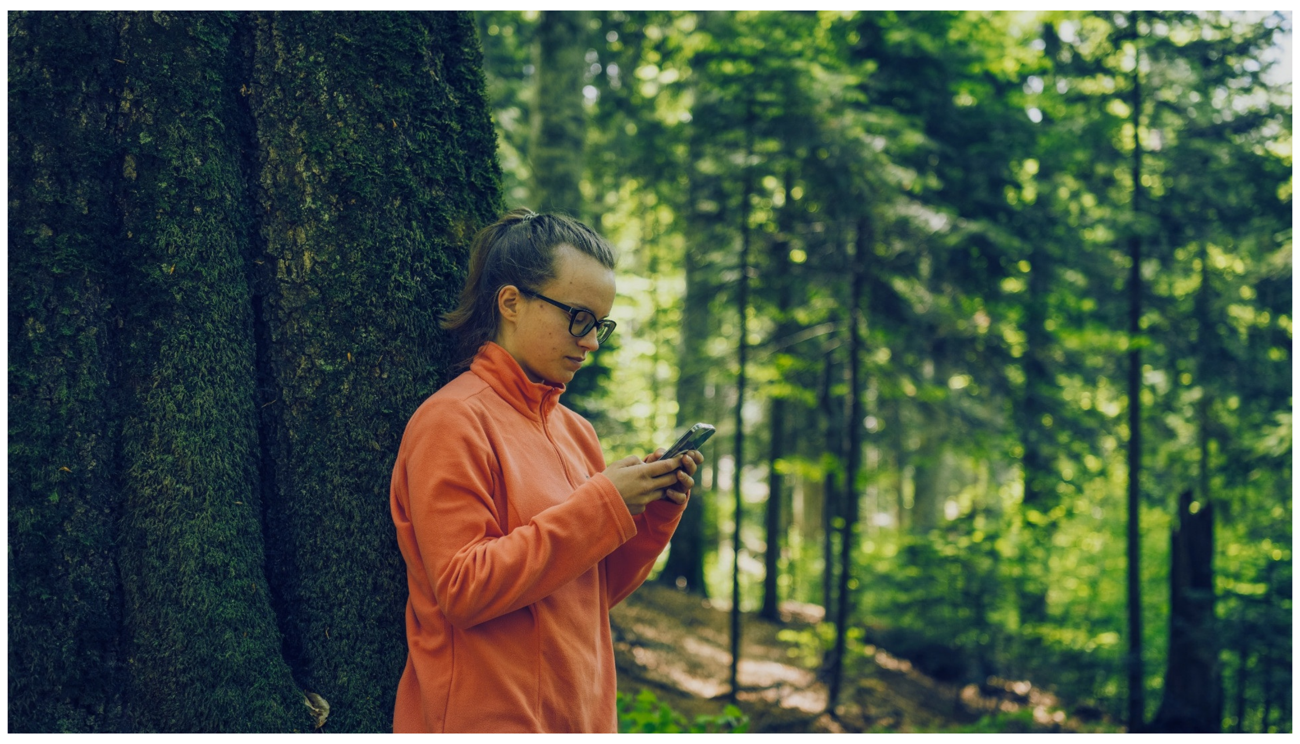

Trillion Dollar Titans

This week marked a major moment for US technology giants as they began reporting their third-quarter earnings. 2025 has been an exceptional year for markets, including the US, with gains since the April lows nothing short of remarkable.

Adding to the optimism, the US Federal Reserve announced a further 0,25% reduction in short-term interest rates. This is the second cut in 2025, with one more meeting scheduled in December.

Tech Titans Reach New Heights

The world's most valuable company, **Nvidia**, reports its results next week. Even ahead of the release, its share price has continued to set new records, buoyed by speculation that the Trump administration could potentially ease restrictions on sales of its high-end Blackwell chips to China. On Wednesday, Nvidia's market value surged past **$5 trillion**, becoming the first company in history to reach that milestone.

Meanwhile, **Apple** climbed to new highs as well, reaching a market capitalization of **$4 trillion -** only the third company ever to achieve this valuation.

Quarterly Highlights

Alphabet (Google) reported a standout quarter, with revenue up **16% year-over-year**, surpassing **$100 billion** for the first time at **$102.4 billion**. Its cloud division grew **34%** over the year, and capital expenditures are expected to total **$91–$93 billion** in 2025. The market welcomed the results, with shares jumping **6%** in after-hours trading.

Meta (Facebook) posted ,stronger than expected, revenue of **$50.1 billion**, up **26%** from a year earlier. However, a one-off tax charge weighed on earnings. Capital expenditure came in at **$19.4 billion** for the quarter, with full-year spending projected at **$70–72 billion**. The market reacted negatively, and Meta's price fell **7%** after hours.

Microsoft also delivered better than expected results, reporting cloud revenue of **$49.1 billion** and total revenue of **$77.7 billion**. The company spent **$35 billion** in capital expenditure during the quarter, with CEO Satya Nadella forecasting that its data center footprint will **double over the next two years**.

At this stage, it remains unclear which of the major technology players will ultimately emerge as the dominant force in artificial intelligence. What is clear, however, is that all are committing enormous sums to infrastructure, data centers, and energy expansion.

While the scale of spending is staggering, the long-term benefits and value accrual is likely to extend far beyond these companies themselves, to businesses and consumers engaging with AI-driven products and services.

Ian De Lange CA(SA)
Chief Investment Officer

If you have any questions, Ian and our team would love to hear from you on global@seedinvestments.co.za.