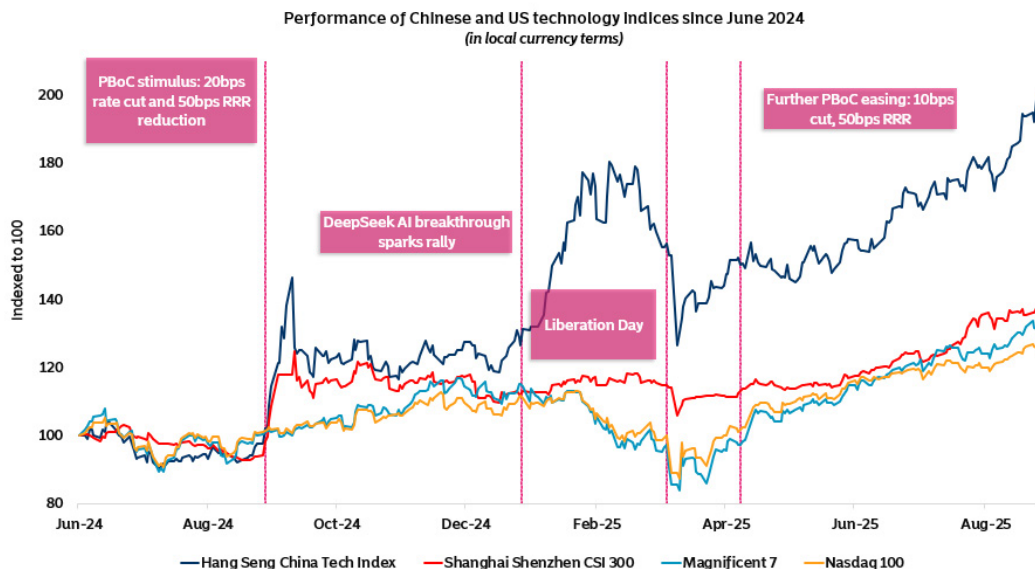


# Global Matters Weekly

29 Sep 2025

## Beyond the Magnificent 7

Gabby Byron



Source: Momentum Global Investment Management, Bloomberg Finance L.P. Data to 25 September 2025.

### What this chart shows

This week's chart compares the performance of Chinese and US technology indices since June 2024 in local currency terms. The Hang Seng Tech index has surged way ahead of both the Nasdaq and the Magnificent 7 over this period, driven by a combination of breakthroughs in artificial intelligence – notably DeepSeek's success in January – and policy support from the PBoC in the form of interest rate and reserve requirement ratio (RRR) cuts. The broader Chinese equity market (CSI 300) has also kept up, even managing to outperform the Magnificent 7 despite persistent concerns around China's economic outlook.

### What this is important

For a number of years, Chinese equities traded at a steep discount, reflecting geopolitical risks, slowing domestic growth, and the impact of government intervention. The speed and scale of the current rally shows how quickly sentiment can shift when a compelling growth narrative emerges. Whether China's AI chip ambitions deliver lasting competitiveness remains to be seen, but the recent performance demonstrates that investor appetite for transformative AI themes is not limited to the US. Importantly, concentration and valuation risks now extend beyond US technology. While much of the debate has focused on the stretched valuations of the Magnificent 7, China makes up a substantial portion of emerging market equity indices, and its rally has largely been fuelled by the same AI-led enthusiasm. At MGIM, we remain cautious on both fronts: US mega-cap tech valuations remain expensive and relying on passive EM exposure as a diversifier can still leave investors tied to a similar, narrow and expensive growth theme. True diversification means looking further afield into areas less dependent on a single sector narrative, to build more resilient portfolios.



# Global Matters Weekly

29 Sep 2025

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited  
研富投資服務有限公司  
9th Floor, Centre Mark II  
305-313 Queen's Road Central  
Sheung Wan, Hong Kong

Tel +852 2827 1199  
Fax +852 2827 0270  
belvest@bis.hk  
[www.bis.hk](http://www.bis.hk)

## Important notes

This communication is issued by Belvest Investment Services Limited and/or Belvest related companies (collectively, and individually Belvest) solely to its clients, qualified prospective clients or institutional and professional investors. Unless stated otherwise, any opinions or views expressed in this communication do not represent those of Belvest. Opinions or views of any Belvest company expressed in this communication may differ from those of other departments or companies within Belvest, including any opinions or views expressed in any research issued by Belvest. Belvest may deal as Distributor or Agent, or have interests, in any financial product referred to in this email. Belvest has policies designed to negate conflicts of interest. Unless otherwise stated, this e-mail is solely for information purposes.

This message may contain confidential information. Any use, dissemination, distribution or reproduction of this information outside the original recipients of this message is strictly prohibited. If you receive this message by mistake, please notify the sender by reply email immediately.

Unless specifically stated, neither the information nor any opinion contained herein constitutes as an advertisement, an invitation, a solicitation, a recommendation or advise to buy or sell any products, services, securities, futures, options, other financial instruments or provide any investment advice or service by Belvest.

No representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any figures, forecasts, prospects or return (if any) contained in the message. Such figures, forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. The assumptions and parameters used by Belvest are not the only ones that might reasonably have been selected and therefor Belvest does not guarantee the sequence, accuracy, completeness or timeliness of the information provided herein. None of Belvest, its group members or any of their employees or directors shall be held liable, in any way, for any claims, mistakes, errors or otherwise arising out of or in connection with the content of this e-mail.

This e-mail and any accompanying attachments are not encrypted and cannot be guaranteed to be secure, complete or error-free as electronic communications may be intercepted, corrupted, lost, destroyed, delayed or incomplete, and/or may contain viruses. Belvest therefore does not accept any liability for any interception, corruption, loss, destruction, incompleteness, viruses, errors, omissions or delays in relation to this electronic communication. If verification is required please request a hard-copy version. Electronic communication carried within the Belvest system may be monitored.