

The pandemic has caused a phenomenon that now exceeds anything we have experienced in the past. The economic disruption caused by lockdowns and millions being forced to work remotely has helped a small group of stocks whose earnings have soared, while also causing bankruptcies at an alarming rate. Since 2000, only about 25% of the time are the 10 largest stocks in the world bigger in aggregate than the next 90 largest stocks. This represents an over concentration in portfolios and leads to broad market indices moving higher, even as most stocks are moving lower. When the gap between winners and losers is this significant, risk is also elevated, as eventually something happens to cause a rush for the exits on the mega cap names.

- Not surprisingly, technology companies dominate the list of the 10 largest companies in the world, led by Microsoft, Apple, Amazon and Alphabet. Only Saudi Aramco (#1) and Berkshire Hathaway (#9) are non-tech companies.
- There were spikes in this graphic in 2003, 2008, and today, but only one company was able to make the list as one of the 10 largest companies in the world each time: Microsoft. Companies among the top 10 in 2003 rank an average of 112 today.
- In 2008, 5 of the 10 largest global companies were energy or financial companies, and 2 of the top 10 were car manufacturers. There are no energy, financial, or automotive companies currently in the top 10 largest global companies.

