

Singer Wealth



The Revenge of the Old Economy

If you own an S&P 500 index fund, you are making a bet you probably did not know you were making. Roughly forty-seven percent of that index sits in two sectors. Technology and Communications. The same handful of names you hear about every day. Roughly six percent sits in energy and materials combined. That is the entire oil and gas industry, every refiner, every pipeline, every mining company. All of it. Six cents on the dollar.

Twenty years ago, energy alone was ten percent of the index. In 2008, it hit fifteen percent. Today the whole sector sits at about three percent. The index made that decision for you. You did not vote on it. The math of market cap weighting just delivered you that outcome.

Here is why that matters. Global investment in upstream oil and gas is down thirty five percent from its 2015 peak. Refinery investment is at a ten-year low. Mining capital expenditures from the top twenty companies are running roughly forty percent below their 2012 peak. Even with oil over one hundred dollars a barrel, the industry is still cutting capital spending in 2026. Not raising it. Cutting it.

Meanwhile, the artificial intelligence boom is the largest energy consumer in modern history. A single hyperscale data center uses as much electricity as a small city. Amazon alone consumes more primary energy than most OPEC countries produce. Microsoft just restarted Three Mile Island. We are bringing back nuclear plants mothballed for forty years because we cannot find enough power to run the chatbots.

The supply side is starved. The demand side is exploding. And the equity market is still pricing the opposite. That gap will close. The question is whether your portfolio is positioned for it. You do not need to bet the farm on energy. You do need to ask why your portfolio is sitting at three percent of a sector that historically averaged closer to ten. If your current advisor cannot give you a thoughtful answer, that tells you something. The conversation is worth having.

Have you heard about our Vision Quest Process? Watch the video below to learn more!



We are committed to helping you achieve your financial goals. Please feel free to contact us with any questions, comments, or a more in-depth discussion.

Sincerely,
Keith Singer

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