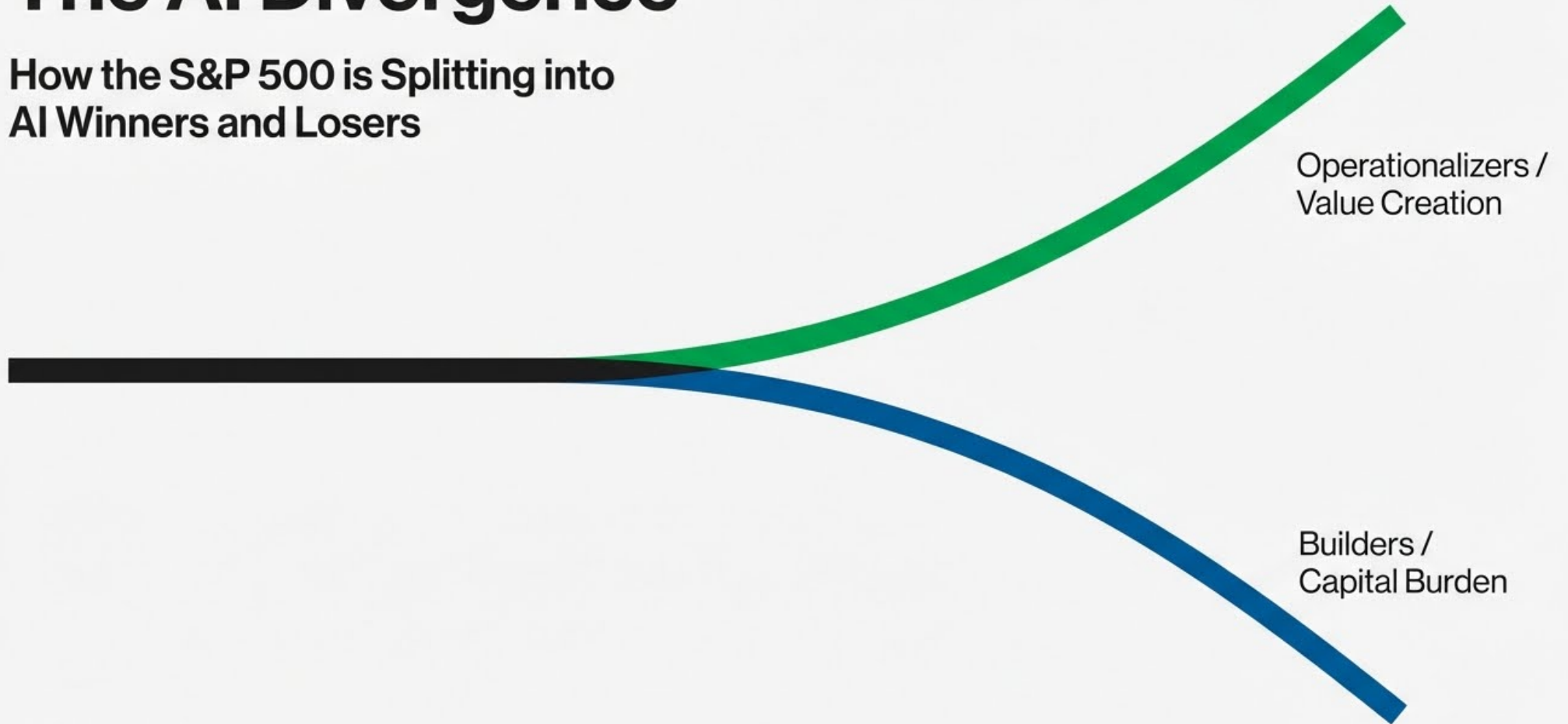
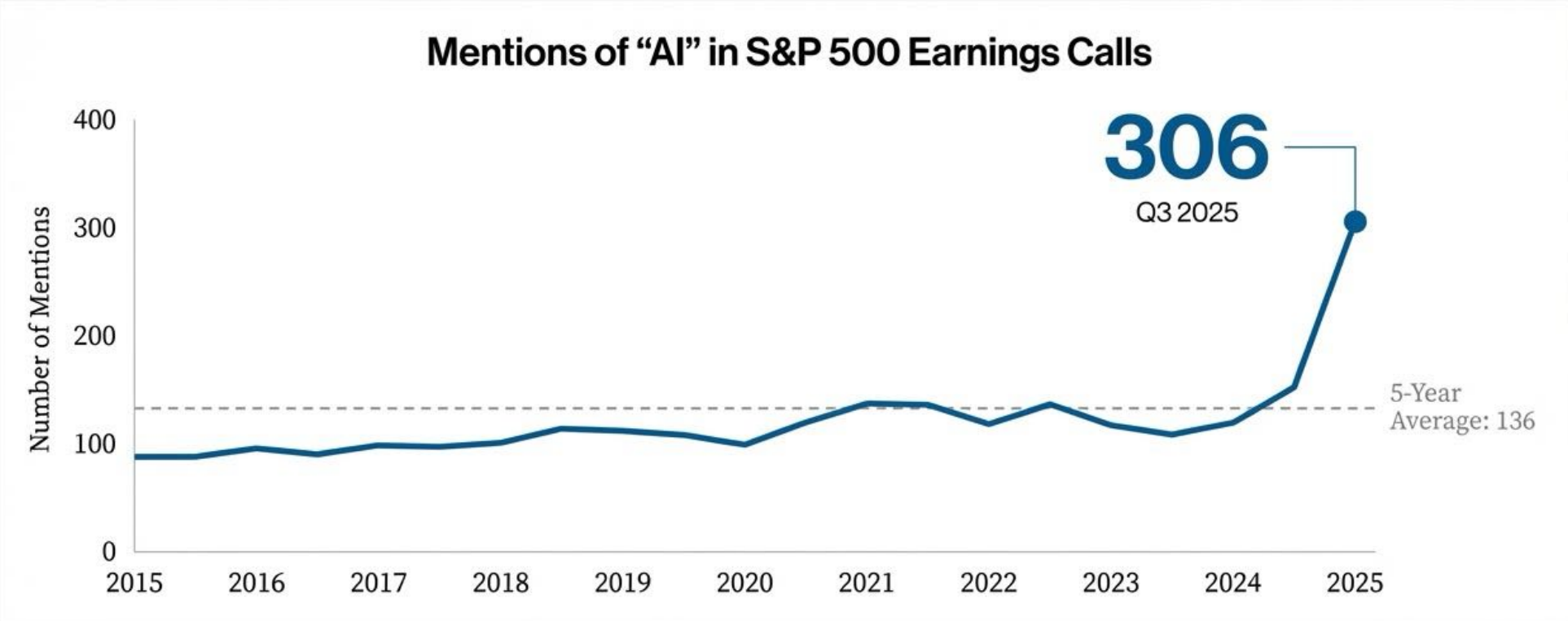


# The AI Divergence

How the S&P 500 is Splitting into  
AI Winners and Losers



# AI Has Moved from a Buzzword to a Boardroom Imperative

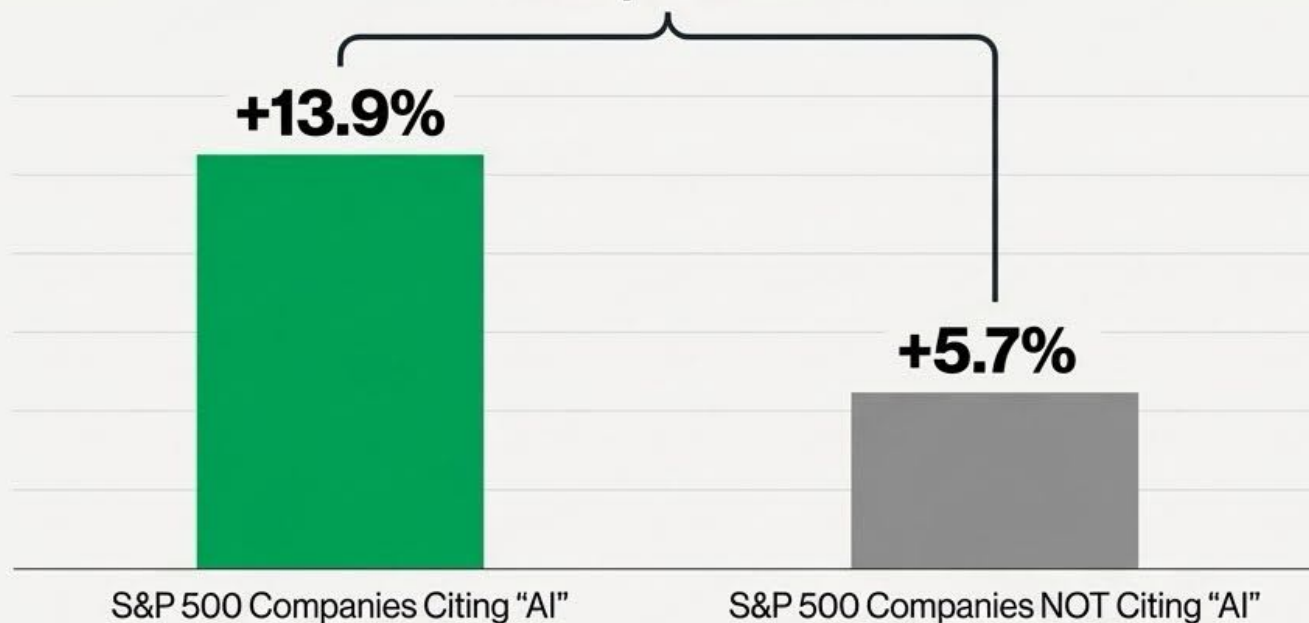


This ubiquity means investors no longer reward mere rhetoric; they demand tangible results and a clear strategy.

# The Market is Placing a Clear Premium on Companies with an AI Narrative

YTD Stock Performance

>2x Outperformance



The trend holds across timeframes:

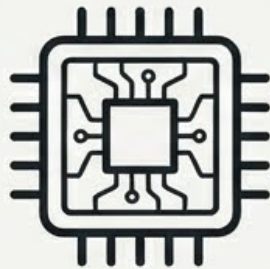
Since June 30, AI-citers are up +8.1%, double the gains of non-AI firms at +3.9%.

# Beneath the Surface, a Great Divergence is Splitting the Market

## The Infrastructure Builders

Facing a “Capex Discount” due to massive investment cycles, free cash flow anxiety, and fears of rapid asset depreciation.

ORACLE  Microsoft



## The Enterprise Operationalizers

Earning an “Efficiency Premium” by deploying AI to drive quantifiable cost savings, margin expansion, and operating leverage.

Walmart  JPMorgan Chase

# The “Efficiency Premium”: The Market is Rewarding Tangible, Quantified AI Value



JPMorgan Chase

## **\$2 Billion in Realized Value**

Explicitly quantified cost savings and value generated from AI initiatives in 2025.

CEO Jamie Dimon: AI has moved from ‘potential’ to ‘P&L reality.’



Walmart 

## **100x Productivity Multiplier**

Massive efficiency gain in catalog management using generative AI, plus 4 million developer hours saved.

“Grew operating profits faster than sales revenue,” the holy grail for retailers

# The Core Driver of Divergence: A Foundational Shift from Generative to Agentic AI

Generative AI (2023-2024)

## Augmentation



AI helps humans work faster. The human remains in the loop for every decision.

Example: A chatbot suggesting email copy.



Agentic AI (2025+)

## Substitution



Autonomous agents reason, plan, and execute multi-step workflows.

Example: An AI agent that autonomously negotiates with suppliers based on inventory data.


This shift is the mechanism for true labor substitution and the key to decoupling revenue from headcount.

# Agentic AI in Action: Digital Employees are Driving the Productivity Miracle

Walmart 

## Wally



 The Autonomous Merchant Agent

 Identifies root causes of inventory issues (overstocks/out-of-stocks) with superhuman speed and accuracy, freeing up working capital.

JPMorgan Chase 


## Internal AI Platforms


 The Automated Analyst & Compliance Officer

 Used by 150,000 employees weekly for contract analysis, fraud detection, and regulatory research, realizing \$2B  in value.

Disney 

## Jarvis

 The Automated Workflow Coordinator

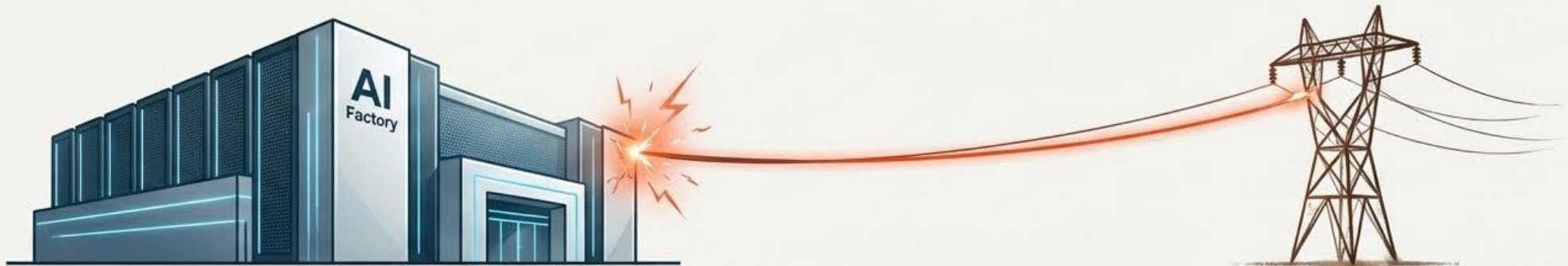
 Designed to automate complex employee workflows, targeting operational efficiency in Disney's sprawling bureaucracy.

# The AI Investment Matrix: Separating High-Maturity Plays from High-Risk Bets

	Infrastructure Builders	Enterprise Operationalizers
<b>Market Narrative</b>	Capex Exuberance	Productivity Revolution
<b>Primary Spend</b>	Massive Capex for “AI Factories”	OpEx for deploying agents & software
<b>Key Metric</b>	RPO / Backlog Growth	Quantified Cost Savings / Margin Expansion
<b>Investor Concern</b>	Free Cash Flow Burn, Asset Depreciation	Scalability, Legacy Model Pivots
<b>Market Reaction</b>	<b>Capex Discount</b>	<b>Efficiency Premium</b>
<b>Exemplars</b>	Oracle	Walmart, JPMorgan Chase

## The Next Bottleneck is Not Silicon, But the Power Grid

The primary physical constraint for AI scaling in 2026 will be access to gigawatt-scale power, not compute chips.



**The 'Compute Cliff':** Companies unable to secure power will be unable to deploy the chips they've purchased, effectively stalling their AI ambitions.



**The 'AI Trade' Spillover:** Expect the AI investment narrative to expand into Utilities and Energy as power generation becomes a critical asset.



**The New Competitive Moat:** Securing reliable, green power (e.g., Microsoft's green energy deals, Oracle's SMR discussions) will be a key differentiator for infrastructure players.