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Think Strategically

The Magnificent 7's Influence on Wall Street

Comparing Yo-Yo Ma to the Magnificent 7

In the grand symphony of human achievement, the Magnificent 7 emerge as contemporary maestros, orchestrating an opus of innovation that echoes across diverse industries and societies. Drawing parallels to my revered performer, Yo-Yo Ma, whose every rendition takes us on a mesmerizing journey into the essence of music, the finesse exhibited by the Magnificent 7 resonates in their adept navigation of the intricate chords of technology and business.

It's imperative to clarify that the Magnificent 7 referenced here isn't the iconic Western movie of the 1960s, but rather the tech luminaries—Amazon, Alphabet, Apple, Meta, Microsoft, Nvidia, and Tesla. These companies, having transcended mere market dominance, have become architects of societal change, weaving a tapestry of innovation that extends far beyond their ticker symbols.

Remarkably, in the fiscal landscape of 2023, the Magnificent 7 has outperformed the market with a collective return of 90.04% and representing a substantial 29.04% of the S&P 500's market capitalization.

Let's begin exploring the Magnificent 7:

1. Amazon (AMZN): The E-Commerce Behemoth

Amazon's disruptive impact on traditional retail has been a defining feature of the 21st century. As the e-commerce giant expands its reach into various sectors, its market capitalization reflects retail dominance and the influence of Amazon Web Services and other ventures. Amazon revenues have risen from \$88.98 billion in 2014 to \$513.98 billion in 2022, an increase of 477.53%, making it a beacon of unparalleled digital prowess, transcending its roots as a disruptor of traditional retail. Amazon is a Digital Disruptor with a Holistic Market Presence and a superlative Consumer Experience

Key Indicators:

- Market Capitalization: \$1.500 trillion
- Stock Price on 12/30/22: \$84.00
- Stock Price on 11/17/23: \$145.18
- Year To Date Return: 72.83%
- Stock Price Objective: \$173.43

2. Alphabet (GOOGL, GOOG): The Search Engine Giant

Now known as Alphabet, Google has become synonymous with online search and advertising. Its impact on our daily lives can be summarized as If you don't know something, "Just Google It", transcending the conventional boundaries of a search engine giant and redefining the contours of the digital era. Since 2014, its revenues have risen 328.54% from \$66.0 billion to \$282.84 billion in 2022.

Alphabet's moonshot projects like Project Loon, providing internet access to remote areas, and Wing, focused on drone delivery, showcase its commitment to pioneering ventures with potential to reshape industries.

Key Indicators:

- Market Capitalization: \$1.714 trillion
- Stock Price on 12/30/22: \$88.73
- Stock Price on 11/17/23: \$136.94
- Year To Date Return: 54.33%
- Stock Price Objective: \$150.83

3. Apple (AAPL): A relentless commitment to innovation

At the heart of Apple's legacy is a commitment to innovation that positions the company at the forefront of technological progress. Apple consistently introduces groundbreaking products, from the Macintosh to the iPod, iPhone, iPad, and more recently, Apple Watch and AirPods, setting new standards for design and functionality.

Apple's impact extends to entire industries; the iPhone reshaped the cell phone industry, and the iPod revolutionized the music industry. The company's unique strength lies in its integrated Ecosystem, seamlessly connecting hardware, software, and services, fostering brand loyalty.

Notably revenues surged impressively from \$182.80 billion in 2014 to \$394.33 billion in 2022 a remarkable 115.7% increase. Apple's unique ability to innovate and meet market demands, highlighting the enduring appeal of its products.

Key Indicators:

- Market Capitalization: \$2.95 trillion
- Stock Price on 12/30/22: \$129.93
- Stock Price on 11/17/23: \$189.69
- Year To Date Return: 45.99%
- Stock Price Objective: \$196.10

4. Meta (META): Redefining Social Connectivity

Formerly known as Facebook, Meta has shaped how we connect and share information online. As the company expands its presence in the metaverse and virtual reality, Meta's impact extends beyond social media and its platforms have become integral to how individuals and businesses communicate. Its financial trajectory shows Meta's revenues increasing from \$12.47 billion in 2014 to an impressive \$116.61 billion in 2022 dramatic 835.12% rise.

Meta's foray into the metaverse signifies a bold leap into a new frontier, and its expansion into virtual reality, exemplified by products like the Oculus VR headset, amplifies Meta's commitment to immersive experiences.

Key Indicators:

- Market Capitalization: \$861.0 billion
- Stock Price on 12/30/22: \$120.34
- Stock Price on 11/17/23: \$335.04
- Year To Date Return: 178.40%
- Stock Price Objective: \$372.78

5. Microsoft (MSFT): The Software Powerhouse

Microsoft's evolution from a software-centric company to a diversified tech giant has been remarkable; since 2014, its revenues have risen from \$83.86 billion to \$211.92 billion in 2023, an increase of 144.06%.

The advent of Windows operating systems and the ubiquitous Office suite redefined personal computing, laying the foundation for the company's impact on the digital landscape. The company's expansion into cloud computing with Azure has positioned it as a leader in the digital transformation era. Its diversification includes enterprise solutions, Xbox, influencing beyond Microsoft 365, and empowering organizations globally with collaboration, communication, and tools.

Key Indicators:

- Market Capitalization: \$2.749 trillion
- Stock Price on 12/30/22: \$239.82
- Stock Price on 11/17/23: \$369.85
- Year To Date Return: 53.59%
- Stock Price Objective: \$405.61

6. Nvidia (NVDA): Powering the Future with GPUs

Nvidia has solidified its pivotal role across industries, leveraging its graphics processing units (GPUs) expertise. Initially recognized as a cornerstone in gaming, Nvidia's specialization in GPU technology has transcended the gaming world, extending its influence into transformative areas like artificial intelligence.

Nvidia's GPUs are crucial in accelerating AI workloads, powering deep learning algorithms, and facilitating breakthroughs in machine learning.

Examining its financial trajectory, Nvidia's revenues have witnessed an extraordinary surge, escalating from \$4.13 billion in 2014 to an impressive \$26.97 billion in 2022 a remarkable 553.02% rise. This noteworthy growth underscores Nvidia's impact and success as a critical player in groundbreaking advancements in artificial intelligence.

Key Indicators:

- Market Capitalization: \$1.218 trillion
- Stock Price on 12/30/22: \$146.14

- Stock Price on 11/17/23: \$492.88
- Year To Date Return: 237.50%
- Stock Price Objective: \$150.83

7. Tesla (TSLA): Revolutionizing Transportation

Tesla's revolutionary journey in the automotive industry has disrupted traditional carmakers and propelled Elon Musk to become the world's wealthiest person. The company has sparked a paradigm shift—people don't just desire electric cars; they crave Teslas.

From the pioneering Roadster to the evolution of the Model S, 3, X, and Y, Tesla has redefined the possibilities of electric vehicles. Its financial trajectory shows Tesla's revenues have witnessed an astounding surge, soaring from \$3.19 billion in 2014 to an impressive \$81.46 billion in 2022, a remarkable 2,453.6% rise, notably achieving profitability in 2020.

Beyond the roads, its influence extends to solar panels and energy storage products, reflecting a comprehensive approach to reshaping energy usage.

Key Indicators:

- Market Capitalization: \$744.82 billion
- Stock Price on 12/30/22: \$123.18
- Stock Price on 11/17/23: \$234.30
- Year To Date Return: 90.21%
- Stock Price Objective: \$237.35



The Magnificent 7: Amazon, Alphabet, Apple, Meta, Microsoft, NVIDIA and Tesla YTD Returns



The Last Word: The Financial Triumph of the Magnificent 7's Market Dominance

The Magnificent 7's collective dominance, with a total market capitalization of \$11,759 trillion, has 29.04% of the S&P 500, playing a pivotal role technology plays in driving market trends. Investors must closely monitor these tech titans, recognizing their impact and potential to shape global markets.

As the Magnificent 7 solidifies its position within the top 10 holdings of the S&P 500, its ongoing innovation and expanding influence remain central to discussions on market dynamics and the ever-evolving tech industry.

Yet, the pivotal question emerges: to sell or hold these positions. The answer hinges on your bullish or bearish outlook and whether maintaining these stocks aligns with your goals. With a collective return of 90.04%, contemplating gains and planning for the future may be prudent.

In conclusion, the timeless words of Muhammad Ali echo: **"Impossible is not a fact; it's an opinion. Impossible is not a declaration; It's a Dare. Impossible is potential, Impossible is temporary, Impossible is nothing"**.



Francisco Rodriguez-Castro, President & CEO • frc@birlingcapital.com
PO Box 10817 San Juan, PR 00922 • 787.247.2500 • 787.645.8430

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