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AI trade roars back: chip index +2.8%, Tesla +5% on Barclays

US tech led Monday's rebound as chip stocks rallied after Anthropic's IPO filing. That gives Asian tech supply chains a positive lead into Big Tech earnings this week.

By **Manasee Kurlekar** | October 27, 2026



The AI trade is back, at least for a day. US stocks closed higher on Monday as Anthropic's IPO filing gave the AI trade a confidence boost.

Technology was the best-performing S&P 500 sector, up 1.5%. The Philadelphia Semiconductor Index jumped 2.8%, and the iShares Semiconductor ETF rose more than 3%, recovering much of the previous week's sell-off. The rally is fragile, though: the chip index is still down 12.2% for October.

Tesla steals the show

Tesla rose 5.2% to its highest close in more than three months after Barclays upgraded the stock to Overweight and raised its price target from \$370 to \$450. Barclays cited an improving EV business and robotaxi progress. It also pointed to a potential takeover premium if Tesla merges with SpaceX, a deal that is looking more likely but is far from certain.

Not everyone joined the party

Communication services fell about 1.2%. Netflix was the main drag, down 3.7%, and Meta slipped 1.9% after announcing plans to raise up to \$95 billion in new equity. Fear eased elsewhere: the VIX, Wall Street's fear gauge, fell nearly 6% to about 18.3.

Why Asia should care

Monday's chip rally gives a positive lead to Asia's tech supply chain: Taiwan's foundries, Korea's memory makers and India's IT and hardware exporters. The bigger test comes later this week, when Microsoft, Alphabet and Meta report earnings. Their capex guidance will show whether this is a durable recovery or another relief rally.

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