

THE WEEK AHEAD, 29 MAY 2026

AI's macro effects

Amidst the surge in equity returns and the rapid increase in capital expenditures required to finance the build-out of data centres, there are a range of important questions running around what the longer-term consequences of **AI** might be expected to be for the economy as a whole. In general, there is optimism about the scope for AI to raise productivity and boost economic growth, but upward pressure on unemployment rates for college graduates raises the concern that the path to higher productivity might be highly disruptive for some and make it harder for others to enter the labour market.

We take advantage of a job-based classification of tasks amenable to implementation using AI which authors Edward Felten and colleagues¹ aggregate up to produce sectoral measures of exposure to AI. We rank sector scores and apply them to data released by the US Bureau of Labour Statistics as well as by companies operating in the S&P 500, enabling us to highlight some of the general features of how the AI-exposed economy is evolving.



Sean Shepley
Senior Economist

As shown in our chart of the week, if we focus on the 30% of sectors which have the largest **exposure to AI**, they have been steadily increasing in their importance to the **US economy** in the last decade. Companies in these sectors have grown to close to **60% of total establishments** in the US with a notable acceleration in their share since the Covid pandemic.

This is clearly a buoyant part of the economy, likely attracting a range of new entrants. Establishments in these sectors tend to employ **fewer employees** than do companies operating in the rest of the economy. For instance, since the first quarter of 2022, establishments in the 30% of sectors most exposed to AI have on average reduced their number of employees by over 8% whereas the average number of employees per establishment in the rest of the economy has been stable.

It is well-known that companies operating in this sector have been buoyant when it comes to **capital investment**. However, we find that, focusing on companies in the S&P 500 only, there is a marked bifurcation between companies operating in the 10% of most exposed sectors and the remainder. The share in total capex for companies in the top 10% of sectors most affected by AI has risen

PUBLICATIONS

→ Longevity – More money for a longer life

Living longer means needing income for longer – ideally income that is predictable and resilient. Longevity is therefore not only a health topic, but also a financial one. As careers become less linear and retirement stretches further into the future, investors face a practical question: how can capital generate a “second salary” from coupons and dividends to support career breaks, periods of part-time work, and a longer retirement?

→ Corporate controversies

Corporate controversies are nothing new but understanding what is controversial and why can challenge investors, especially where perspectives differ.

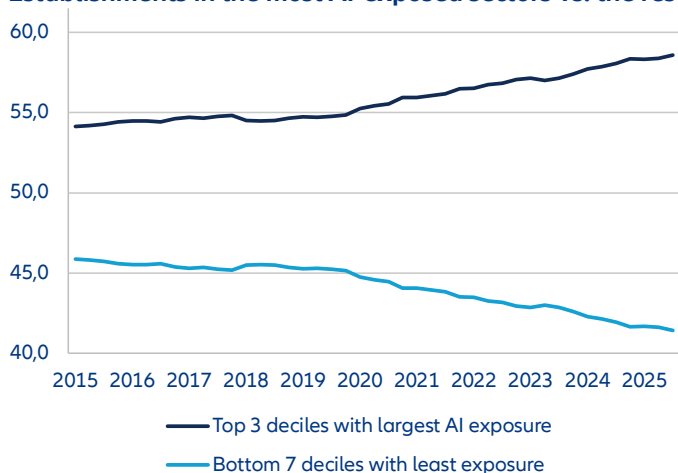
→ Dividends – your second income

The world is undergoing a profound and unprecedented transformation. While populations in industrialised countries have become wealthier and enjoy longer life expectancies, intelligent algorithms and robotics are increasingly permeating everyday life and the workplace. Against this backdrop, it is prudent to consider developing an additional source of income...

by 1 percentage point since Q1 2022 whereas the share of those in the next 20% of AI-affected sectors has fallen by 4 percentage points over the same period.

Certainly, this shows that there is no easy linear relationship between AI exposure and how firms operate. When we combine the data with information on the **average wages that firms pay**, which show a similar bifurcation between the top 10% and the next 20% as seen for capex (indeed, the last two years' divergence has been particularly marked) the implication seems to be that companies are operating on the assumption that the gains from AI will be unevenly distributed and that only a small number of operators will dominate. This is not the typical experience for a technology that becomes generally adopted, highlighting the potential for AI to continue to confound expectations even as its influence expands.

Establishments in the most AI-exposed sectors vs. the rest



Source: AllianzGI Global Capital Markets & Thematic Research, US Bureau of Labor Statistics, Felten, E., Raj, M., & Seamans, R. (2021), Strategic Management Journal, 42(12), 2195–2217. Past performance does not predict future returns. As of May 2026.

UPCOMING POLITICAL EVENTS 2026

31 May	COL	Presidential elections
7 June	PER	Presidential runoff
11 June	ECB	Central Bank Meeting
15–16 June	BoJ	Central Bank Meeting
15–17 June	FRA	G7 summit
16–17 June	FED	Central Bank Meeting

The coming week

US data will centre on the **May labour market report**, with payroll growth expected to continue to expand. The weakness of job creation is primarily evident in the rear-view mirror but the **unemployment rate** is expected to tick higher, suggesting that the stabilisation process is still running, allowing the **Federal Reserve** to remain patient despite high inflation. Average earnings will be key for assessing wage pressures but recent evidence suggests little reason for concern. The **ISM's services survey** typically has less resonance than the manufacturing survey, but given the ongoing Middle Eastern conflict and the signs of weakening in the PMI survey, this month's survey will be notable both for whether growth is still holding up and whether cost pressures are still building.

The focus in the **euro area** will be on the flash estimate of **May CPI (Consumer Price Index) inflation**, particularly core inflation. The market expects headline CPI to continue to strengthen while core inflation seems likely to rebound having been subdued in recent months despite the energy price shock. Revisions to Q1 **GDP (Gross Domestic Product)**, **unemployment** in April as well as evidence on lending in the **ECB's (European Central Bank) monetary aggregates** data will round out the cyclical picture.

In the **UK**, data releases are less likely to be market moving this week. **Credit growth, housing prices and broad money** all seem likely to confirm the softness of economic activity.

Finally, **Japanese data** are also relatively light. **Investment and household spending** will provide guidance on the domestic cycle, while monetary data will be monitored in the context of gradual policy normalisation.

Wishing us all positive macro effects,

Sean Shepley

Calendar Week 23

			Consensus	Previous
Monday				
EC	Money-M3 Annual Grwth	Apr	--	3.2%
EC	Broad Money	Apr	--	17,446,547M
EC	HCOB Mfg Final PMI	May	--	51.4
EC	Unemployment Rate	Apr	--	6.2%
GE	Retail Sales YY Real	Apr	--	-2.0%
GE	HCOB Mfg PMI	May	--	49.9
JN	Business Capex (MOF) YY	Q1	--	6.5%
UK	Nationwide house price yy	May	--	3.0%
UK	S&P GLOBAL MANUFACTURING PMI	May	--	53.7
US	S&P Global Mfg PMI Final	May	--	55.3
US	ISM Manufacturing PMI	May	--	52.7
US	ISM Mfg Prices Paid	May	--	84.6
Tuesday				
EC	HICP Flash YY	May	--	3.0%
EC	HICP-X F,E,A&T Flash YY	May	--	2.2%
JN	Monetary Base YY	May	--	-11.27%
UK	BOE Consumer Credit	Apr	--	1.895B
UK	Mortgage Lending	Apr	--	6.152B
UK	Broad Money	Apr	--	3,270,082M
US	JOLTS Job Openings	Apr	--	6.866M
Wednesday				
EC	HCOB Services Final PMI	May	--	46.4
EC	HCOB - Composite Final PMI	May	--	47.5
EC	Producer Prices YY	Apr	--	2.1%
GE	HCOB Services PMI	May	--	47.8
GE	HCOB Composite Final PMI	May	--	48.6
UK	S&P GLOBAL SERVICE PMI	May	--	47.9
UK	S&P GLOBAL PMI: COMPOSITE - OUTPUT	May	--	48.5
UK	Reserve Assets Total	May	--	226,610.17M
US	ADP National Employment	May	--	109k
US	S&P Global Svcs PMI Final	May	--	50.9
US	ISM N-Mfg PMI	May	--	53.6
Thursday				
EC	HCOB Construction PMI	May	--	41.7
EC	Retail Sales YY	Apr	--	1.2%
GE	HCOB Construction PMI	May	--	42.1
UK	S&P Global CONSTRUCTION PMI	May	--	39.7
UK	S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	May	--	51.5
US	Initial Jobless Clm	25 May, w/e	--	--
US	Cont Jobless Clm	18 May, w/e	--	--
US	Unit Labor Costs Revised	Q1	--	2.3%
US	Productivity Revised	Q1	--	0.8%
Friday				
EC	Employment Overall Final	Q1	--	172.8M
EC	GDP Revised QQ	Q1	--	0.1%
EC	GDP Revised YY	Q1	--	0.8%
JN	All Household Spending YY	Apr	--	-2.9%
UK	Halifax House Prices YY	May	--	0.4%
US	Non-Farm Payrolls	May	--	115k
US	Private Payrolls	May	--	123k
US	Unemployment Rate	May	--	4.3%
US	Average Earnings YY	May	--	3.6%
US	Average Workweek Hrs	May	--	34.3
US	Consumer Credit	Apr	--	24.86B

The calendar data for the current week comes directly from LSEG Datastream. They are published in the week in which "The Week Ahead" appears. These are economic data that come from official sources. Where available, the previous figure is collected together with the consensus estimate. The consensus estimate is collected by LSEG Datastream through a survey of analysts and economists. It is the average of all estimates submitted.

¹ Felten, E., Raj, M., & Seamans, R. (2021). Occupational, industry, and geographic exposure to artificial intelligence: A novel dataset and its potential uses. *Strategic Management Journal*, 42(12), 2195–2217. <https://doi.org/10.1002/smj.3286>

If not mentioned otherwise data and information sources are from LSEG Datastream.

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