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action was concentrated in SaaS stocks: the iShares Expanded Tech-Software Sector ETF (IGV), representing more than \$10-trillion of investments, fell 5% in a single trading session.

In the days that followed, a number of responses saw the light, all picking holes in the Citrini thesis. Some seemed to be written by AI themselves.

One of my favourites was by commentator Connor Boyack, who criticised Citrini based on what he calls the fixed-pie delusion, which is really just another term for a zero-sum game. If a machine can do more and more of your work, it doesn't necessarily follow that there's a lot less for you to do – you might just end up doing something else (potentially in the form of a job which doesn't even exist today, which is why we can't realistically envisage it).

As Boyack puts it: "The economy is not a pie. It's a garden. And technology is rain."

Never mind the hemline

Also, be honest, had you ever heard of Citrini before that report was published a few weeks ago? Neither had I. Without trying to be unfair, it appears that the outfit boils down to the proverbial one man and his dog (I'm not sure there's a dog, though). The one man is 33-year-old founder and primary author James van Geelen, who started publishing research all of three years ago.

Not quite Warren Buffett then.

As people were processing all the arguments and counternarratives, equity prices started to recover slowly. The IGV ETF bottomed on the Monday after the Citrini report had dropped; since then, it has risen by more than 10%. Perhaps the market is telling us that it's not quite the end of the world after all.

This whole episode reminded me of something which Jerry Seinfeld said on *The Tonight Show Starring Jimmy Fallon* recently: "We're smart enough to invent AI, dumb enough to need it, and so stupid we can't figure out if we did the right thing."

In summary: I'm not waiting with bated breath for the next report by Citrini as I weigh up the risks related to my overall equity exposure. I'd rather keep watching those hemlines. ✘

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Technology is rain

Many things can move markets. War in the Middle East. A pandemic. The US jobs report. An extended Schiller CAPE ratio. Nvidia earnings. The Buffett indicator. Brexit. VIX rising. The outcome of this year's Super Bowl. Descending hemlines. Butter production in Bangladesh.

You don't believe me on any of these? Google at least the last three.

Some of these indicators are quite bizarre, you might say. But none quite as strange as a recent piece of science fiction titled "The 2028 Global Intelligence Crisis", which dropped on the last Sunday of February. The 7,000-word essay purports to look back from a date more than two years in the future (hence my reference to science fiction).

It paints a dystopian picture of AI eating the world, leading to massive job losses, large-scale desperation, deflation, recession, debt defaults, and, needless to say, severe market dislocation. This is all based on AI continuing to get better and cheaper, with its role and influence getting ever more pervasive as a result – "a feedback

loop with no natural brake", as the article puts it.

Citrini describes how practically every software-as-a-service (SaaS) company is exposed to the risk of "vibe-coding": an AI tool such as Claude can be utilised to build capable competitors to even some market-leading firms, from scratch, within days or weeks, rather than taking years. Other businesses exposed to the risk of AI agents taking over and essentially driving margins down to zero are also mentioned. Travel booking platforms. Insurance. Financial advice. Tax preparation. Routine legal work. Even real estate.

Credit where credit is due: the Citrini report is very well written. Even though it's a long read, it's a relatively easy one. It also makes some valid points and highlights a number of risks that are no doubt very relevant.

The piece went viral overnight. By the time the stock market opened the next morning, views via its link on X already counted in the tens of millions. Worried white-collar workers, including highly paid professionals, started sharing it on WhatsApp groups.

Equity prices responded accordingly and a massive selloff ensued. Most of the