

Twin manias: AI frenzy and war boom inflate stock market

written by Gary Wilson
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Workers demand a raise in New York's minimum wage at state Capitol rally in Albany, N.Y.

Twin manias have gripped the stock market. The stock market has soared to record highs.

On March 1, [CNBC reported](#) that “the stock market wrapped up its fourth straight winning month ... The tech-heavy Nasdaq index was the last of the major U.S. stock benchmarks to reach a record close this year — when it achieved the milestone Thursday. This move has been fueled by enthusiasm over artificial intelligence, which has lifted mega-cap tech stocks - and the broader market - through 2023 and into this year.”

An Artificial Intelligence gold rush has fueled a meteoric rise in technology stock. Nvidia, which powers much of the AI boom, has become the poster child of this frenzy. Other tech titans are also having staggering stock climbs.

Paired with the AI mania is the war industry bubble.

The war industry is booming with the expectation that the gravy train of increasing military budgets and foreign arms sales will continue. Valuations of major weapons firms like Lockheed Martin and Northrop Grumman have ballooned to near-all-time highs.

The major U.S. stock indexes like the S&P 500 and Dow Jones Industrial Average have set new highs since the March 2020 COVID market plunge. However, the rise is isolated to a few mega tech and digital economy stocks like Apple, Microsoft, Google, Amazon, and Nvidia, as well as the war industry stocks of Lockheed Martin, Northrop Grumman, and General Dynamics.

Compared to the bond market, U.S. stocks are near their most expensive levels in

over two decades. The last time stocks were this pricey relative to bonds was during the dot-com boom.

The dot-com bubble of internet-based company stocks in the late 1990s culminated in a market crash from 2000-2002. Today's intense concentration on the stock market in just a handful of tech behemoths and war industry monopolies echoes the dot-com bubble. Most of the rest of the market is struggling.

Rises in the stock market don't mean gains for the working class — the rich guys at the top own stocks. So to say that the stock market is doing well is to say that the 1% is doing well.

You have to laugh when you see President Biden's response. On Feb. 10, Biden tweeted, "The stock market going strong is a sign of confidence in America's economy."

Biden must be talking to the 1%, trying to convince them that he deserves another term. Workers don't want to hear about the financial gains of the wealthy class.

Gary Wilson is the author of [War and Lenin in the 21st Century](#).

