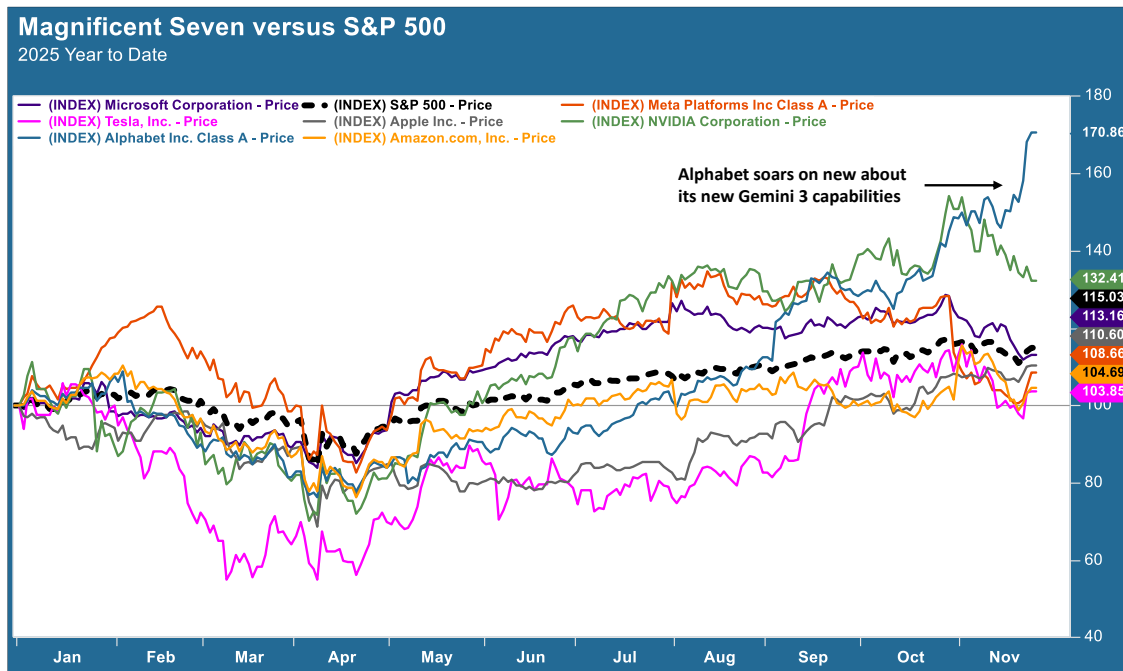


## Weekly Market Flash

### The Incredible Shape-Shifting AI Story

November 26, 2025

And then there were two. Oh how ye have fallen, mighty Magnificent Seven of yore. Today, just two of these august mega-cap companies, so crucial to the long-running saga of AI dominance over the US stock market, are outpacing the S&P 500 in price gains for the year. The fortunate two are Nvidia and, now in the group's pole position, Alphabet. And herein lies a lesson about how the AI story, through all its strange twists and turns over the past three years, keeps coming out ahead.



Source: MVF Research, FactSet

### The Deep Seek Effect, Reborn

Earlier this year, the AI world was shaken by the sudden appearance of Deep Seek, an offering from China that appeared to do just about everything its US competitors could, only at a much cheaper price. What if, the pundits asked, all those hundreds of billions of dollars being poured into AI infrastructure projects here at home turned out to be wildly overdone? For a couple weeks, the Mag Seven and others in their orbit took a big hit. Then, as tends to be the case, investors did a rethink and decided that there was plenty of room for both the Deep Seeks of the world and the cascade of dollars building out data centers and large language models and all the rest of it on our shores.

This week, the financial chattering class has been all abuzz about what is being called "another Deep Seek moment." Deep Seek is apparently the AI equivalent of Watergate – the iconic event whose name one attaches to every subsequent development of major note in the space, be that leaps forward in AI technology or political scandals. In any case, this week's Deep Seek moment is called Gemini 3, the newest addition to the world's stable of AI large language modules (LLMs), this one courtesy of Alphabet, the parent company of Google. Gemini 3, according to experts familiar with the milestones by which LLMs are

evaluated, has demonstrated superior capabilities to OpenAI's ChatGPT, up to now the US poster child for the wonders of generative AI.

### TPUs Ratchet Up the Tensors

Gemini 3 is powered by internally developed (at Alphabet) chips called Tensor Processing Units (TPUs), which are different from the Graphic Processing Units (GPUs) dominated in the AI space by Nvidia. Hence, in the chart above, the stark contrast between the recent share price trends of Alphabet (way up) and Nvidia (way down). TPUs appear to be a cheaper alternative to Nvidia's GPUs (here again the "cheaper alternative" refrain from Deep Seek), and Alphabet has been approaching other LLM developers, such as Anthropic, in what could be a direct threat to a portion of Nvidia's revenues (Alphabet itself is also a customer of Nvidia, illustrating the tangled web of customers, partners, investors, friends and enemies in this industry).

### Time For Another Rethink?

The story, of course, is never that simple and is likely to evolve and shape-shift yet again. Alphabet's TPUs were developed largely with that company's products in mind, and there are probably serious limits to how fungible they will turn out to be in adapting to the products of other AI service providers. Nvidia's chips have an edge here in that its software platform is designed for a broader spectrum of applications. Recent comments from spokespersons at Nvidia suggest a lack of undue concern over there, whether due to confidence in their chips being one or two generations ahead of the pack or simply a show of bravado. One way or another, though, there are likely to be many more chapters to the AI story, and plenty of "Deep Seek moments" in store for the months ahead.

Meanwhile, it is time to take a short break from all things global markets and enjoy the company of our friends and loved ones as we gather for Thanksgiving. May yours be full of good cheer and good health.

**Masood Vojdani**  
*President & CEO*

**Arian Vojdani**  
*Principal & Investment Adviser*

**Katrina Lamb, CFA**  
*Head of Investment Strategy & Research*

Investment Advisory Services offered through MV Capital Management, Inc., a Registered Investment Advisor. MV Financial Group, Inc. and MV Capital Management, Inc. are independently owned and operated.

Supplemental disclosure note: MV Financial maintains active equity positions in Alphabet and Nvidia, mentioned extensively in this article.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MV Capital Management, Inc.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from MV Capital Management, Inc. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. MV Capital Management, Inc. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the MV Capital Management, Inc.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.