

We are in bubble territory

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The top three headlines from an FT newsletter this morning are

Top Headlines from the UK Edition

Microsoft profits soar almost 25% on boom in cloud computing

US tech giant's valuation set to pass \$4tn as investors embrace plans to spend \$120bn on artificial intelligence next year

Meta shares jump on strong results as Zuckerberg sets out 'superintelligence' goals

Stock rises 11% after-hours as profits and revenues beat Wall Street expectations

UK air traffic control criticised after outage disrupts summer getaway

"Technical issue" at Nats results in more than 150 flights being cancelled across multiple British airports

The first two read so much like 1999. Just spend, spend, and spend and the riches will roll in. The theory back then. But it did not happen.

The last shows that despite all the spending in IT, it can still fail.

Tech is helpful: I rely on it in almost all aspects of my working life. But let's not pretend it solves all problems or is the source of all profit, because it most definitely is not.

And let's remember that over-valued US stock markets are based on the belief that AI will deliver a land of milk and honey. For most, there is no sign that will happen, and plenty that the opposite might be the case.

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