# Nvidia shines amidst market turbulence as technology stocks struggle



In the opening days of the new year, Nvidia (NVDA) has emerged as a notable leader among the "Magnificent Seven" technology stocks, demonstrating a rise after a general sell-off that occurred during the final days of December 2024. Notably, the AI chipmaker's shares climbed by 3.5% early on a recent Friday, building on a previous increase of around 3% the day before.

This positive momentum for Nvidia follows a period of decline, where the stock experienced a notable dip of approximately 4% between Christmas Eve and New Year’s Eve. This downturn mirrored a broader trend where major technology companies saw their stock values decrease, largely absent the traditional "Santa Claus" rally, a phenomenon wherein the stock market generally witnesses an uptick in activity during the holiday season from December 24 to January 2. During this same period, Tesla (TSLA) faced a steep decline of nearly 13%, while both Amazon (AMZN) and Microsoft (MSFT) experienced drops exceeding 4%. Additionally, Meta (META) and Google (GOOG) fell close to 4%, and Apple (AAPL) recorded a decrease of about 3%.

Despite the setbacks in December, Nvidia's stock performance over the year remains impressive, with shares escalating more than 150% throughout 2024. Analysts on Wall Street maintain a favourable outlook for Nvidia, projecting that shares will rise to approximately $173 within the next year, as reported by Yahoo Finance.

Vivek Arya from Bank of America highlighted the dynamics affecting Nvidia's stock in a conversation with Brian Sozzi on the Opening Bid podcast. Arya noted that recent market movements were influenced by broader economic factors as well as internal challenges specific to Nvidia. "What we have seen in the market is a rotation of money from semiconductors to software," he stated, elaborating that software companies were generally less vulnerable to US trade restrictions regarding goods exchanged with China. Arya also addressed the company-specific hurdles Nvidia has faced recently, particularly acknowledging the challenges surrounding delays in shipments of its new Blackwell artificial intelligence chips.

Arya characterised these challenges as short-term, suggesting they could present buying opportunities for investors. He mentioned that while Nvidia's peers in the Magnificent Seven are currently trading at twice their average earnings growth estimates for 2025, Nvidia is trading below one time the consensus earnings growth anticipated for the company this year. Holding a "Buy" rating on Nvidia, Arya believes that shares will climb to $190 over the forthcoming 12 months.

The overall financial landscape for Nvidia and its counterparts has been positively influenced by significant investments in artificial intelligence and a marked increase in earnings. As reported by Yahoo Finance's Josh Schafer, the combined earnings of the Magnificent Seven—comprising Apple, Alphabet, Microsoft, Amazon, Meta, Tesla, and Nvidia—showed a year-over-year growth of 33% in 2024. In contrast, the broader S&P 500 cohort of 493 companies recorded a mere 4.2% growth in earnings during the same period, according to data from FactSet.

Source: [Noah Wire Services](https://www.noahwire.com)

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