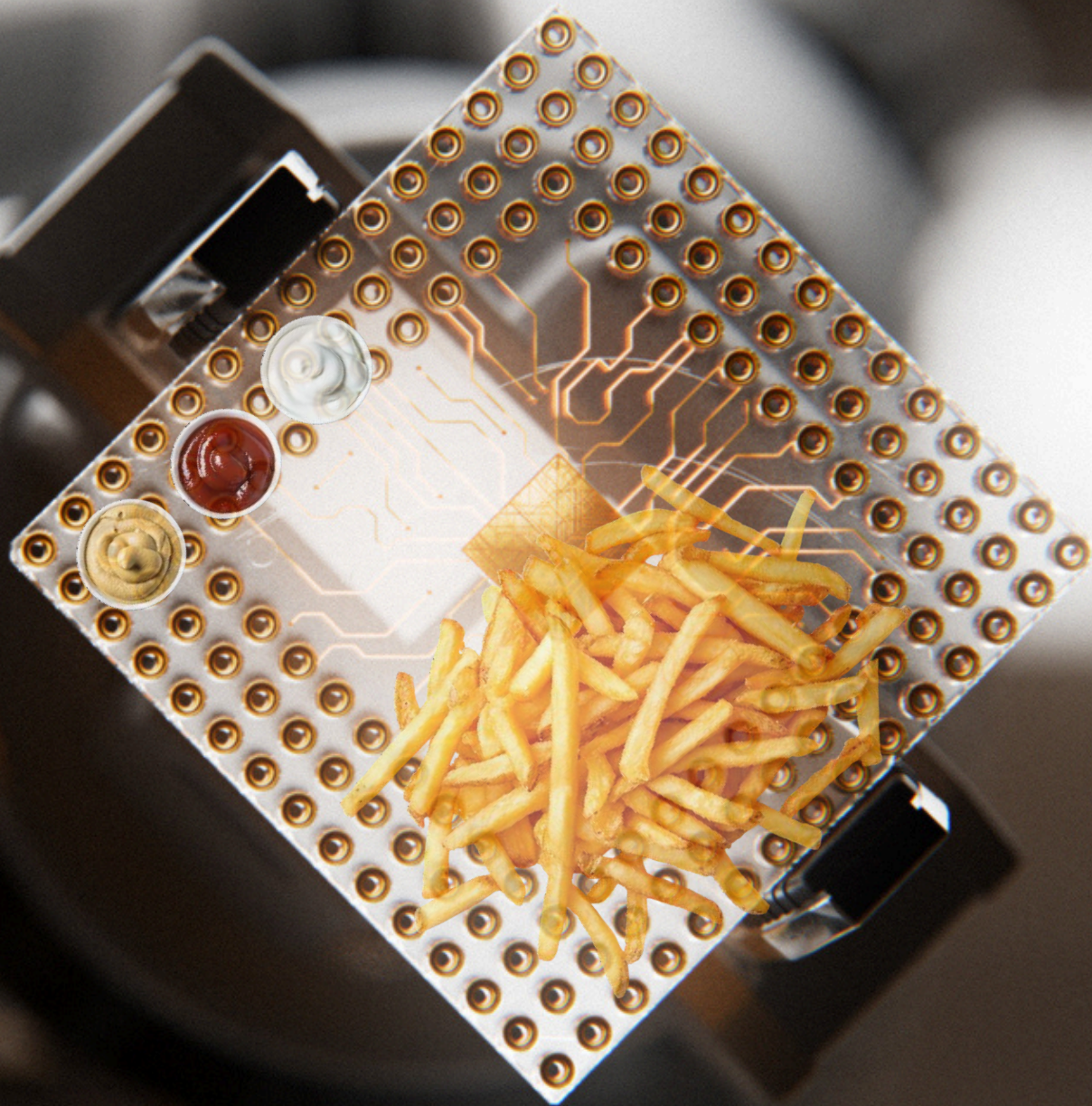


Asset Risk | Consulting

Monthly macro focus

April 2026

The anything supper



Macro focus

The anything supper

Everything in moderation, including moderation.

Oscar Wilde

Anything, with chips

In Scotland, an anything supper means exactly what it says. You can have almost anything, as long as it comes with chips. The chips are comforting, familiar and filling. They are also non-negotiable.

There is generosity in the tradition. It is food rooted in community rather than optimisation. But eaten too often, chips crowd out balance. Over-reliance, not the ingredient itself, is what causes harm. That distinction maps neatly onto markets.

Global equity markets appear varied. Thousands of securities, sectors and strategies. Under the surface, ownership and returns are increasingly concentrated around a narrow set of companies, technologies and capital providers. Different labels. The same base.

Fries with everything

The numbers are instructive.

The US now accounts for close to half of global listed equity value, up from roughly **30%** 15 years ago. Within that, a small group of mega-cap technology firms dominates index returns. Passive ownership has reinforced the pattern. Large asset managers hold meaningful stakes across hundreds of companies, often simultaneously across competitors.

By 2022, fewer than a quarter of MSCI All Country World Index constituents were widely held. A growing share of market capitalisation sat in controlled or tightly owned companies. In practice, many portfolios rely on the same growth drivers, the same profits and increasingly the same technologies.

For years, this paid off. Concentration reduced career risk, amplified returns and rode genuine technological progress. The mistake is not believing in the technology. It is assuming that belief alone guarantees investment returns.

The average Glasgow chip portion was 380g, 80% above the 2002 benchmark¹. Nearly half the portions sampled were more than twice as large.

Global markets look diversified, but many portfolios now rely on the same ingredient: US mega-cap technology and its related growth drivers.

¹ Obesity Action Scotland, Chips to Go factsheet, 2018. The study weighed 40 chip portions from 30 Glasgow takeaway outlets and compared them with the Food Standards Agency's 2002 portion size guidance.

When growth burns calories

Sandy Nairn's old insight still applies. Transformational technologies change the world. Early investors rarely capture the long-term rewards. The pattern repeats. Breakthrough. Capital rush. Overinvestment. Disappointment.

When growth is explosive and uncertainty high, concentration can make sense. Like a young body burning calories fast, the system can absorb heavy intake. Early-stage AI looked like that. Winners were separating. Optionality was high.

As technologies mature, metabolism slows. Growth persists but becomes less uniform. Capital intensity rises. Competition tightens. Regulation appears. The same exposure that once fuelled returns starts to create drag.

AI is moving into infrastructure. That does not diminish its importance. It raises the bar for valuation discipline and diversification. Structural growth rewards selectivity, not blanket exposure.

Extra chips in the system

Semiconductors sit at the centre of this shift. Industry value could double this decade, driven by AI, data centres and advanced computing. Growth alone is not the risk.

Production is highly concentrated. Taiwan produces more than **60%** of global semiconductors and over **90%** of the most advanced chips ². One firm dominates advanced manufacturing capacity.

If chips are the engine of the digital economy, the global economy is relying on a single, vulnerable workshop.

This is not abstract risk. Any disruption would ripple through technology, autos, defence and energy systems. The effects would be immediate and global. Governments know this. Industrial policy and reshoring efforts are accelerating. But advanced fabrication takes years and tens of billions in capital. Capacity cannot be conjured on demand.

Sandy Nairn is an investor and author of Engines That Move Markets, a study of how breakthrough technologies reshape economies but often disappoint early investors. His point is simple: the technology can be right, the timing can be early and the price can still be wrong.

The workshop problem

If chips are the engine of the digital economy, the world is relying on a very small workshop.

² International Trade Administration, Taiwan: Semiconductors including chip design for AI, 2025. Taiwan accounts for over 60% of global foundry revenue and more than 90% of leading edge chip manufacturing.

When the chips are down

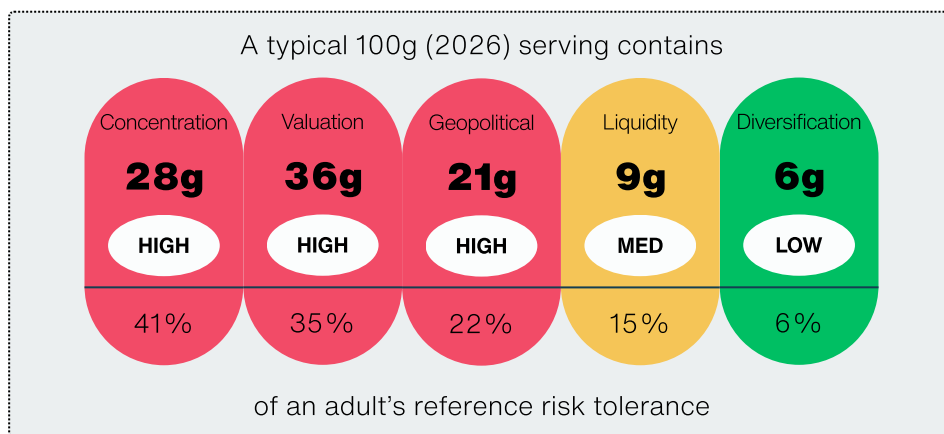
This is where the metaphor stops being playful.

Concentration today is not just a portfolio construction issue. It is systemic. A narrow set of companies, technologies and geographies now explains a large share of global equity returns and future expectations.

That configuration feels efficient until it is not.

If this were a food label, the warnings would be clear. Heavy reliance on a single ingredient. High sensitivity to supply disruption. Limited resilience if conditions change.

Traffic light labels help shoppers spot what is hidden in plain sight. Portfolios need the same treatment, especially when the unhealthy bit is concentration.



For mildly amusing illustrative purposes only and not a reflection of the true risks of investing.

So what?

This is not an argument against chips. Either kind.

Semiconductors are indispensable. US technology firms are exceptional businesses. Passive investing has lowered costs and broadened access. None of that is in dispute.

The risk lies in building portfolios that cannot cope when the shared assumption breaks.

Diversification is not about owning more holdings. It is about owning genuinely different outcomes. Just as good nutrition is about balance rather than abstinence, good portfolio design recognises when a convenient staple has crowded out too much variety.

Anything still has its place. Best enjoyed occasionally, knowingly and without pretending it is a balanced diet. Modern portfolios would benefit from the same restraint.



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Market commentary

April saw a clear divergence between macroeconomic events and market outcomes.

The US-Iran conflict continued to dominate headlines. A ceasefire negotiated early in the month was violated, and the US imposed a naval blockade on Iranian shipping in the Strait of Hormuz, through which around a quarter of the world's seaborne oil passes.

Brent crude peaked at **\$126** per barrel, its highest level in almost four years. That raised fears of renewed inflation pressure and a more hawkish response from central banks. The IMF cut its global growth forecast from **3.3%** to **3.1%**.

Markets nevertheless rallied in the second half of the month. Strong earnings and renewed hopes of de-escalation supported returns. AI-exposed companies were the standout beneficiaries, with the MSCI World Semiconductor Index returning almost **30%** in US dollar terms. Emerging markets also outperformed, led by technology companies in Taiwan and South Korea. Oil futures remained in backwardation, suggesting investors still see the price spike as temporary.

US labour markets rebounded. An estimated **178,000** jobs were added in March, the strongest reading since December 2024. More than **80%** of S&P 500 constituents beat earnings expectations, led by technology and financial companies, helping push major US equity indices to record highs.

CPI inflation rose to **3.3%** year on year in March, up from **2.4%** in February. The Federal Reserve (Fed) held rates steady, although dissent was the highest since 1992. US Treasury yields rose by less than overseas sovereign yields, helped by strong domestic crude oil production.

UK equities underperformed, reflecting limited exposure to technology, although energy companies benefited. GDP grew by **0.5%** in February, ahead of expectations. March CPI inflation also rose to **3.3%**. The Bank of England (BoE) held rates at **3.75%**, with one member voting for a 25bp increase.

Sticky inflation and political uncertainty pushed gilt yields higher, while markets priced in further BoE rate rises in 2026. The IMF cut its UK growth forecast for 2026 from **1.3%** to **0.8%**, the sharpest downgrade in the G7.

The European Central Bank (ECB) kept rates unchanged, citing higher inflation risks and the conflict's threat to growth. The ECB's flash estimate showed eurozone inflation rising to **3.0%** in April, up from **2.6%** in March, with energy inflation reaching **10.9%**. Growth remained weak, with service sector sentiment in contraction.

Markets looked through the oil shock because earnings held up. Brent crude hit \$126 per barrel and inflation risks rose, but strong US earnings, AI leadership and hopes of de-escalation drove risk assets higher.

Policy stayed cautious. The Fed, Bank of England and ECB all held rates despite higher inflation, but sticky prices kept bond yields under pressure, especially in the UK and eurozone.

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