

— A 7TV FIELD NOTE · CAPITAL, COMPUTE & ENERGY

# The Intelligence Infrastructure *Cycle*

Markets are no longer merely pricing software companies.  
They are pricing **future decision advantage**.

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# The *Intelligence* Infrastructure Cycle

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Most investors still think the AI trade is coming. The reality is more uncomfortable: the show already started.

Markets are no longer merely pricing software companies. They are pricing future decision advantage. That is why capital is concentrating so aggressively into names like **NVIDIA**, **Broadcom**, **Taiwan Semiconductor Manufacturing Company**, **Microsoft** and **Palantir Technologies**. This is not simply momentum, speculation, or another late-cycle technology narrative. The market is attempting — imperfectly, violently, reflexively — to price the future economic value of operationalized intelligence.

What appears disconnected today is increasingly the same story expressed through different instruments. Dealer gamma, suppressed volatility, low correlation, elevated dispersion, hyperscaler capex, semiconductor concentration, sovereign AI initiatives, energy repricing, export controls, and passive flows are all converging into one interconnected architecture. Markets currently exhibit the unusual combination of structurally positive gamma, narrow breadth, and historically concentrated leadership — conditions that often create the illusion of resilience right before exogenous shocks force everything back into correlation simultaneously.

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# Where the AI dividend *actually* went.

Adjusted closing prices for 33 tickers, indexed to 100 from January 2021. **Part one** charts AI infrastructure concentration, decision-system winners, and narrow market leadership (NVDA vs SPY vs RSP). **Part two** is four **before / after sector proxies** — incumbents paired against the new entrants rewiring them. Sector proxies for structural change — *not investment recommendations*.

TICKERS

33

across 7 sector proxies

TRADING DAYS

1,256

May 11, 2021 → May 11, 2026

BEST PERFORMER

+1509%

NVDA · AI Infrastructure  
Concentration

WORST PERFORMER

-72%

WBA · Healthcare — Legacy  
Delivery vs Surgical  
Intelligence

WINDOW

1Y

3Y

5Y

MAX

— PART 1 · THE SHIFT

## Where intelligence is being built and bought

Three charts on the concentration of AI value: who is selling the compute, who is buying it into their workflows, and how narrow the leadership actually is once you flatten the index.

## AI Infrastructure Concentration

The picks-and-shovels of the AI compute era. Note how the SMH ETF trails its largest constituents — the rally is concentrated, not broad.

**NVDA**

NVIDIA

1,608.79

+1508.8%

**AMD**

AMD

600.58

+500.6%

**TSMC**

TSMC

398.88

+298.9%

**AVGO**

Broadcom

1,097.21

+997.2%

**ASML**

ASML

264.53

+164.5%

**SMH**

VanEck Semis E...

517.32

+417.3%

## Decision-System Winners

Software companies converting enterprise data into pricing, ranking, and routing decisions.

**PLTR**

Palantir

719.96

+620.0%

**NOW**

ServiceNow

95.76

-4.2%

**MSFT**

Microsoft

177.81

+77.8%

**ORCL**

Oracle

260.45

+160.4%

**CRM**

Salesforce

82.56

-17.4%

## Narrow Leadership: NVDA vs SPY vs RSP

One stock, the S&P 500 (cap-weighted), and the equal-weight S&P 500. The spread between SPY and RSP is what 'the market' looks like once you stop double-counting the largest names.



**NVDA**  
NVIDIA

1,608.79  
+1508.8%



**SPY**  
S&P 500 ETF

194.95  
+94.9%



**RSP**  
S&P 500 Equal W...

151.56  
+51.6%

### PART 2 · BEFORE / AFTER SECTOR PROXIES

## Sectors being rewired by decision-advantaged systems

Each card is a **before / after sector proxy** — incumbents on one side, the new entrants competing on data, software and automation on the other. Not stock picks; just sector proxies for structural change.

## Media — Legacy vs Algorithmic

**Before:** distribution-era studios (WBD, PARA). **After:** algorithmic platforms (NFLX, META, SPOT). PARA terminates at the August 2025 Skydance merger.



### WBD

Warner Bros. Disc...  
76.06  
-23.9%

BEFORE

### PARA

Paramount (→ PS...  
30.85  
-69.1%

BEFORE

### NFLX

Netflix  
180.74  
+80.7%

AFTER

### META

Meta  
200.86  
+100.9%

AFTER

### SPOT

Spotify  
191.83  
+91.8%

AFTER

# Credit & Payments — Issuers vs Networks

**Before:** balance-sheet issuers underwriting consumer credit (AXP, COF, DFS, SYF). **After:** network rails earning fees on every swipe (V, MA). DFS terminates at Capital One's May 2025 closing of the acquisition.



|                                                                                                     |                                                                                             |                                                                                   |                                                                                          |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <div>AXP</div> <div>American Express</div> <div>BEFORE</div> <div>219.27</div> <div>+119.3%</div>   | <div>COF</div> <div>Capital One</div> <div>BEFORE</div> <div>131.43</div> <div>+31.4%</div> | <div>V</div> <div>Visa</div> <div>AFTER</div> <div>153.80</div> <div>+53.8%</div> | <div>MA</div> <div>Mastercard</div> <div>AFTER</div> <div>144.28</div> <div>+44.3%</div> |
| <div>DFS</div> <div>Discover (→ COF...)</div> <div>BEFORE</div> <div>195.18</div> <div>+95.2%</div> | <div>SYF</div> <div>Synchrony</div> <div>BEFORE</div> <div>179.45</div> <div>+79.4%</div>   |                                                                                   |                                                                                          |

## Healthcare — Legacy Delivery vs Surgical Intelligence

**Before:** hospital chains, pharmacy retail and traditional insurance (HCA, CVS, WBA, UNH). **After:** surgical robotics (ISRG). WBA's series ends at the August 2025 Sycamore take-private.



### HCA



HCA Healthcare

219.61

+119.6%

BEFORE

### UNH



UnitedHealth

106.53

+6.5%

BEFORE

### ISRG



Intuitive Surgical

159.60

+59.6%

AFTER

### CVS



CVS Health

134.68

+34.7%

BEFORE

### WBA



Walgreens (privatized)

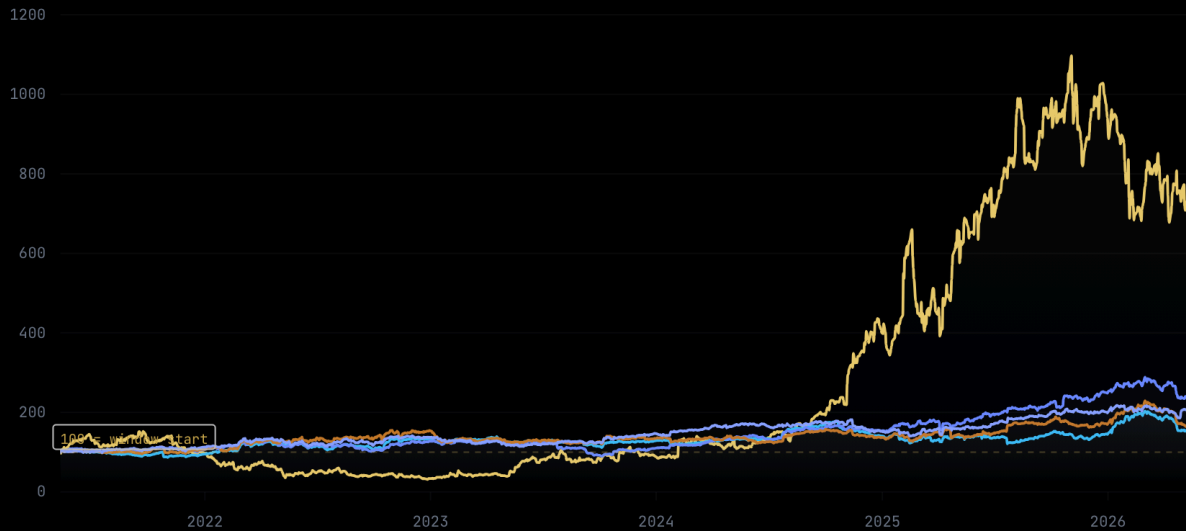
28.18

-71.8%

BEFORE

## Defense — Primes vs Software-Defined

**Before:** hardware primes (LMT, RTX, NOC, GD). **After:** software-native (PLTR) — the only decision-layer name in the basket.



### PLTR



Palantir

AFTER

719.96

+620.0%

### LMT



Lockheed Martin

BEFORE

156.66

+56.7%

### RTX



RTX (Raytheon)

BEFORE

243.16

+143.2%

### NOC



Northrop Grumm...

BEFORE

166.66

+66.7%

### GD



General Dynamics

BEFORE

206.30

+106.3%

### BEFORE / AFTER SECTOR PROXIES — NOT STOCK PICKS

Part one is three charts on the concentration of AI value (infrastructure, decision systems, and NVDA vs SPY vs RSP narrow leadership). Part two is built as *before/after sector proxies* — pairing incumbents (the "before") against the new entrants competing on data, software and automation (the "after"). Every chart on this page is intended to illustrate a structural shift; they are *not investment recommendations*. Past performance does not predict future returns. Names that were taken private (WBA), absorbed in an acquisition (DFS → COF, May 2025), or merged into a successor entity (PARA → PSKY, August 2025) terminate at their final trading day — gaps in the lines are real, not missing data.

SevenTrain · Research field note · Closing prices, adjusted for splits & dividends · Indexed to 100 at window start

Data: [Yahoo Finance](#) · macro trends · stock analysis

The most dangerous market environments are often the calmest mechanically. Positive gamma suppresses realized volatility. Low correlation masks systemic concentration. Passive flows reinforce stability. Until one catalyst suddenly reveals that everyone crowded into the same trade through different doors.

That is why one semiconductor earnings call can move global indices. Why power demand forecasts suddenly matter to software valuations. Why data centers are becoming strategic assets. Why compute is quietly becoming geopolitical terrain.

To see this clearly requires removing the old labels first.

Most people still analyze AI as a sector. Or software. Or venture capital. Or market momentum. But reality rarely respects institutional silos. As *Krishnamurti* often implied, the ability to see something without distortion — without ideology, narrative attachment, or inherited frameworks — is itself a competitive advantage. Markets are beginning to reveal something larger beneath the headlines: **intelligence is becoming infrastructure.**

History is remarkably consistent on this point. Railroads preceded industrial scale. Electrification preceded modern manufacturing. Cloud infrastructure preceded SaaS dominance. **Infrastructure always comes first.**

*Joseph Campbell* wrote that the hero eventually realizes the treasure was never the object itself, but the transformation required to see the world differently. Markets go through similar journeys. Early cycles appear speculative. Then excessive. Then obvious. Eventually they become foundational. What we are witnessing now is the early restructuring of economic systems around machine-assisted cognition:

— compute,

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- energy,
- networking,
- data architecture,
- autonomous orchestration,
- and continuously learning decision systems.

Capital senses this transition before institutions fully articulate it.

*Bruce Lee* once said to absorb what is useful, discard what is useless, and adapt to what is uniquely your own. Markets reward the same behavior. The winners of the next decade will not be the organizations that merely possess AI models. They will be the ones capable of **operationalizing intelligence practically, adaptively, and relentlessly across decision environments.**

The next great companies may not even be startups. They may be existing institutions that compress operational latency before competitors do. A regional bank reducing underwriting cycles from weeks to minutes. A healthcare network predicting deterioration before symptoms escalate. A logistics platform dynamically rerouting global supply chains in real time. A defense architecture compressing battlefield decision latency from hours to seconds.

In that world, operational latency becomes economic vulnerability.

This is why companies like **ServiceNow**, **Oracle Corporation**, **JPMorgan Chase** and **Morgan Stanley** matter beyond traditional valuation frameworks. The market is beginning to reward organizations capable of compounding institutional intelligence itself.

Every major technological revolution eventually collides with liquidity cycles, geopolitical transitions, and leverage. AI will not escape that historical gravity. Wall Street is currently pricing future productivity gains while many enterprises remain operationally incapable of absorbing them. That tension is where volatility — and opportunity — will emerge simultaneously.

Most people still think this transition is about AI.

**It is bigger than that.**

It is the convergence of capital, compute, energy, geopolitics, derivatives, and machine-assisted decision systems into one interconnected architecture. The old silos are collapsing in real time.

And every once in a while, markets sense the future before language catches up.

*This feels like one of those moments.*