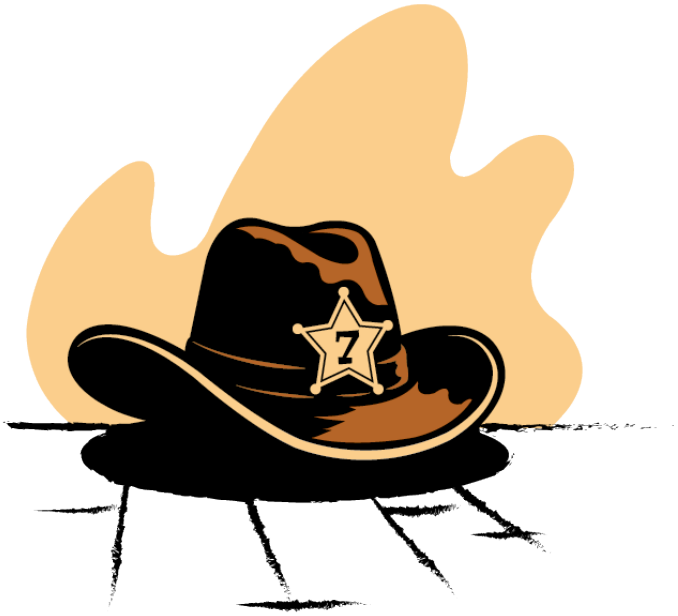
The Magnificent Seven

Don’t worry, this article is not a movie review. It’s the story of a different Magnificent Seven. One in which the protagonists aren’t cowboys but instead seven of the largest and most important companies in the world: NVIDIA, Microsoft, Apple, Alphabet, Amazon, Meta, and Tesla. In this story, you’ll hear about what makes these companies industry leaders, the challenges they’ve overcome, and the ending that’s yet to be written.

Defining Magnificent

Let’s begin with answering the question, what great deeds does a company have to perform to warrant the audacious title of magnificent?



For starters, you would expect it to be the kind of company that conveys durable superiority worthy of the history books. It would have to be so dominant that it becomes a household name. And the industries in which it operates would need to be among the largest and most profitable in the world.

But even that isn't enough.

Despite its tremendous size, this company would still be growing much faster than the average company. It would also need to be a financial powerhouse with a credit rating that bests most sovereign nations. Most importantly, it would need to be at the forefront of innovation such that its dominant position is not just maintained but strengthened.

All of the Magnificent Seven—except Tesla*—meet these criteria.

*Tesla has a BBB credit rating (the others are all AA- or better), has not grown so far in 2025, and is in the auto industry, which is not one of the most profitable industries in the world. (Source: FactSet Research Systems)

And the company needs to have staying power. In a typical innovation cycle, dominant companies are toppled by innovative upstarts that build a better mousetrap and become the next leaders. But the Magnificent Seven have seen that playbook and sidestepped it; they have remained at the forefront of innovation in their industries and continue to aggressively lead.

And these companies are spending big to stay ahead—not just on buildings and equipment but ontop engineering talent, an increasingly rare commodity.

Collectively, these companies are more valuable than China's stock market—the largest market in the world, other than the U.S. NVIDIA, the largest of the Magnificent Seven by market value as of September 3, 2025, has a market value larger than every country's gross domestic product, except the U.S., China, and Germany. It's understandable when regulators get nervous about companies that are this big and powerful.

It's no coincidence that all of these companies hail from the U.S. The U.S. offers a combination of economic durability, entrepreneurship, availability of capital, reliable markets, favorable regulatory policy, and global influence, among other factors, which allow big ideas to thrive and grow. It's in this fertile soil that industries that didn't exist only a few decades ago have grown to become the largest in the world.

Here Comes the Law

As a Yale Law School student, Lina Khan (2016) famously wrote an article, "Amazon's Antitrust Paradox," portraying Amazon's business practices as anticompetitive, even though it hadn't risen to the traditional standard of antitrust behavior.

Less than five years later, she became the chair of the Federal Trade Commission (FTC) under President Biden—an appointment that likely sent a shiver down the spine of the Magnificent Seven.

Changes to the antitrust guidelines under Khan's tenure were designed to enhance the agency's ability to scrutinize mergers that could harm competition, particularly in concentrated markets.

The push to regulate these tech giants has proven bipartisan. The Trump administration's decision to appoint a chair that had served in Khan's FTC (Andrew Ferguson) indicates the legal challenges may not be over anytime soon.

But a magnificent doesn't crumble in the presence of adversity.

For more than a decade, the alphabet soup of regulatory agencies inside and outside the U.S. has been trying to fell these giants without landing a significant blow to any of them. However, a few consequential cases are still winding their way through the courts as of this writing, including the potential breakup of the Google digital advertising platform within Alphabet.

Other Challenges

Not all adversity has been of the legal variety.

In early 2025, Chinese hedge fund High-Flyer released DeepSeek, an AI model that shocked the

U.S. technology industry. DeepSeek was created despite a semiconductor export ban that prevented access to the same leading-edge chips that its American competitors used. It was, in many ways, superior and was built at a fraction of the cost. Magnificent Seven shares temporarily sank as investors worried that the Chinese were leapfrogging us and all of that spending was wasted.

There have also been a number of self-inflicted challenges.

In 2021, Meta embarked on a high-profile spending binge on the metaverse—prompting a name change from Facebook. Its stock plunged 75 percent before the company pivoted and declared 2023 a “year of efficiency.”

Apple struggled with underinvestment, failing to deliver on promised artificial intelligence (AI) features for iPhones. The result: a 33 percent decline in shares earlier this year (Source: Gurman and Bennett, 2025).

Tesla may have sabotaged its own business after CEO Elon Musk campaigned and served for the Trump administration. This drew the ire of much of its customer base, many of whom belong to the opposing political party.

These drawdowns were short-lived, and many of the recovery rallies resulted in new all-time highs. Investment continued, benefiting NVIDIA, the primary vendor of the AI-oriented semiconductors.

Meanwhile, Microsoft impressed investors with strong AI revenue. Tesla redirected investor attention to the future of robotaxis and Optimus humanoid robots. Apple visited with the president, which eased tariff concerns. Meta reported accelerating revenue growth in its June quarterly earnings.

Growing Pains or Fatal Flaws?

The next chapter in the Magnificent Seven’s story will almost certainly hinge on the success—or failure—of AI. Despite enthusiasm around the game-changing possibilities AI promises, skepticism abounds.

Skepticism around new technologies is nothing new. Maybe you’ve heard these:

“There is no need for any individual to have a computer in their home.” (Ken Olsen, president of Digital Equipment Corporation, 1977)

“By 2005 or so, it will become clear that the Internet’s impact on the economy has been no greater than the fax machine’s.” (Paul Krugman, Nobel Prize-winning economist, 1988)

Tell the world you’re creating the next big thing, and someone with some extra time on their hands will find an amusing flaw. The early stages of consumer-facing AI have provided plenty of fodder for pranksters looking to make this new technology look foolish.

Known as hallucinations, these responses are based on errors or biases in the data that trained the

AI system. From made up legal cases to including glue in a recipe for pizza, these mostly harmless mistakes make it clear that AI always needs to be fact checked and still has a long way to go.

AI Self Reflection

The most credible longer-term argument against AI goes something like this: So the industry is squeezing power supplies and hurting the planet to put people out of work? That isn't as easily brushed aside. Power outages, climate change, and labor displacement are the kinds of problems that could lead to a severe backlash.

Ask Microsoft Copilot what the primary negatives about itself are, and it responds with a laundry list:

- AI systems can reflect biases from historical data filled with human prejudices.
- Complex models often lack transparency, raising accountability concerns, particularly when AI systems are used in sectors that impact human lives, such as health care and criminal justice.
- Widespread AI surveillance blurs the line between safety and privacy.
- Autonomous AI weapons pose ethical and security risks.
- Superintelligent AI could threaten humanity if it acts counter to human values.

As the leaders of this technological revolution, the Magnificent Seven are the targets of this skepticism and will have to champion the merits. It will take more than generating pictures of cats in space or helping kids cheat on their homework to sell the public on the benefits of AI.

A Bright Future?

Back to the movie from 1960…

Despite well-laid plans, some of the villagers lose faith and betray the cowboys, allowing the bandits to take over and run the Magnificent Seven out of town. But the heroes don't give up. They ultimately return to save the day, resulting in a happy Hollywood ending.

Is something similar happening with our Magnificent Seven companies today? The regulators, naysayers, and even some in the court of public opinion seem eager to run them out of town.

Of course, it's not as black and white as it is in the movies. But if the bandits of soaring government debts, demographic headwinds, and inflation continue to terrorize the economy, we may need the pro-growth and deflationary forces of the Magnificent Seven to save the day.

And if they succeed in leading us into the next decade, we may need to find a more impressive superlative to describe them—because magnificent might not be enough.

MORE MAGNIFICENTS?

A handful of companies have quietly grown in size and importance such that they might eventually be worthy of inclusion in the "Magnificent" club.

Broadcom: The trillion-dollar company you've probably never heard of. Most of Broadcom's software and semiconductor products perform the technology equivalent of "plumbing": networking, storage, and interconnectivity. Its technology has found use in AI data centers, accelerating growth. The company is working with many of the big buyers of AI computing capacity, known as hyperscalers.

Oracle: Once just a boring database software provider, Oracle has become a leading vendor of cloud computing (internet-based data storage, software, and processing). Now it is leveraging this position to capture AI data center contracts. And the level of demand for Oracle's services could certainly qualify as magnificent: nearly a half a trillion dollars signed in its quarter ending August 2025*

Palantir: A software data-mining company founded by prominent technology entrepreneurs Peter Thiel, Stephen Cohen, Joe Lonsdale, and Alex Karp. The company uses AI to harness the data of critical government and commercial enterprises so customers can make well-informed real-time decisions.

Source: Oracle CEO, Safra Catz 9.9.2025

Legal Notice