
Carlsquare/Vontobel weekly trading note: Opportunities in Nvidia after sell-off

The US technology sector fell by 5.6% on Monday 27th January, driven by AI-related companies with a focus on Nvidia. Investors were concerned about the strong characteristics that the Chinese DeepSeek model appeared to have, given Nvidia's heavy reliance on GPU sales. However, we believe that the fall in Nvidia's share price is an overreaction that could create buying opportunities for bold investors. The focus on the US tech sector is likely to intensify as Meta Platforms, Microsoft, Apple and Tesla report their Q4 results this week.

Nvidia experienced a significant sell-off on Monday 27th January following reports that China's DeepSeek had demonstrated strong performance for its new large language model (LLM). While it is prudent for investors to pay attention to emerging competitors, the sell-off reflects a disproportionate reaction to a speculative risk. Nvidia's fundamentals remain exceptionally strong and its long-term growth prospects are underpinned by trends such as autonomous vehicles, the metaverse and edge computing, all of which require powerful computing capabilities. Investors should view the recent dip in the share price as an overcorrection, potentially offering an opportunity for long-term gains.

US tech companies start reporting this week with Microsoft, Meta Platforms, ASML Holding, Automatic Data Processing, IBM, Tesla and T-Mobile US on Wednesday 29th January and continue with Apple and Intel on Thursday 30th January.

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

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