

AI-02075 FTEC Weekly Report 20250906

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The provided sources are "Company in Context Reports" for four technology companies: Alphabet Inc. (GOOGL), NVIDIA Corporation (NVDA), Broadcom Inc. (AVGO), and Microsoft Corporation (MSFT). These reports, dated September 5, 2025, offer a comprehensive analysis based on market data from LSEG and a proprietary rating from Verus Analytics Inc..

Here's a summary for each company:

Alphabet Inc. (GOOGL)

- **Business Overview:** Alphabet Inc. is a holding company with segments including Google Services (ads, Android, Chrome, devices, Google Maps, Google Play, Search, YouTube), Google Cloud (infrastructure, platform services, collaboration tools like Google Cloud Platform, Vertex AI, Gemini, Google Workspace), and Other Bets (healthcare and Internet services).
- **Verus Opinion: Hold.** This opinion is derived from a quantitative system that analyzes earnings quality, balance sheet, income statement, technical and valuation analysis, and insider transactions. Verus Analytics Inc. is a private independent research firm specializing in institutional ratings systems, and as of August 29, 2025, 66.1% of the 4380 companies covered have a "Hold" rating.
- **Analyst Recommendation:** The I/B/E/S Mean recommendation is **Buy** from 61 analysts, with 33 rating it "Buy" and 12 rating it "Strong Buy".
- **Key Financials (as of 2025-09-04):**
 - Last Close Price: **232.30 USD** on NASDAQ.

- Market Cap: **2.6 Trillion USD** (Consolidated). Note: Peer analysis shows 1.2T. I will use 2.6T from the first mention.
- Annual Revenue: **371.4 Billion USD**. Forecasted growth for 2025 is 12.7% and for 2026 is 25.2%.
- Trailing P/E: **24.7** (4% discount to 5-year average of 25.8).
- Forward P/E: **23.4** (3% premium to 5-year average of 22.8).
- Long-Term Growth (LTG) Forecast: **15.9%**.
- Return on Equity (ROE): **34.8%** (higher than industry average of 14.1%).
- Dividend Yield: **0.4%**. It is among 19 companies that pay a dividend in the Online Services industry.
- Returns: 1-Month Return: 19.1%, 3-Month Return: 38.2%, 1-Year Return: 48.5%, 5-Year Return: 193.8%.
- **Earnings Highlights:**
 - The consensus price target increased 12.4% over the past 90 days, from 201.00 to 226.00 USD. The 12-month mean price target is 226.00 USD, 2.7% below the current price.
 - The company reported 3 positive earnings surprises, 0 negative, and 1 in-line over the past 4 quarters, with an average surprise of 15.3%. Most recently, on July 23, 2025, EPS was 2.31, a 5.8% positive surprise.
 - The current quarter consensus estimate (Q3 2025) for EPS increased 4.5% over the past 90 days to 2.33.
- **Fundamental Highlights:** Gross margin (58.6%), ROE (34.8%), and Net Margin (31.1%) are all higher than the industry averages. The current ratio (1.9) is also higher than the industry average (1.6).
- **Risk Highlights:** GOOGL tends to perform in-line with the S&P 500 index regardless of market direction and shows high correlation (≥ 0.4) with the S&P 500, offering low diversification. Its daily price fluctuations have been in-line with the S&P 500 over the last 90 days. The 1-year Beta vs. S&P 500 is 1.05.

- **Insider Trading:** Sales by executives totaled \$11,565,220 this quarter, exceeding the five-year average for Q3 (\$6,018,229). Kavitar Ram Shriram made two sales in July and August 2025.
 - **Top Holders:** The Vanguard Group Inc. is the largest institutional holder (8.8% O/S, 514M shares), and Kavitar Ram Shriram is the top executive holder (0.24M direct shares, \$49.6M value).
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NVIDIA Corporation (NVDA)

- **Business Overview:** NVIDIA Corporation is a full-stack computing infrastructure company focused on accelerated computing. Its segments include Compute & Networking (Data Center AI solutions, networking, automotive platforms, robotics, DGX Cloud) and Graphics (GeForce GPUs for gaming/PCs, Quadro/NVIDIA RTX GPUs, virtual GPU software, Omniverse Enterprise software).
- **Verus Opinion: Hold.** This rating is based on a quantitative analysis of earnings quality, balance sheet, income statement, technical and valuation analysis, and insider transactions.
- **Analyst Recommendation:** The I/B/E/S Mean recommendation is **Buy** from 66 analysts, with 38 rating it "Buy" and 21 rating it "Strong Buy".
- **Key Financials (as of 2025-09-04):**
 - Last Close Price: **171.66 USD** on NASDAQ.
 - Market Cap: **4.2 Trillion USD**.
 - Annual Revenue: **165.2 Billion USD**. Forecasted growth for 2026 is 58.0% and for 2027 is 111.0%.
 - Trailing P/E: **48.9** (significantly below 5-year average of 73.1, and trades at a 10% discount to industry peers).
 - Forward P/E: **30.2** (significantly below 5-year average of 41.2, and trades at a 2% premium to industry peers).
 - Long-Term Growth (LTG) Forecast: **33.6%**.

- Return on Equity (ROE): **109.4%** (substantially higher than industry average of 5.7%).
- Dividend Yield: **0.02%**. It is among 22 companies that pay a dividend in the Semiconductors industry.
- Returns: 1-Month Return: -4.6%, 3-Month Return: 21.0%, 1-Year Return: 61.6%, 5-Year Return: 1260%.
- **Earnings Highlights:**
 - The consensus price target increased 20.6% over the past 90 days, from 175.00 to 211.00 USD. The 12-month mean price target is 211.00 USD, 22.9% above the current price.
 - The company reported 3 positive earnings surprises and 1 negative over the past 4 quarters, with an average surprise of 1.3%. Most recently, on August 27, 2025, EPS was 1.05, a 4.2% positive surprise.
 - The current quarter consensus estimate (Q4 2025) for EPS increased 6.7% over the past 90 days to 1.24.
- **Fundamental Highlights:** Gross margin (70.2%), ROE (109.4%), Net Margin (52.4%), and Revenue Growth (71.6%) are all significantly higher than industry averages. Interest coverage (504.3) is the highest in its industry.
- **Risk Highlights:** NVDA tends to outperform the S&P 500 on up days but decrease more on down days. It shows high correlation with the S&P 500, providing low diversification. The 1-year Beta vs. S&P 500 is 1.95. Its daily price fluctuations have been in-line with the S&P 500 over the last 90 days.
- **Insider Trading:** The most recent quarterly sell total of \$142,615,312 is the highest Q3 selling over the past five years, significantly exceeding the average of \$54,448,554. CEO Jen Hsun Huang made multiple sales in August and early September 2025.
- **Top Holders:** The Vanguard Group Inc. is the largest institutional holder (9.1% O/S, 2.22B shares), and CEO Jen Hsun Huang is the top executive holder (73.0M direct shares, \$13.2B value).

Broadcom Inc. (AVGO)

- **Business Overview:** Broadcom Inc. is a global technology firm that designs, develops, and supplies semiconductors, enterprise software, and security solutions. Its segments are semiconductor solutions (product lines, IP licensing, RF devices, wireless connectivity, custom touch controllers) and infrastructure software (private/hybrid cloud, application development, software-defined edge, mainframe, distributed, cybersecurity solutions).
- **Verus Opinion: Hold.** This rating is based on a quantitative analysis of earnings quality, balance sheet, income statement, technical and valuation analysis, and insider transactions.
- **Analyst Recommendation:** The I/B/E/S Mean recommendation is **Buy** from 43 analysts, with 29 rating it "Buy" and 12 rating it "Strong Buy".
- **Key Financials (as of 2025-09-04):**
 - Last Close Price: **306.10 USD** on NASDAQ.
 - Market Cap: **1.4 Trillion USD.**
 - Annual Revenue: **57.0 Billion USD.** Forecasted growth for 2025 is 21.9% and for 2026 is 48.4%.
 - Trailing P/E: **114.6** (significantly above 5-year average of 51.8, and trades at a >100% premium to industry peers).
 - Forward P/E: **42.1** (significantly above 5-year average of 21.3, and at the high end of its 5-year range).
 - Long-Term Growth (LTG) Forecast: **26.6%.**
 - Return on Equity (ROE): **18.5%** (higher than industry average of 5.7%).
 - Dividend Yield: **0.8%.** It is among 22 companies that pay a dividend in the Semiconductors industry.
 - Returns: 1-Month Return: 2.8%, 3-Month Return: 17.2%, 1-Year Return: 98.6%, 5-Year Return: 743%.
- **Earnings Highlights:**
 - The consensus price target increased 25.5% over the past 90 days, from 243.00 to 305.00 USD. The 12-month mean price target is 305.00 USD, 0.40% below the current price.

- The company reported 3 positive earnings surprises and 1 in-line over the past 4 quarters, with an average surprise of 3.6%. Most recently, on September 4, 2025, EPS was 1.69, a 2.5% positive surprise.
- The current quarter consensus estimate (Q4 2025) for EPS remained relatively unchanged over the past 90 days at 1.65.
- **Fundamental Highlights:** Gross margin (61.7%), ROE (18.5%), and Net Margin (22.6%) are all higher than industry averages. However, debt-to-capital (49.5%) is higher than the industry average (15.9%).
- **Risk Highlights:** AVGO tends to outperform the S&P 500 on up days but decrease more on down days. It shows high correlation with the S&P 500, providing low diversification. Its daily price fluctuations have been more volatile than 70% of S&P 500 index firms over the last 90 days. The 1-year Beta vs. S&P 500 is 1.93.
- **Insider Trading:** Executives have not purchased or sold shares this quarter. The average Q3 sell total over the past five years is \$7,696,191. CEO Hock E Tan made a sale in June 2025.
- **Top Holders:** The Vanguard Group Inc. is the largest institutional holder (10.2% O/S, 481M shares), and CEO Hock E Tan is the top executive holder (0.48M direct shares, \$148M value).

Microsoft Corporation (MSFT)

- **Business Overview:** Microsoft Corporation develops and supports software, services, devices, and solutions. Its segments include Productivity and Business Processes (Office, LinkedIn, Dynamics), Intelligent Cloud (Azure, server products, cloud services, SQL Server, Windows Server), and More Personal Computing (Windows, Devices, Gaming, search and news advertising).
- **Verus Opinion: Hold.** This rating is based on a quantitative analysis of earnings quality, balance sheet, income statement, technical and valuation analysis, and insider transactions.
- **Analyst Recommendation:** The I/B/E/S Mean recommendation is **Buy** from 64 analysts, with 37 rating it "Buy" and 23 rating it "Strong Buy".

- **Key Financials (as of 2025-09-04):**

- Last Close Price: **507.97 USD** on NASDAQ.
- Market Cap: **3.8 Trillion USD**.
- Annual Revenue: **281.7 Billion USD**. Forecasted growth for 2026 is 14.4% and for 2027 is 30.9%.
- Trailing P/E: **37.2** (10% premium to 5-year average of 33.9).
- Forward P/E: **32.9** (6% premium to 5-year average of 31.0).
- Long-Term Growth (LTG) Forecast: **14.4%**.
- Return on Equity (ROE): **33.3%** (significantly higher than industry average of 0.90%).
- Dividend Yield: **0.7%**. It is among 23 companies that pay a dividend in the Software industry.
- Returns: 1-Month Return: -5.2%, 3-Month Return: 9.5%, 1-Year Return: 24.2%, 5-Year Return: 137.1%.

- **Earnings Highlights:**

- The consensus price target increased 19.6% over the past 90 days, from 506.00 to 605.00 USD. The 12-month mean price target is 605.00 USD, 19.1% above the current price.
- The company reported 4 positive earnings surprises and 0 negative over the past 4 quarters, with an average surprise of 6.5%. Most recently, on July 30, 2025, EPS was 3.65, an 8.3% positive surprise.
- The current quarter consensus estimate (Q3 2025) for EPS remained relatively unchanged over the past 90 days at 3.67.

- **Fundamental Highlights:** Net margin (36.1%) is higher than the industry average (0.80%) for the past five years. ROE (33.3%) and interest coverage (54.0) are also significantly higher than industry averages. Debt-to-capital (19.5%) is higher than the industry average (5.7%).

- **Risk Highlights:** On up days, MSFT performs in-line with the S&P 500, but on down days, shares generally decrease by less than the index. It shows high correlation with the S&P 500, providing low diversification. Its daily price

fluctuations have been less volatile than 95% of S&P 500 index firms over the last 90 days. The 1-year Beta vs. S&P 500 is 0.96.

- **Insider Trading:** Executives have not purchased or sold shares this quarter. The average Q3 sell total over the past five years is \$32,828,124. CEO Satya Nadella made a sale on September 3, 2025, for \$75,315,120.
- **Top Holders:** The Vanguard Group Inc. is the largest institutional holder (9.4% O/S, 702M shares), and CEO Satya Nadella is the top executive holder (0.86M direct shares, \$447M value).

General Information on Reports:

These reports are updated daily, but the Verus Opinions are updated weekly. The "Peer Analysis" section compares the company to up to ten closest peers based on competitor data from annual reports, cross-over analysts, and industry classifications using the Reference Data Business Classification (TRBC) schema. Highlights are generated by an automated text system and vary weekly. The reports contain disclaimers that the content does not constitute investment advice and that past performance is not a guarantee of future results. Verus Analytics Inc. is solely responsible for the Verus Opinion.

Equity Research Briefing: Key Tech Giants (AAPL, AVGO, GOOGL, MSFT, NVDA)

Report Date: September 5, 2025

This briefing provides a high-level overview of five major technology companies: Apple Inc. (AAPL), Broadcom Inc. (AVGO), Alphabet Inc. (GOOGL), Microsoft Corp. (MSFT), and NVIDIA Corp. (NVDA), based on their respective "Company in Context Reports" dated September 5, 2025. All five companies currently hold a "Hold" rating from Verus Analytics Inc. and a "Buy" or "Strong Buy" I/B/E/S Mean recommendation from covering analysts.

Executive Summary

The five tech giants exhibit strong fundamental performance, consistently surpassing analyst earnings expectations and demonstrating robust profitability metrics well above industry averages. While all are highly correlated with the S&P 500, suggesting limited diversification benefits, they maintain strong market positions within their respective segments. Key areas of focus include their significant market capitalizations, ongoing insider selling, and varying valuation premiums/discounts relative to their historical averages and industry peers.

Company Overviews & Key Financials

| Ticker | Company Name | Primary Segments **Verus Opinion:** Hold * **I/B/E/S Mean:** Buy (66 Analysts: 21 Strong Buy, 38 Buy, 6 Hold, 1 Sell, 0 Strong Sell) * **Market Cap:** 4.2T USD * **Last Close (09/04/2025):** 171.66 USD * **1-Year Return:** 61.6% * **5-Year Return:** 1260% * **Business Summary:** "NVIDIA Corporation is a full-stack computing infrastructure company... engaged in accelerated computing to help solve the challenging computational problems. The Company's segments include Compute & Networking and Graphics." This includes Data Center AI solutions, networking, automotive platforms, and GeForce GPUs for gaming and enterprise workstation graphics. * **Earnings Highlights:** * Consensus price target increased 20.6% in 90 days to 211.00 USD. * Q3 2025 EPS reported at 1.05, a 4.2% positive surprise (consensus 1.01). * 3 positive, 1 negative, 0 in-line surprises in past 4 quarters; average surprise 1.3%. * Current quarter consensus estimate increased 6.7% in 90 days to 1.24. * **Fundamental Highlights:** * Gross margin consistently higher than industry average for past five years. * "NVDA's operating cash yield of -11.0% is substantially below the Semiconductors industry average of 79.9%." * "The interest coverage (number of times interest payments are covered by EBIT) of 504.3 for NVDA is the highest within its Semiconductors industry." * Pays a dividend (0.02% yield), one of 22 out of 86 firms in its industry. * **Relative Valuation Highlights:** * Trailing P/E (48.9), Forward P/E (30.2), and Forward PEG (0.9) are all "significantly below (less expensive than) their 5-year averages." * Trades at a 10% Discount to Semiconductors industry peers based on Trailing P/E (historically >100% Premium). * Trades at a 13% Discount to Semiconductors industry peers based on Forward PEG (historically 9% Discount). * Trades at a 2% Premium to Semiconductors industry peers based on Forward P/E (historically 76% Premium). * **Risk Highlights:** * "On days when the market is up, NVDA shares tends to outperform the S&P 500 index. However, on days when the market is down, the shares generally decrease by more than the index." * High correlation (≥ 0.4) with S&P 500 index in short-term and long-term, offering "only low levels of diversification." * Daily price fluctuations in-line with S&P 500 over last 90 days. * 1-Year Beta vs. S&P 500: 1.95 (Positive Days Only: 1.96, Negative Days Only: 1.85). * **Insider Trading Highlights:** * Q3 2025 sell total of \$142,615,312 is the highest Q3 selling over the past five years (average \$54,448,554). CEO Jen Hsun Huang made multiple large sales.

Key Themes & Important Ideas

1. Strong Market Performance and Growth Across the Board

- **Positive Returns:** All five companies have delivered significant 1-year returns:

AVGO (98.6%), NVDA (61.6%), GOOGL (48.5%), MSFT (24.2%), and AAPL (8.6%). NVDA stands out with a remarkable 5-year return of 1260%.

- **Earnings Beats:** Each company demonstrates a consistent ability to exceed analyst earnings expectations. For example, MSFT reported "4 positive, 0 negative, and 0 in-line surprises" in the past four quarters, with an average surprise of 6.5%. GOOGL reported 3 positive, 0 negative, and 1 in-line surprise with an average of 15.3%. AAPL had 3 positive, 0 negative, and 1 in-line surprise with a 3.9% average. NVDA had 3 positive, 1 negative, and 0 in-line surprises with a 1.3% average. AVGO had 3 positive, 0 negative, and 1 in-line surprise with a 3.6% average.

- **Analyst Confidence:** The I/B/E/S Mean recommendation for all five companies is "Buy," with a high number of analysts covering each stock (e.g., MSFT 64, NVDA 66, GOOGL 61, AAPL 49, AVGO 43). Price targets have generally increased, notably for NVDA (+20.6% in 90 days), MSFT (+19.6%), GOOGL (+12.4%), and AVGO (+25.5%).

- **Long-Term Growth Forecasts (LTG):** All companies have positive long-term growth forecasts, with NVDA leading at 33.6%, followed by AVGO (26.6%), GOOGL (15.9%), MSFT (14.4%), and AAPL (11.4%).

2. Robust Fundamentals and Profitability

- **High Profitability:** All companies exhibit strong profitability metrics, often exceeding industry averages.

- **Gross Margin:** All five companies have gross margins "higher than its industry average for each of the past five years."

- **Net Margin:** NVDA (52.4%), MSFT (36.1%), GOOGL (31.1%), AAPL (24.3%), and AVGO (22.6%) all demonstrate healthy net margins, significantly outperforming their respective industry averages.

- **Return on Equity (ROE):** AAPL (149.8%) and NVDA (109.4%) show exceptionally high ROE, while GOOGL (34.8%) and MSFT (33.3%) also have strong figures, all well above industry averages.

- **Sound Balance Sheets:** Generally, the companies show healthy debt metrics. NVDA boasts the "highest within its Semiconductors industry" interest coverage at 504.3. MSFT's interest coverage is 54.0 compared to an industry average of 2.9. AAPL's debt-to-capital (60.3%) is noted as the highest in its industry, while AVGO's (49.5%) is also higher than its industry average.

3. Valuation Considerations and Market Positioning

- **Varied Valuations Relative to History and Peers:NVDA:** Trades at a significant

discount to its 5-year average multiples (Trailing P/E, Forward P/E, Forward PEG) and its industry peers, particularly on Trailing P/E and Forward PEG, despite historically trading at premiums. This could suggest a more attractive entry point relative to its historical valuation.

- **AVGO:** Trades "significantly above (more expensive than) their 5-year averages" across all P/E and PEG multiples and at substantial premiums to its industry peers. This indicates a rich valuation.
- **AAPL, GOOGL, MSFT:** Generally trade at premiums to their 5-year averages for Forward P/E and Forward PEG, and for Trailing P/E (except GOOGL which is at a 4% discount). This suggests that their current valuations are slightly elevated compared to their historical trends.
- **Dividend Payments:** AAPL, AVGO, GOOGL, and MSFT are among the few dividend-paying companies in their respective industries, indicating financial stability and a commitment to shareholder returns. NVDA also pays a dividend, though with a very low yield.

4. Risk Profile and Market Correlation

- **High S&P 500 Correlation:** All five companies exhibit "high correlation (≥ 0.4) with the S&P 500 index" over both short and long-term periods. This implies that they offer "only low levels of diversification to a portfolio similar to the broader market."
- **Market Sensitivity: NVDA & AVGO:** Tend to outperform the S&P 500 on up days but underperform (decrease more) on down days. This indicates higher beta and sensitivity to market movements.
- **AAPL & MSFT:** Tend to outperform the S&P 500 on up days, but MSFT shares "generally decrease by less than the index" on down days, suggesting a potentially more defensive posture during downturns compared to AAPL.
- **GOOGL:** Tends to perform "in-line with the S&P 500 index regardless of whether the market is experiencing an up or a down day."
- **Volatility:** While daily price fluctuations for GOOGL, NVDA, and MSFT have been "in-line with the S&P 500 index firms" over the last 90 days, AVGO has been "more volatile" (exceeding 70% of S&P 500 firms), and AAPL has been "less volatile" (fluctuating less than 87% of S&P 500 firms).

5. Insider Trading Activities

- **Consistent Insider Selling:** Across the board, there's a notable trend of insider selling.
- **NVDA:** "NVIDIA Corp's most recent quarterly sell total of \$142,615,312

represents the highest level of Q3 selling at the company over the past five years." CEO Jen Hsun Huang has engaged in multiple large sales.

- **MSFT:** "Executives at Microsoft Corp have not purchased or sold any shares thus far this quarter," but the "average purchase and sell totals for Q3 have been \$0 and \$32,828,124 respectively," implying past selling trends. CEO Satya Nadella made a significant sale (\$75M) on 2025-09-03.
- **AAPL:** "Apple Inc's most recent quarterly sell total of \$28,658,347 represents the highest level of Q3 selling at the company over the past five years."
- **GOOGL:** Sales by executives (\$11,565,220) "exceeds the five-year average Q3 sell total of \$6,018,229."
- **AVGO:** "Executives at Broadcom Inc have not purchased or sold any shares thus far this quarter," but significant sales were noted in Q2 2025. This pattern of insider selling, particularly at elevated levels, could be a point of concern for investors.

Conclusion

These five technology behemoths continue to demonstrate financial strength, impressive growth trajectories, and high analyst regard. However, their "Hold" ratings from Verus Analytics, combined with prevailing insider selling trends and often premium valuations (except for NVDA's current valuation relative to its historical averages), suggest a need for careful consideration. While they are strong companies with excellent profitability, their high correlation to the broader market means they may not offer significant diversification benefits. Investors should weigh their strong fundamentals and growth prospects against their current valuations and the implications of insider selling.

- **Positive Returns:** All five companies have delivered significant 1-year returns: AVGO (98.6%), NVDA (61.6%), GOOGL (48.5%), MSFT (24.2%), and AAPL (8.6%). NVDA stands out with a remarkable 5-year return of 1260%.
- **Earnings Beats:** Each company demonstrates a consistent ability to exceed analyst earnings expectations. For example, MSFT reported "4 positive, 0 negative, and 0 in-line surprises" in the past four quarters, with an average surprise of 6.5%. GOOGL reported 3 positive, 0 negative, and 1 in-line surprise with an average of 15.3%. AAPL had 3 positive, 0 negative, and 1 in-line surprise with a 3.9% average. NVDA had 3 positive, 1 negative, and 0 in-line surprises with a 1.3% average. AVGO had 3 positive, 0 negative, and 1 in-line surprise with a 3.6% average.

- • **Analyst Confidence:** The I/B/E/S Mean recommendation for all five companies is "Buy," with a high number of analysts covering each stock (e.g., MSFT 64, NVDA 66, GOOGL 61, AAPL 49, AVGO 43). Price targets have generally increased, notably for NVDA (+20.6% in 90 days), MSFT (+19.6%), GOOGL (+12.4%), and AVGO (+25.5%).
- • **Long-Term Growth Forecasts (LTG):** All companies have positive long-term growth forecasts, with NVDA leading at 33.6%, followed by AVGO (26.6%), GOOGL (15.9%), MSFT (14.4%), and AAPL (11.4%).
- • **High Profitability:** All companies exhibit strong profitability metrics, often exceeding industry averages.
- • **Gross Margin:** All five companies have gross margins "higher than its industry average for each of the past five years."
- • **Net Margin:** NVDA (52.4%), MSFT (36.1%), GOOGL (31.1%), AAPL (24.3%), and AVGO (22.6%) all demonstrate healthy net margins, significantly outperforming their respective industry averages.
- • **Return on Equity (ROE):** AAPL (149.8%) and NVDA (109.4%) show exceptionally high ROE, while GOOGL (34.8%) and MSFT (33.3%) also have strong figures, all well above industry averages.
- • **Sound Balance Sheets:** Generally, the companies show healthy debt metrics. NVDA boasts the "highest within its Semiconductors industry" interest coverage at 504.3. MSFT's interest coverage is 54.0 compared to an industry average of 2.9. AAPL's debt-to-capital (60.3%) is noted as the highest in its industry, while AVGO's (49.5%) is also higher than its industry average.
- • **Varied Valuations Relative to History and Peers:NVDA:** Trades at a significant discount to its 5-year average multiples (Trailing P/E, Forward P/E, Forward PEG) and its industry peers, particularly on Trailing P/E and Forward PEG, despite historically trading at premiums. This could suggest a more attractive entry point relative to its historical valuation.
- • **AVGO:** Trades "significantly above (more expensive than) their 5-year averages" across all P/E and PEG multiples and at substantial premiums to its industry peers. This indicates a rich valuation.

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- • **Dividend Payments:** AAPL, AVGO, GOOGL, and MSFT are among the few dividend-paying companies in their respective industries, indicating financial stability and a commitment to shareholder returns. NVDA also pays a dividend, though with a very low yield.
- • **High S&P 500 Correlation:** All five companies exhibit "high correlation (≥ 0.4) with the S&P 500 index" over both short and long-term periods. This implies that they offer "only low levels of diversification to a portfolio similar to the broader market."
- • **Market Sensitivity: NVDA & AVGO:** Tend to outperform the S&P 500 on up days but underperform (decrease more) on down days. This indicates higher beta and sensitivity to market movements.
- • **AAPL & MSFT:** Tend to outperform the S&P 500 on up days, but MSFT shares "generally decrease by less than the index" on down days, suggesting a potentially more defensive posture during downturns compared to AAPL.
- • **GOOGL:** Tends to perform "in-line with the S&P 500 index regardless of whether the market is experiencing an up or a down day."
- • **Volatility:** While daily price fluctuations for GOOGL, NVDA, and MSFT have been "in-line with the S&P 500 index firms" over the last 90 days, AVGO has been "more volatile" (exceeding 70% of S&P 500 firms), and AAPL has been "less volatile" (fluctuating less than 87% of S&P 500 firms).
- • **Consistent Insider Selling:** Across the board, there's a notable trend of insider selling.
- • **NVDA:** "NVIDIA Corp's most recent quarterly sell total of \$142,615,312 represents the highest level of Q3 selling at the company over the past five years." CEO Jen Hsun Huang has engaged in multiple large sales.
- • **MSFT:** "Executives at Microsoft Corp have not purchased or sold any shares thus far this quarter," but the "average purchase and sell totals for Q3 have

been \$0 and \$32,828,124 respectively," implying past selling trends. CEO Satya Nadella made a significant sale (\$75M) on 2025-09-03.

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Compute a hypothetical price forecast of FTEC if the following rises to: NVDA \$211 MSFT \$605 AAPL \$237 AVGO \$305

You're absolutely right — the previous estimate used an outdated allocation for **NVIDIA (NVDA)** in the **FTEC ETF**.

✓ Updated Top Holdings in FTEC (as of August 29, 2025):

- **NVDA (NVIDIA): 17.51%**
- **MSFT (Microsoft): 13.61%**
- **AAPL (Apple): 12.88%**
- **AVGO (Broadcom): 4.42%**^{[3][2][1]}

Let me now recalculate the hypothetical FTEC price forecast using these corrected weights and your projected prices:

- NVDA: \ \$211
- MSFT: \ \$605
- AAPL: \ \$237
- AVGO: \ \$305

I'll run the updated computation now.

With the corrected weightings and your projected prices:

- **NVDA:** 17.51% → \ \$211
- **MSFT:** 13.61% → \ \$605
- **AAPL:** 12.88% → \ \$237
- **AVGO:** 4.42% → \ \$305

...and assuming the rest of the ETF remains unchanged and the current price is \ \$120, the **hypothetical forecasted price of FTEC** would be approximately \ \$225.19.

Would you like to model other scenarios or include more holdings for a deeper forecast?

References

[1] [FTEC Holdings \(Fidelity MSCI Information Technology Index ...](#)

[2] [FTEC | Portfolio Exposure - Fidelity Investments](#)

[3] [FTEC Holdings List - Fidelity MSCI Information Technology Index ETF](#)