Mix
March 6, 2025
Nvidia, Broadcom, Macy's, Starbucks, Kroger, Marvell, MongoDB, ON Semi, Allegro: Stocks to watch today

U.S. stocks extended declines as markets reacted to ongoing tariff tensions and relief measures. As the day ended in New York, the S&P 500 and Nasdaq 100 slid 1.7% and 2.6%, respectively, while the Dow Jones Industrial Average dropped 0.9%, or 427 points.

Meanwhile, weekly initial jobless claims dropped by 21,000 to 221,000 for the week ending March 1, better than expected, down from the previous week's unrevised 242,000.

Continuing claims, however, climbed to their highest level since January, nearing a three-year peak. This suggests that unemployed people face greater difficulty finding new jobs, and overall hiring remains subdued.

Here are stocks to watch today:

Broadcom
Broadcom (AVGO) stock declined 6% as the semiconductor manufacturer prepares to report earnings after the closing bell.

Kroger
Kroger (KR) shares rebounded about 2% after yesterday's decline. The grocery chain had delivered a mixed fourth-quarter report and offered a cautious outlook for the current fiscal year. CEO Rodney McMullen resigned earlier this week, forfeiting over $11 million amid a probe into his personal conduct.

Macy's
Macy's (M) stock fell after the department store chain reported mixed earnings and issued a weak outlook for the current quarter. The stock rebounded in lagte morning to trade slightly higher.

Marvell
Marvell Technology's (MRVL) shares plunged about 19% after the semiconductor company's earnings guidance didn't impress investors.

MongoDB
MongoDB's (MDB) shares plunged 26% after the database software issued weaker-than-expected earnings guidance.

Nvidia
Nvidia (NVDA) shares dropped 5.7% as investors navigated the U.S. tariffs and trade tensions.

ON Semiconductor, Allegro
ON Semiconductor (ON) fell more than 5% after Allegro MicroSystems called “inadequate” ON’s unsolicited acquisition offer of $35.10 a share in cash. Meanwhile, Allegro (ALGM) gained 5%.

Starbucks
Starbucks shares dropped 5.5% after the company laid off workers yesterday. The CEO told corporate employees to work harder and take responsibility for the coffee giant’s financial health.

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3 Monster Stocks to Hold for the Next 10 Years

1. Amazon
Amazon (NASDAQ: AMZN) is a leader in two high-growth markets: e-commerce and cloud computing. The company has more than 200 million subscribers to its Prime subscription service, and this has led to billions of dollars in quarterly revenue as these customers shop for essentials and mass merchandise on the e-commerce platform. And thanks to Amazon's investment in AI and attention to efficiency across its fulfillment network, it's decreasing its cost to serve these customers -- a positive sign for profit moving forward.

Amazon Web Services (AWS), the cloud business, actually drives the company's overall profit -- and there's reason to be optimistic about growth ahead. This is because AWS has heavily invested in AI and is already reaping the rewards. Last year, the business reached a $115 billion annual revenue run rate, and we're in the early chapters of AI growth. After all, the AI infrastructure buildout is still underway, and companies are just starting to apply AI to supercharge their businesses.

So, there's reason to be optimistic about Amazon's earnings growth and share performance over the coming decade, making it a fantastic stock to add to your portfolio right now for a great price -- only 32x forward earnings estimates, down from 45x just a few months ago.

2. Eli Lilly
Eli Lilly (NYSE: LLY) sells a wide variety of medicines, in treatment areas from neuroscience to diabetes and immunology. But the ones that have attracted the most attention -- and importantly, demand -- in recent times are two of the company's products prescribed for weight loss. The compound is called tirzepatide, and it's approved for weight loss under the name Zepbound and for type 2 diabetes under the name Mounjaro. (Doctors have prescribed either for patients hoping to lose weight.)

Demand for these drugs has been so high that they were on the U.S. Food and Drug Administration's drug shortage list until just recently. Lilly has ramped up its production capabilities and has designed versions of the drug that are faster and cheaper to produce to tackle the supply problem and maximize profitability.

Zepbound and Mounjaro deliver blockbuster revenue, in the recent quarter bringing in $1.9 billion and $3.5 billion, respectively. And the efforts to increase supply as well as gain approvals for tirzepatide in new areas -- such as obesity with sleep apnea, an indication that won approval late last year -- should increase the revenue opportunity.

Analysts expect the weight loss drug market to increase more than 15-fold to beyond $100 billion by the end of the decade -- so Lilly's earnings and stock performance could continue to march higher.

3. American Express

American Express (NYSE: AXP) is celebrating its 175th anniversary this month -- it started out as a freight forwarding company then through the years transformed, eventually offering travel services and premium payment cards. So American Express clearly is a well-established company, but that doesn't mean it's no longer delivering growth.

In the recent full year, this player actually reported record revenue of more than $65 billion, earnings-per-share climbed 25%, and the company noted record levels of card member spending. Importantly, this company continues to draw new members from younger age groups -- a bright sign for growth ahead. In the third quarter of last year, American Express said Millennial and Gen-Z consumers represent its fastest-growing consumer group in the U.S. They made up 80% of new accounts on the recently launched U.S. Consumer Gold Card.

On top of this, American Express offers investors passive income, something that over a 10-year investment period, adds up nicely -- or offers you the opportunity to increase your position in American Express through dividend reinvestment. American Express just increased its quarterly dividend by 17% to 82 cents per share -- representing a 1.1% dividend yield.

So, this monster stock makes a top buy for growth and annual recurrent income that you can count on.

Don’t miss this second chance at a potentially lucrative opportunity

Ever feel like you missed the boat in buying the most successful stocks? Then you’ll want to hear this.

On rare occasions, our expert team of analysts issues a “Double Down” stock recommendation for companies that they think are about to pop. If you’re worried you’ve already missed your chance to invest, now is the best time to buy before it’s too late. And the numbers speak for themselves:

Nvidia: if you invested $1,000 when we doubled down in 2009, you’d have $300,764!*

Apple: if you invested $1,000 when we doubled down in 2008, you'd have $44,730!*

Netflix: if you invested $1,000 when we doubled down in 2004, you'd have $524,504!*

Right now, we're issuing "Double Down" alerts for three incredible companies, and there may not be another chance like this anytime soon.

March 5, 2025
The initial market shock of Trump slapping new tariffs on Mexico and Canada led to the full erasure of the post-election Trump bump on Tuesday.

Of course, it wasn't without some drama that saw the S&P 500 (^GSPC) in the green at times before closing down 1.2%. The shifts of Tuesday's stock charts staged their own dramatic reenactment, in miniature, of the uncertainty swirling around Trump's decisions.

But amid retaliatory tariffs and warnings from businesses about the squeeze of forceful levies, it seems clear that Wall Street is delivering its own resounding judgment on Trump's economic actions.

Investors accelerated the sell-off Tuesday, hurling the Nasdaq (^IXIC) toward correction territory while counter-tariffs from the targeted nations came volleying back.
Canada unveiled plans to impose 25% duties on billions of dollars of US imports, with Prime Minister Justin Trudeau framing Trump's move as a kind of declaration of economic warfare. Mexico implemented 25% tariffs on US goods. And China answered with duties up to 15% targeting US farmers.

After the market close on Tuesday, Trump's Commerce Secretary Howard Lutnick floated the possibility of relief for Canada and Mexico as soon as Wednesday. In response, US stock futures perked up slightly.

In a speech before Congress Tuesday night, however, the president did not sound like someone ready to make a deal.

For American business leaders delighted about Trump's second term, the tariffs might feel like a fleeting headache. Next to tax cuts and more lenient regulations, sure, the levies are an unsavory part of the equation. But they'll still be better off under Trump's broader economic plan when all is said and done.

The White House is acting as if this is all going according to plan. Perhaps the metaphor is a pawn sacrifice. The country must suffer through short-term pain for long-term advantage.

But the further splintering of global trade and the alienation of US allies can unleash some long-term challenges too. As Neil Shearing of Capital Economics wrote in a note Tuesday, the

Trump tariffs risk widening a fissure within the group of nations largely aligned with Washington, complicating collective action against an emboldened Beijing and further isolating the US on the global stage.

Back at home, it's hard to see what's happening in markets as anything other than the beginning of a domestic referendum on Trump's economic agenda. Sure, the stock market isn't the economy. And as this newsletter mentioned last week, Trump's economic advisers are eyeing other indicators to gauge their success. But if the numbers go down far enough and abstract displeasure becomes tangible consumer pain, there will be a response.

There's little doubt that Trump's actions this week will become a case study for the future. People will say, "Look what happened in '25," as if what transpired makes sense to the future observer, just like Smoot-Hawley.

But there's a huge amount of uncertainty and confusion in the moment. If day one of the tariffs depleted a reservoir of goodwill that investors extended to Trump 2.0, what will day 30 or 60 look like? Not even the president knows.

March 2, 2025
The dust has settled on the latest Nvidia (NVDA) earnings week frenzy.

And I think it's important to take stock of where things stand for the world's most important stock (sorry, Apple (AAPL)). Why? Because you should be thinking about whether the pullback in Nvidia is a buying opportunity or the start of a deeper sell-off as expectations are reset.

We know Nvidia's margins in the first half of the year will be below their usual robust levels as Blackwell AI chips ramp up. I would argue the Street knew this ahead of the results, so they got flustered over nothing.

On Nvidia's earnings call, execs sought to push back on the bears, who have put forth a narrative that there will be a digestion period for AI investments by hyperscalers such as Amazon (AMZN) and that Nvidia's margins may have peaked.

"Once our Blackwell fully rounds, we can improve our cost and our gross margin," Nvidia CFO Colette Kress said. "So, we expect to probably be in the mid-70s later this year."
We also know that, fundamentally, Nvidia's business is strong and likely to stay strong.

Fourth quarter revenue rose 12% sequentially and 78% from the prior year. Data center sales more than doubled from the prior year. Earnings handily beat analyst estimates.

"We're going to have to continue to scale as demand is quite high, and customers are anxious and impatient to get their Blackwell systems," Nvidia founder and CEO Jensen Huang said.

Listen: Nvidia could be unstoppable

Nowhere in the company's 2025 guidance or commentary from Huang did I sense that AMD (AMD) is taking Nvidia's market share; ditto custom chips from Amazon. I heard no hint that hyperscalers are sending AI chips back to Nvidia or have stopped fawning over Jensen to get more of these chips at any cost.

Put together, I would argue what we heard from Nvidia in terms of demand and margins was all well known going into the results. So, the sell-off could prove to be an overreaction, a function of investors aiming to model out mixed first quarter guidance for the next two years.

But there are a couple of things we don't yet know about Nvidia that warrant greater attention. These play into the long-term bull thesis.

For starters, there's Huang's point about DeepSeek's R1 requiring 100x more compute resources compared to pre-training models due to inference time scaling. Look, most of us have no clue what this even means. But the casual observer could read it as the market has it strong on DeepSeek, and there could be a lot of upside to Nvidia estimates as DeepSeek and other reasoning models gain hold.

And the second thing we don't know is the long-term impact of what Huang will show off at Nvidia's GTC event on March 17.

"We're going to provide a big, huge step-up [in performance]," Huang said. "And so, come to GTC, and I'll talk to you about Blackwell Ultra, Vera Rubin, and then show you the one click after that. Really exciting new products to come at GTC."

To me, these new chips could blow Blackwell's performance away and reinforce Nvidia's leading position in the space.

The last thing that is unclear is how nation-states' buildout of AI infrastructure will drive demand for Nvidia chips. A16z general partner Anjney Midha suggests the Street may be undervaluing the opportunity (see Opening Bid episode above).

I am not some crazy Nvidia bull. But I am a practitioner of commonsense when studying stocks, companies, and leaders. And when it comes to Nvidia, it's silly to think what we heard from the company is going to send the stock to end 2025 lower.

Fec 27, 2025
The stock market might be Trump's strongest check and balance: Morning Brief

During President Trump’s first term in office, the stock market held special influence over him in ways that Congress, the courts, and even public opinion did not.

He appeared to take market movements as a proxy for his economic policies, at least when things were going well.

In the second month of his second term, however, bad vibes are turning into an economic souring — from anxious consumers, skittish markets, and sticky inflation — much of which stems from the uncertainty around the president's tariffs and other policies.

So far, neither Congress nor the judiciary have presented much of a check on executive power.

But what about the influence of markets, whose prices can't be cajoled or controlled to fall in line?

Last week we wrote about the strange feeling of being near all-time highs without the joy that usually accompanies such run-ups. Since then, the stock market has become even more flighty. And yet another survey on consumer confidence showed people believe a darker future lies ahead. Perception isn't data though. Or rather, it can be less reliable than more fixed metrics.

But pointing to gaps between economic data and consumer feeling doesn't tell the whole story either. Trump is actively trying to reshape political alliances, global trade, government spending, and the role of the executive. The public registering unease over tariff threats and inflation seems less like an overreaction than earnest concern.

"[If] inflation is too sticky, [Trump] may not be able to follow through on the full implementation for fear of exacerbating the problem," said Paul Stanley, chief investment officer at Granite Bay Wealth Management.

At just over 3% off the S&P 500's record high, the Trump team doesn't see the president being moved by the fickle whims of daily stock trading. But a 10% correction might be a different story.

"If the market really tanks I think you would see Trump respond," said Scott Lincicome, vice president of general economics and trade at the Cato Institute. "The biggest tariff threats would fade into the background and you would see more focus on getting some sort of tax package across the line."
This week, Treasury Secretary Scott Bessent noted the administration had a special focus on the 10-year yield, another market and economic-based report card that will not move just because someone demands it.

And while the administration may push policies to curb rates and lower borrowing costs, the recent relief in the bond market stems from concern over tariffs and the economic consequences they might unleash.

It's probably a strange comfort to hear that the market and economic numbers that make it to Trump's desk could act as a fourth branch of government, as some kind of barrier that prompts him to rethink his agenda if conditions head south.

But numbers can't be reasoned with to tell anything but their truth.

Feb 25, 2025
Why stock market worries about tariff uncertainty might be a 'red herring': Morning Brief

The stock market is trading near record highs, but the vibes feel off.

Last week's sell-off brought out a laundry list of possible triggers, ranging from weak manufacturing data to rising inflation expectations to, of course, the impact of tariffs on consumers and across the economy.

But according to Neil Dutta, head of economics at Renaissance Macro, talk about the last item on that list simply covers up what the first two suggest: The US economy is slowing down.

In an email on Monday, Dutta flagged four concerning developments for the economy that are largely the inverse of what led him to be among the leading voices on Wall Street arguing in favor of a "no landing" scenario back in 2022.

The consumer is softening as income growth falls, housing is weak, government spending is slowing, and Wall Street expects the US economy to continue growing at around 2.5%, in line with each of the last three years.

"If 2023 was about being surprised to the upside, there is more risk in 2025 of being surprised to the downside," Dutta wrote.
"Much of what we see in the financial press — tariffs, uncertainty — is a red herring, an ex-post rationalization for an economic slowdown that was already in motion."

Late last month, Fed Chair Jay Powell said the US economy was in "quite a good place" when outlining the Fed's rationale for pausing rate cuts. This assessment also helps explain why Powell seemed content not to push back on market expectations paring back their bets for further cuts.

Asked about the impact of tariffs on the economy, Powell said "significant" shifts around tariffs, immigration policy, fiscal policy, and regulations each created "additional uncertainty" for the economic outlook.

Still, the Fed chair appeared largely unbothered.

In Dutta's view, however, the Fed's slowdown in rate cuts has created a "passive tightening of monetary policy [that] is the dominant risk and that has important implications for financial market investors."

In other words, by pausing rate cuts into a slowing economy, the Fed is de facto raising rates.

Going forward, Dutta expects long-term rates and stocks to fall as rate cuts and an economic slowdown are priced in and the job market further slows.

Whether it be tariffs, an overheated AI trade, or other pockets of froth in the stock market, the current market moment is not lacking for risks in the months ahead.

What's notable in Dutta's call is that he doesn't dredge up some obscure piece of alternative data the market hasn't yet priced in or outline an involved three-leg parlay of sentiment, valuations, and positioning.

Rather, it looks at the basics: how much people get paid, how much it costs to live, and what the government is doing to help. And none of the trends are great.