Macro Roundup Article

Headline: **Magnificent 7. Or is it Magnificent 2?**

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Tweet: Jesper Rangvid proposes designating Alphabet, Amazon, Apple, Meta, and Tesla as the "5 Not So Magnificent Anymore" stocks as they have underperformed the overall S&P; 500 index since 2021.

Summary: Figure 2 divides the Magnificent 7 into two groups and shows their weights in the index since 2021. One group consists of only two stocks: The Magnificent 2 Microsoft and Nvidia [Mag2]. The other group consists of the remaining five stocks: Alphabet, Amazon, Apple, Meta, and Tesla [5NSMA] an acronym for "5 Not So Magnificent Anymore" stocks. In 2021, the 5NSMA stocks accounted for 18% of the total value of all 500 stocks in the index. The Mag2 accounted for 6.3%. Since 2021, the 5NSMA have underperformed the index. Today, their weight in the index has fallen to 16.2%. On the other hand, the Mag2 have significantly outperformed the market. In 2021, Microsoft and Nvidia together accounted for the aforementioned 6.3% of the market. Today they account for 12.3%. The other 493 shares in the S&P 500 have risen from a total value of USD 23.9 trillion at the beginning of 2021 to USD 31.9 trillion today, an increase of 33.5%.

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