



CIO notes that the wider rally in large-cap tech and AI stocks over the past six weeks has been fueled mainly by price-to-earnings (P/E) multiple expansion. (UBS)

AI generates the first USD 4tr company

10 July 2025, 14:13 UTC, written by UBS Editorial Team

On Wednesday, leading AI chipmaker NVIDIA briefly surpassed the USD 4tr market cap milestone during trading, the first company in history to do so, extending its rapid rebound from April's peak-tariff sell-off lows.

NVIDIA has been a top beneficiary of the AI boom, with demand for its chips and platforms boosted by spending on leading edge model training and inference.

Although export curbs to China have impacted the company, sovereign AI deals in Europe and the Middle East, along with strong demand from US large-cap tech firms, have been key growth drivers. The company first reached a USD 1tr valuation just over two years ago. Microsoft, a major AI chip customer, now ranks as the world's second-largest company with a market cap near USD 3.75tr.

Chief Investment Office view: Without taking any single name views, we note that the wider rally in large-cap tech and AI stocks over the past six weeks has been fueled mainly by price-to-earnings (P/E) multiple expansion. Global tech's forward P/E now stands close to 27x. We remain structurally bullish on AI, but we would prefer to see a rally underpinned by more sustainable drivers like upward earnings-per-share (EPS) revisions.

For semiconductors, we are closely monitoring tariff-related risks (including two-way risk on chip sector carveouts), while for large-cap tech, we anticipate more near-term margin pressure from heavy AI investment.

Still, these strong AI capex trends and supportive currency dynamics underpin the longer term opportunity, and we forecast 12% global tech profit growth in 2025. Second-quarter results from key contract chipmakers and semiconductor

equipment manufacturers over the coming week should offer a cleaner read on broader semiconductor demand. Given current valuations, we recommend investors seek a balanced approach across semis, software, and internet, and suggest investors use any periods of volatility to implement structured strategies, such as capital preservation or put-writing strategies, to build exposure and enhance portfolio resilience.

Disclaimer

Hong Kong / Singapore: For Global Wealth Management clients of UBS AG Singapore / Hong Kong branch, please refer to the [HK/SG Marketing Material Disclaimer](#).

This document is prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland), its subsidiaries or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. In the USA, UBS Financial Services Inc. is a subsidiary of UBS AG and a member of FINRA/SIPC. Additional Disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

This document and the information contained herein are provided solely for your information and UBS marketing purposes. Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS Group. UBS is under no obligation to update or keep current the information contained herein. **The views and opinions expressed in this material by third parties are not those of UBS.** Accordingly, UBS does not accept any liability over the content shared by third parties or any claims, losses or damages arising from the use or reliance of all or any part thereof.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only and may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties.

Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

Additional Disclaimer relevant to Credit Suisse Wealth Management: Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Please visit <https://www.ubs.com/global/en/wealth-management/insights/chief-investment-office/marketing-material-disclaimer.html> to read the full legal disclaimer applicable to this document.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.