I Called An AI Bubble Already in 2024...(Still Call it a BUBBLE, Now it is the CRAZIEST One Ever)

5 MIN · YOUTUBE · HTTPS://WWW.YOUTUBE.COM/WATCH?V=FXILHRFUP4W
https://www.youtube.com/watch?v=fXiLHrfUP4w

SUMMARY

The speaker reflects on their previous prediction about the AI bubble made two years ago, acknowledging their misjudgment as the market continued to rise. They emphasize the importance of value investing and maintaining a long-term perspective, despite the current market's speculative nature, particularly regarding companies like Nvidia and SpaceX.

- *The speaker initially called the AI bubble two years ago but admits they were wrong as the market continued to grow.*
- *Nvidia's stock increased by about 27% annually since the prediction, contrary to the speaker's expectations of a decline.*
- *The speaker's model portfolio has grown significantly, outperforming Nvidia's stock growth, highlighting the effectiveness of consistent investing.*
- *They continue to view the current market as a larger bubble, particularly with companies like SpaceX, which they label as the biggest bubble of our lifetimes.*
- *The speaker criticizes the ease with which equity is being given away by major tech companies, indicating overvaluation.*
- *They draw parallels to the late 1990s tech bubble, suggesting that current market conditions may lead to a similar downturn.*
- *The speaker advocates for value investing based on fundamentals, equity growth, and dividends, rather than speculative trading.*
- *They express a willingness to continue their investment strategy regardless of market volatility, emphasizing long-term stability over short-term gains.*

Good day fellow investors. So two years ago I made this video exactly two years ago calling the AI bubble. And then there was this comment two years ago Sven I think you are in a bubble. Let's revisit this comment. And I said all right by 2026 I'll schedule myself an email. And then yesterday I got this crazy email by myself. What is this? Then I went to recheck the video. I discussed how the industry spent 17 times more on Nvidia chips than they got revenue. For me, that was crazy. But the comment was completely right. Two years passed. The AI bubble just kept on bubbling, which means I was dead wrong.

Now, here we come to the interesting part of this. I called Nvidia a bubble and then I went to check Nvidia's performance. Since then I expected a 5x a 10x but over the last two years Nvidia went from 130 to 209 that's 26% 27% per year then we discussed cadence design also back then two years ago June 16 2024 was the video look at it now not that much from 310 to 390 Tesla did much better then but then It was 50% down compared to the previous bubbish peaks. Now I'm calling it again.

Then I was surprised by something and this is something very important. On my research platform, I run the model portfolio for the research platform. In June 2024, it was 32,000. I add 250 per month. We do something like every month. Now it is 59,000. Went to the compounding calculator. put in the data, calculated the return, and I did 27%. By a small margin, I did beat Nvidia's bubble. And this is perhaps the main message here. Don't focus looking at risks, describing bubbles, avoiding bubbles, missing out on the NVIDIA in a bubble with not investing at all. I just keep doing my thing. For example, I'm a specialist on copper. When copper is in a downturn, I buy my copper miners. I made some money on Glenor over the last year. And now we come to the current situation. I still think this is a bubble, a way bigger bubble than it was.

But my key factor is that value investing works no matter what happens. We look at fundamentals, business ownership, equity growth, dividends, buybacks at the right price, and that works no matter what. I wish you all good luck with your bubbles. I'll keep doing my thing. To add some flavor to it, 5 days ago, I called SpaceX the biggest bubble of our lifetimes. And fast forward 5 days, it's up 50%, which makes it an even crazier bubble.

But everyone is gambling as they know more flows will come when others start buying. But perhaps there will also be sellers. I don't know. In my eyes, it's a pure gamble. Further, they just bought cursor for 60 billion which is a company founded a few years ago and now worth 60 billion. This is getting crazy. And the key pattern to understand there is that when equity is given away so lightly Google, Microsoft, Meta, SpaceX, entropic, open eye, everyone is chasing, everyone is going public. It means it's hugely overpriced. 201999 same situation. There were lots of IPOs.

Now we have a few huge IPOs. global debt issuance 500 billion from the AI players. And then to show something, SpaceX that just went public that has $18 billion in revenue for 2025 surpassed Amazon. Amazon that has invested 10 times the money that SpaceX has invested till now in the same things with an ecosystem with crazy profitability with everything is smaller than SpaceX if that is not a bubble I don't know it certainly went to the moon will it reach Mars possibly but I will not be on that rocket why not because I've seen this my friends 2099 90s. Look at this rocket. The internet rocket. The next 10 years were terrible. 60% real returns. Over this period, I made my 5x as a boring value investor buying boring businesses. I'm not betting against it.

I will not go short, not buy option. I will just keep on doing my thing. And if it gets crazier, so be it. If it crashes, I hope you are protected. But I think this level of the bubble is crazy enough. We're soon going to see the bubble pop. Let me know if I have to send me an email again in two years and then compare things again. Check what I do. Check my links in description. Free course, great broker. I'm sure there is value for