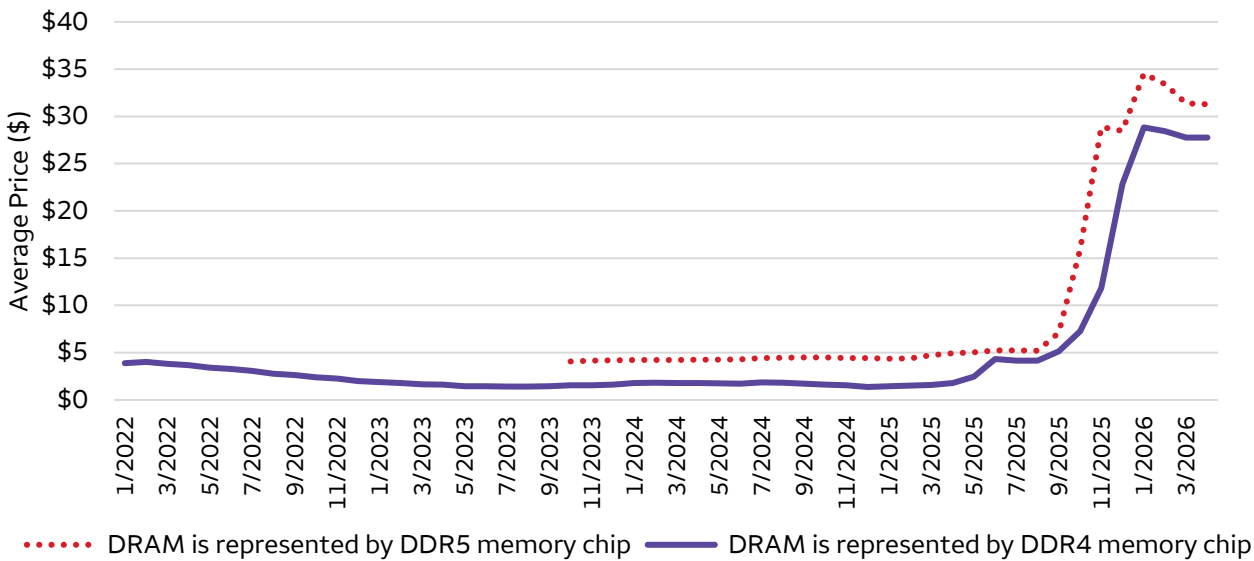


Chart of the Week

Weekly analysis of key themes in markets

April 28, 2026

Implications of AI-driven shift in HBM demand



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of April 14, 2026. HBM = high-bandwidth memory. DRAM = dynamic random-access memory. DDR4 = Double Data Rate 4. DDR5 = Double Data Rate 5.

High-bandwidth memory is reshaping the memory industry

We believe high-bandwidth memory has been reshaping the memory industry, driven by the ongoing computing platform shift to artificial intelligence (AI). Several dynamics are leading to the memory cycle being less cyclical than in the past, and priorities have shifted from chasing market share through capacity and volume expansion to profitability and capital efficiency.

Subsequently, the memory industry has prioritized reallocating dynamic random-access memory (DRAM) capacity investments toward manufacturing high-bandwidth memory used in AI servers because margins are much more attractive. This has contributed to the recent dramatic rise in DRAM pricing, as shown in the chart above, with prices surging from around the \$4 – \$5 range in July 2025 to the \$28 – \$31 range in April 2026.

What it may mean for investors

We expect momentum in AI-led high-bandwidth memory investments to continue and think the Semiconductors and Semiconductor Materials & Equipment sub-sectors within Information Technology should benefit from this cyclical upturn. At the sector level, Global Investment Strategy upgraded the Information Technology sector from neutral to favorable on April 6 due to more favorable equity sector valuations despite a favorable AI demand backdrop.

Amit Chanda, Equity Sector Analyst, Information Technology

Excerpted from Investment Strategy report (April 20)

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

Risk Considerations

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Technology** and internet-related stocks, especially of smaller, less-seasoned companies, tend to be more volatile than the overall market.

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