

# AI-02093 FTEC Weekly Report 20250912

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## Detailed Briefing Document: Technology Sector Company Analysis (September 11, 2025)

This briefing document provides a comparative analysis of three major technology companies: NVIDIA Corporation (NVDA), Apple Inc. (AAPL), and Microsoft Corporation (MSFT), based on their respective "Company in Context Reports" dated September 11, 2025. The analysis covers key themes including business overview, analyst sentiment, financial performance, valuation, risk, price momentum, and insider activity.

### 1. Executive Summary & Verus Opinion

- **NVIDIA (NVDA): Verus Opinion: Buy.** NVIDIA is positioned as a strong "Buy" by Verus Analytics, indicating a positive outlook based on its quantitative system. This aligns with a consensus "Buy" from 66 analysts. The company shows robust growth forecasts, strong profitability, and attractive valuation metrics relative to its historical averages and industry peers.
- **Apple (AAPL): Verus Opinion: Sell.** Apple receives a "Sell" rating from Verus Analytics, despite a consensus "Buy" recommendation from 49 analysts. This divergence suggests that Verus's quantitative model identifies underlying concerns that may not be fully reflected in the broader analyst sentiment. Key concerns likely stem from its valuation premiums and high debt-to-capital ratio compared to industry averages.

- **Microsoft (MSFT): Verus Opinion: Sell.** Microsoft also receives a "Sell" rating from Verus Analytics, contrasting with a strong consensus "Buy" from 65 analysts. Similar to Apple, this indicates Verus's proprietary analysis flags potential issues, likely related to its valuation premiums compared to its 5-year averages, despite strong fundamentals.

## 2. Business Overview

- **NVIDIA (NVDA):** "a full-stack computing infrastructure company... engaged in accelerated computing to help solve the challenging computational problems." Its segments include "Compute & Networking" (Data Center AI, networking, automotive, robotics, DGX Cloud) and "Graphics" (GeForce GPUs for gaming/PCs, Quadro/NVIDIA RTX for workstations, Omniverse for industrial AI/digital twin). NVIDIA operates within the Technology Equipment / Semiconductors & Equipment / Semiconductors industry.
- **Apple (AAPL):** "designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related services." Key product categories are "iPhone, Mac, iPad, and Wearables, Home and Accessories." Its software platforms include iOS, iPadOS, macOS, watchOS, visionOS, and tvOS, supported by services like App Store, AppleCare, and various subscription-based content. Apple operates within the Technology Equipment / Computers, Phones & Electr. / Phones & Handheld Devices industry.
- **Microsoft (MSFT):** "a technology company. The Company develops and supports software, services, devices, and solutions." Its segments are "Productivity and Business Processes" (Office, LinkedIn, Dynamics), "Intelligent Cloud" (Azure, SQL Server, Windows Server, Nuance, GitHub), and "More Personal Computing" (Windows, Devices, Gaming, search and news advertising). Microsoft operates within the Software & IT Services / Software & IT Services / Software industry.

## 3. Analyst Sentiment & Price Targets

- **NVIDIA (NVDA):I/B/E/S Mean:** Buy (22 Strong Buys, 37 Buys out of 66 analysts).

- **Price Target:** Consensus price target has "increased notably from 175.00 to 212.00, a gain of 21.1%" over the past 90 days. The current mean target is \$212.00, representing a 19.6% upside from the current price of \$177.33. High target is \$390.00, low is \$100.00.
- **EPS Estimates:** Current quarter consensus estimate increased 6.5% over the past 90 days (from \$1.16 to \$1.24). Annual EPS for 2026 is projected at \$4.492, rising to \$6.364 for 2027.
- **Apple (AAPL):I/B/E/S Mean:** Buy (12 Strong Buys, 21 Buys out of 49 analysts).
- **Price Target:** Mean 12-month price target is \$242.00, a 6.7% upside from the current price of \$226.79. High target is \$300.00, low is \$175.00. The target has increased 4.8% over the past 90 days.
- **EPS Estimates:** Current quarter consensus estimate increased 6.5% over the past 90 days (from \$1.65 to \$1.76). Annual EPS for 2025 is projected at \$7.371, rising to \$7.985 for 2026.
- **Microsoft (MSFT):I/B/E/S Mean:** Buy (23 Strong Buys, 38 Buys out of 65 analysts).
- **Price Target:** Consensus price target has "increased notably from 510.00 to 604.00, a gain of 18.4%" over the past 90 days. The current mean target is \$604.00, representing a 20.7% upside from the current price of \$500.37. High target is \$680.00, low is \$423.00.
- **EPS Estimates:** Current quarter consensus estimate has "remained relatively unchanged over the past 90 days at 3.67." Annual EPS for 2026 is projected at \$15.500, rising to \$18.150 for 2027.

#### 4. Financial Performance & Fundamentals

- **NVIDIA (NVDA):Revenue:** Annual Revenue \$165.2B. Forecasted growth for 2026 is 57.9% to \$206.1B and for 2027 is 110.6% to \$274.8B.
- **Profitability:** "gross margin has been higher than its industry average for each of the past five years." ROE 109.4% (vs. industry 5.7%), Net Margin 52.4% (vs. industry 8.0%).
- **Earnings Surprises:** "reported 3 positive, 1 negative, and 0 in-line surprises" over the past 4 quarters, with an average surprise of 1.3%. Over the past 12

quarters, 83.3% were positive surprises.

- **Debt:** Interest Coverage 504.3 (highest in its industry). Debt-to-Capital 9.6% (vs. industry 15.9%).
- **Dividend:** Dividend Yield 0.02%.
- **Apple (AAPL):Revenue:** Annual Revenue \$408.6B. Forecasted growth for 2025 is 6.0% to \$414.3B and for 2026 is 11.7% to \$436.9B.
- **Profitability:** "gross margin of 46.7% for AAPL is the highest within its Phones & Handheld Devices industry." ROE 149.8%, Net Margin 24.3%.
- **Earnings Surprises:** "reported 3 positive, 0 negative, and 1 in-line surprises" over the past 4 quarters, with an average surprise of 3.9%. Over the past 12 quarters, 66.7% were positive surprises.
- **Debt:** "debt-to-capital of 60.3% for AAPL is the highest within its Phones & Handheld Devices industry." Current Ratio 0.9. Interest Coverage 27.9.
- **Dividend:** Dividend Yield 0.46%. "Apple Inc is the only one that pays a dividend" in its industry.
- **Microsoft (MSFT):Revenue:** Annual Revenue \$281.7B. Forecasted growth for 2026 is 14.5% to \$322.5B and for 2027 is 31.0% to \$368.9B.
- **Profitability:** "net margin has been higher than its industry average for each of the past five years." ROE 33.3% (vs. industry 1.2%), Net Margin 36.1% (vs. industry 1.3%). Gross Margin 68.8% (vs. industry 70.1%).
- **Earnings Surprises:** "reported 4 positive, 0 negative, and 0 in-line surprises" over the past 4 quarters, with an average surprise of 6.5%. Over the past 12 quarters, 83.3% were positive surprises.
- **Debt:** "debt-to-capital has been higher than its industry average for each of the past five years" at 19.5% (vs. industry 7.9%). Current Ratio 1.4 (vs. industry 1.6%). Interest Coverage 54.0 (vs. industry 3.0).
- **Dividend:** Dividend Yield 0.66%.

## 5. Valuation

- **NVIDIA (NVDA):Trailing PE:** 50.5 (Industry Avg: 56.4, S&P 500 Avg: 29.7). Currently trading at an "11% Discount to its Semiconductors industry peers."
- **Forward PE:** 30.9 (Industry Avg: 31.2, S&P 500 Avg: 23.5). Currently trading at a "1% Discount to its Semiconductors industry peers."
- **Forward PEG:** 0.9 (Industry Avg: 1.4, S&P 500 Avg: 1.9). Currently trading at a "34% Discount to its Semiconductors industry peers."
- **Relative Valuation Highlights:** NVDA's Trailing P/E, Forward P/E, and Forward PEG are all "significantly below (less expensive than) their 5-year averages."
- **Apple (AAPL):Trailing PE:** 34.4 (Industry Avg: 34.9, S&P 500 Avg: 29.7). Represents a "12% Premium to its 5-year average of 30.7."
- **Forward PE:** 29.3 (Industry Avg: 29.4, S&P 500 Avg: 23.5). Represents a "5% Premium to its 5-year average of 27.9."
- **Forward PEG:** 2.6 (Industry Avg: 2.6, S&P 500 Avg: 1.9). Represents a "0.9% Premium to its 5-year average of 2.6."
- **Microsoft (MSFT):Trailing PE:** 36.7 (Industry Avg: 62.1, S&P 500 Avg: 29.7). Represents an "8% Premium to its 5-year average of 33.9."
- **Forward PE:** 32.4 (Industry Avg: 37.0, S&P 500 Avg: 23.5). Represents a "5% Premium to its 5-year average of 31.0."
- **Forward PEG:** 2.3 (Industry Avg: 1.6, S&P 500 Avg: 1.9). Represents an "8% Premium to its 5-year average of 2.1."

## 6. Risk Analysis

- **NVIDIA (NVDA):Market Correlation:** "high correlation ( $\geq 0.4$ ) with the S&P 500 index" in both short and long terms. "This stock would provide only low levels of diversification."
- **Market Sensitivity:** "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."
- **Volatility:** Daily price fluctuations "in-line with the S&P 500 index firms" over the last 90 days. Beta vs. S&P 500: 1.95 (1-Year).

- **Apple (AAPL):Market Correlation:** "high correlation ( $\geq 0.4$ ) with the S&P 500 index" in both short and long terms. "This stock would provide only low levels of diversification."
- **Market Sensitivity:** "On days when the market is up, AAPL 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."
- **Volatility:** "less volatile than the overall market" over the last 90 days. Beta vs. S&P 500: 1.29 (1-Year).
- **Microsoft (MSFT):Market Correlation:** "high correlation ( $\geq 0.4$ ) with the S&P 500 index" in both short and long terms. "This stock would provide only low levels of diversification."
- **Market Sensitivity:** "On days when the market is up, MSFT tends to perform in-line with the S&P 500 index. On days when the market is down, the shares generally decrease by less than the index."
- **Volatility:** "less volatile than the overall market" over the last 90 days. Beta vs. S&P 500: 0.97 (1-Year).

## 7. Price Performance & Momentum

- **NVIDIA (NVDA):Returns:** 1-Year Return: 64.0%. 5-Year Return: 1340%. 3-Month Return: 23.2%. 1-Month Return: -2.9%.
- **Price Momentum Rating:** At its "3-year high of 10."
- **Current Price:** \$177.33 (3.9% below 52-week high, 104.7% above 52-week low).
- **Moving Averages:** 2.1% above 50-day MA, 27.0% above 200-day MA.
- **Apple (AAPL):Returns:** 1-Year Return: 3.0%. 5-Year Return: 99.8%. 3-Month Return: 11.9%. 1-Month Return: -1.1%.
- **Price Momentum Rating:** "lowest value for the past year" at 4.
- **Current Price:** \$226.79 (12.8% below 52-week high, 34.0% above 52-week low).
- **Moving Averages:** 2.7% above 50-day MA, 2.6% above 200-day MA.

- **Microsoft (MSFT):Returns:** 1-Year Return: 20.8%. 5-Year Return: 143.6%. 3-Month Return: 6.3%. 1-Month Return: -4.2%.
- **Price Momentum Rating:** 9, "significantly above the S&P 500 index average rating of 6.7."
- **Current Price:** \$500.37 (9.9% below 52-week high, 45.1% above 52-week low).
- **Moving Averages:** 1.9% below 50-day MA, 12.1% above 200-day MA.

## 8. Insider Trading & Institutional Ownership

- **NVIDIA (NVDA):Insider Activity:** "most recent quarterly sell total of \$116,733,772 represents the highest level of Q3 selling at the company over the past five years." Significant sales by CEO Jen Hsun Huang.
- **Institutional Ownership:** 69.0%. Top holders include The Vanguard Group (9.1%), BlackRock (5.0%).
- **Apple (AAPL):Insider Activity:** "most recent quarterly sell total of \$28,658,347 represents the highest level of Q3 selling at the company over the past five years." Sales by Director Arthur D Levinson and Officer Deirdre O'Brien.
- **Institutional Ownership:** 63.6%. Top holders include The Vanguard Group (9.5%), BlackRock (4.9%).
- **Microsoft (MSFT):Insider Activity:** "Executives at Microsoft Corp have not purchased or sold any shares thus far this quarter." CEO Satya Nadella and Officer Takeshi Numoto had sales in the preceding month.
- **Institutional Ownership:** 74.5%. Top holders include The Vanguard Group (9.4%), BlackRock (5.0%).

**Disclaimer:** *The Verus Opinion ratings are derived from a quantitative system and are independent of LSEG. This briefing document summarizes information from the provided reports and should be considered one factor in investment decisions. Past performance is not indicative of future results.*

Calculate Future value of FTEC ETF with the following info:

Today: 9/12/2025

FTEC-\$213.68

AAPL-\$230.03

MSFT-\$501.01

NVDA-\$177.17

Analyst Forecast 12 Month:

AAPL-\$242

NVDA-\$212

MSFT-\$604

Based on a recent analyst forecast, the implied 12-month target price for the Fidelity MSCI Information Technology Index ETF (FTEC) is approximately \$238.06. This projection, derived from the weighted average of the analyst targets of the ETF's underlying holdings, suggests a potential gain of around 11.41% from the current price.

Calculation

To determine the future value, the calculation is performed as follows:

- Identify the current price and the future target price.
- Calculate the potential percentage increase.
- Perform the final calculation.

Here is the Python code used for the calculation:

The final calculated future value of the FTEC ETF is \$238.06, representing a potential 11.41% increase over the next 12 months.

It is important to remember that analyst forecasts are not a guarantee of future performance and are subject to change.