

## Carlsquare/Vontobel weekly trading note: Mag7 close to bear market territory

**This week we focus on the big fall in US Mag7 shares. There may now be opportunities to buy Nvidia, where the P/E ratio has fallen to 27 times, but where revenue growth is expected to be 64% in the current quarter. Another example is Alphabet, which is valued at less than 20 times earnings. The Fed is not expected to change rates at today's meeting. However, compared to the ECB's rate path since April 2024, there is potential for the Fed to cut rates later in 2025.**

The so-called Magnificent Seven (MAG7) group of US megacap stocks (i.e. Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla) have underperformed the broader equity market in 2025. An equal-weighted portfolio of MAG7, in the form of the Roundhill Big Tech ETF "MAGS", fell into "bear market territory" last week before recovering slightly. Based on S&P Capital IQ estimates, Nvidia has the strongest growth momentum of the MAG7 group, with expected revenue growth of 64% in the current quarter. At the same time, the PE NTM (Next Twelve Months) multiple of 27x is in line with the group median, excluding Tesla.

The Fed will announce its rate decision later today. The Fed has kept its benchmark rate unchanged, waiting until mid-2025 for its next move given the current political turmoil. The US bond market expects the Fed to cut rates by a total of 65 percentage points over the rest of 2025. However, a rate cut today, Wednesday 19 March, is unlikely. The ECB has cut its benchmark rate from 4.5% in April 2024 to 2.65% in February 2025, while the Fed has only cut from 5.5% in May 2024 to 4.5% in January 2025.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

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As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Structured Solutions & Treasury bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)



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**Attachments**

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