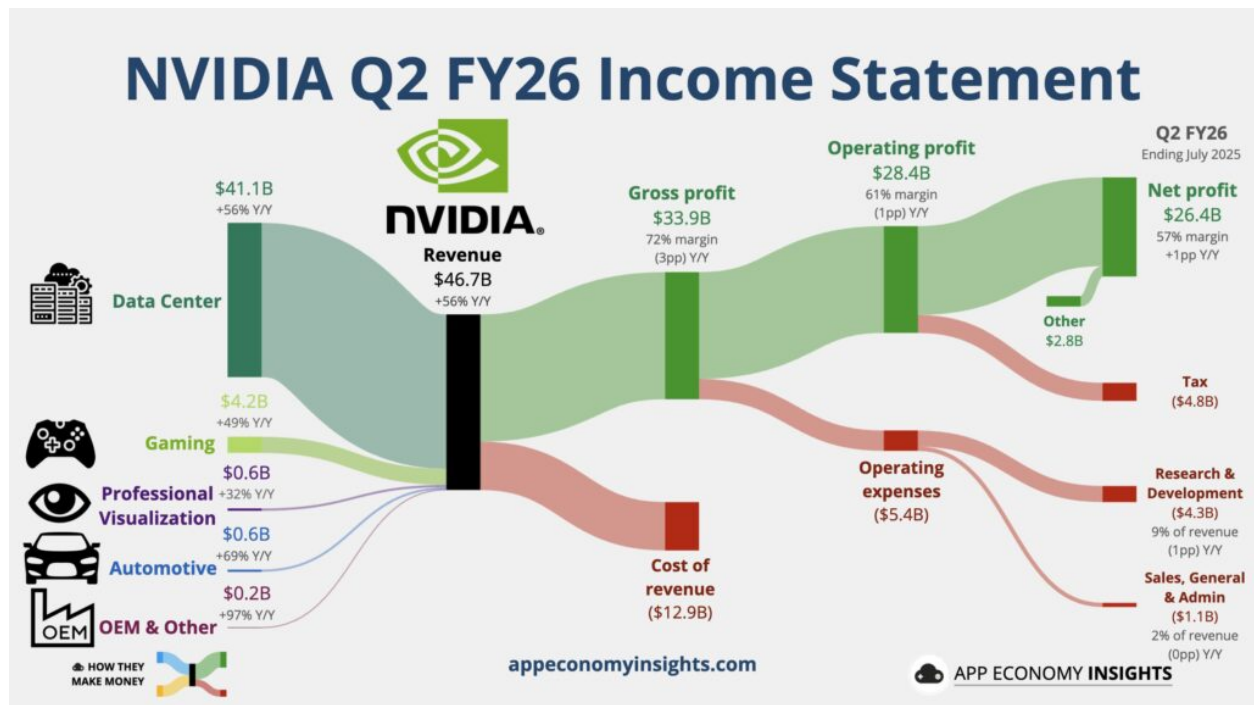


The Nvidia Earnings Train Keeps On Rolling

Once again, Nvidia continues to see its earnings and revenues grow at astonishing rates. Consider the following:

- EPS was \$1.08, handily beating estimates of \$1.01. At \$46.7 billion in revenue, it beat estimates by over half a billion dollars. More impressive was the fact that revenues did not include any sales of its H2O chips to China.
- Nvidia raised its revenue guidance by \$1.2 billion for the current quarter, despite assuming no sales of H2O chips to China.
- Its gross profit margin rose from 61% to 72%. This figure is abnormally high and speaks to Nvidia's moat in the AI/data center chip market.
- Data center revenue was \$41.1 billion. While that is up 56% over the year, it was slightly shy of estimates due to the lack of sales to China.
- Data center-related revenue accounts for 88% of Nvidia's total revenue.
- Nvidia approved \$60 billion more in share buybacks. For context, it purchased just under \$10 billion in the last quarter.
- CFO Colette Kress said they expect \$3 to \$4 trillion of AI-related infrastructure spending by the end of the decade.

As we noted, data center revenue is driving Nvidia's fantastic earnings and revenue growth. Helping maintain this growth is its Blackwell GPU architecture. In the last quarter, the new Blackwell products saw a 17% jump in revenue. As production ramps up for this new product, revenue growth is likely to follow. Despite the seemingly great news, Nvidia shares opened lower. Some analysts were underwhelmed as they only marginally beat expectations. Given that the stock is up 35% year to date and has seen multiples of that over the last few years, some investors may be taking advantage of the results and locking in gains.



What To Watch Today

Earnings

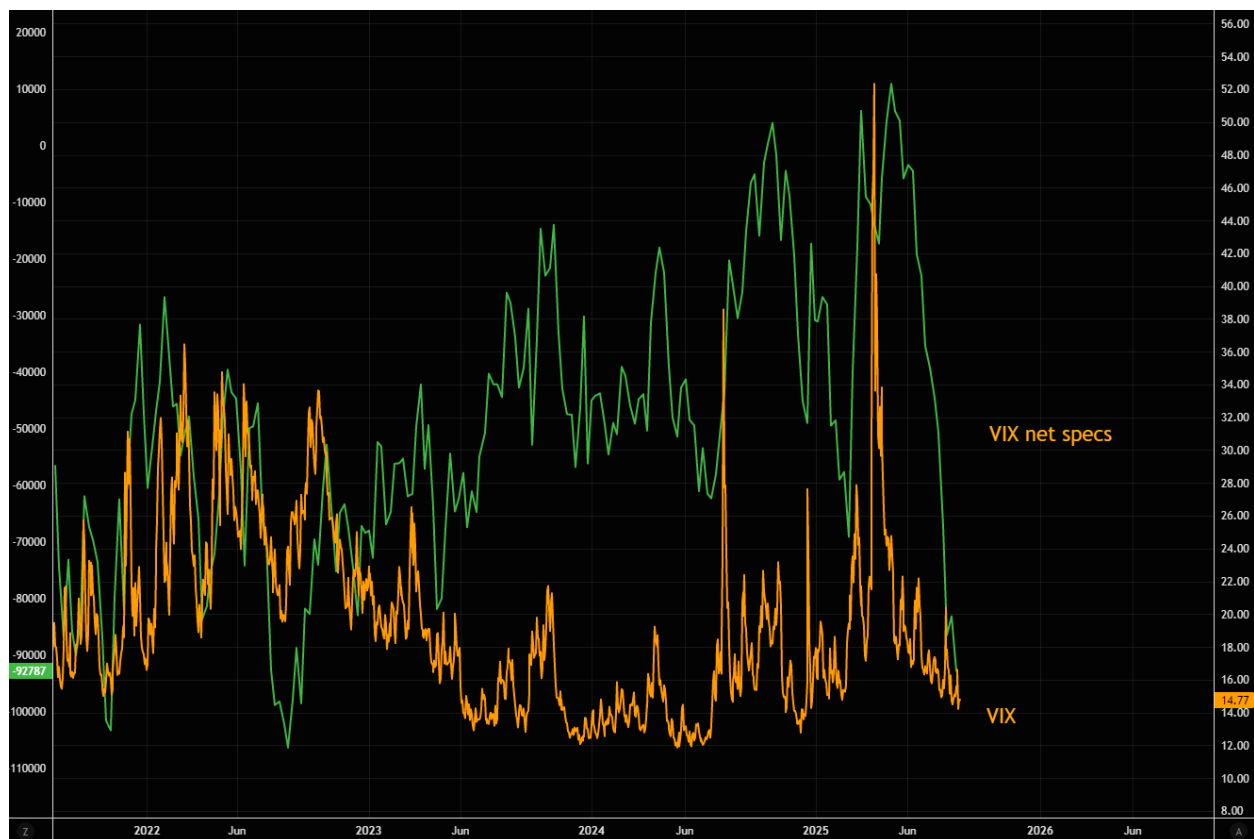
- No earnings reports today

Economy

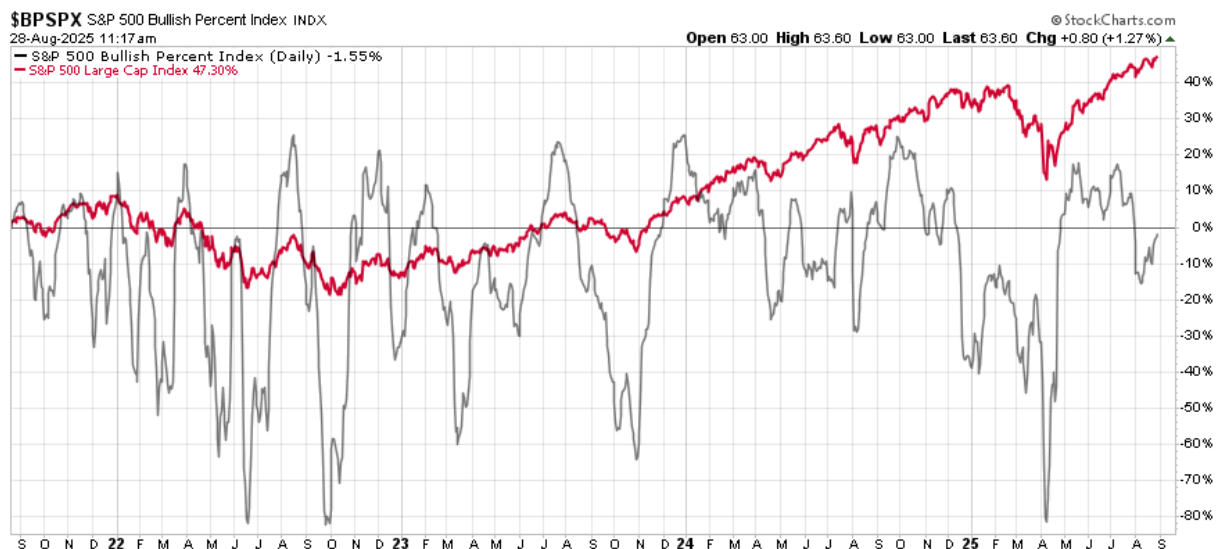
Friday August 29 2025			Actual	Previous	Consensus	Forecast		
07:30 AM	US	Core PCE Price Index MoM JUL		0.3%	0.3%	0.2%		
07:30 AM	US	Personal Income MoM JUL		0.3%	0.4%	0.3%		
07:30 AM	US	Personal Spending MoM JUL		0.3%	0.5%	0.3%		
07:30 AM	US	Goods Trade Balance Adv JUL		\$-84.85B	\$-86.7B	\$-87.0B		
07:30 AM	US	PCE Price Index MoM JUL		0.3%	0.2%	0.2%		
07:30 AM	US	PCE Price Index YoY JUL		2.6%	2.6%	2.6%		
07:30 AM	US	Retail Inventories Ex Autos MoM Adv JUL		-0.1%		0.1%		
07:30 AM	US	Wholesale Inventories MoM Adv JUL		0.1%	0.2%	0.1%		
07:30 AM	US	Core PCE Price Index YoY JUL		2.8%	2.9%	2.8%		
08:45 AM	US	Chicago PMI AUG		47.1	45.5	46		
09:00 AM	US	Michigan Consumer Sentiment Final AUG		61.7	58.6	58.6		
09:00 AM	US	Michigan 5 Year Inflation Expectations Final AUG		3.4%	3.9%	3.9%		
09:00 AM	US	Michigan Consumer Expectations Final AUG		57.7	57.2	57.2		
09:00 AM	US	Michigan Current Conditions Final AUG		68.0	60.9	60.9		
09:00 AM	US	Michigan Inflation Expectations Final AUG		4.5%	4.9%	4.9%		

Market Trading Update

As noted yesterday, Nvidia's earnings had the potential to be a significant market mover. However, while Nvidia crushed expectations on earnings and revenue, it essentially turned out to be a snoozer for the market overall. Outside of that, the market remains near all-time highs and is currently not making big moves in either direction. Such is compressing volatility and risk expectations by investors. As shown, VIX speculative positioning has crowded into extremely short territory just as seasonality turns bullish for volatility. The last two times this happened, the market corrected hard.



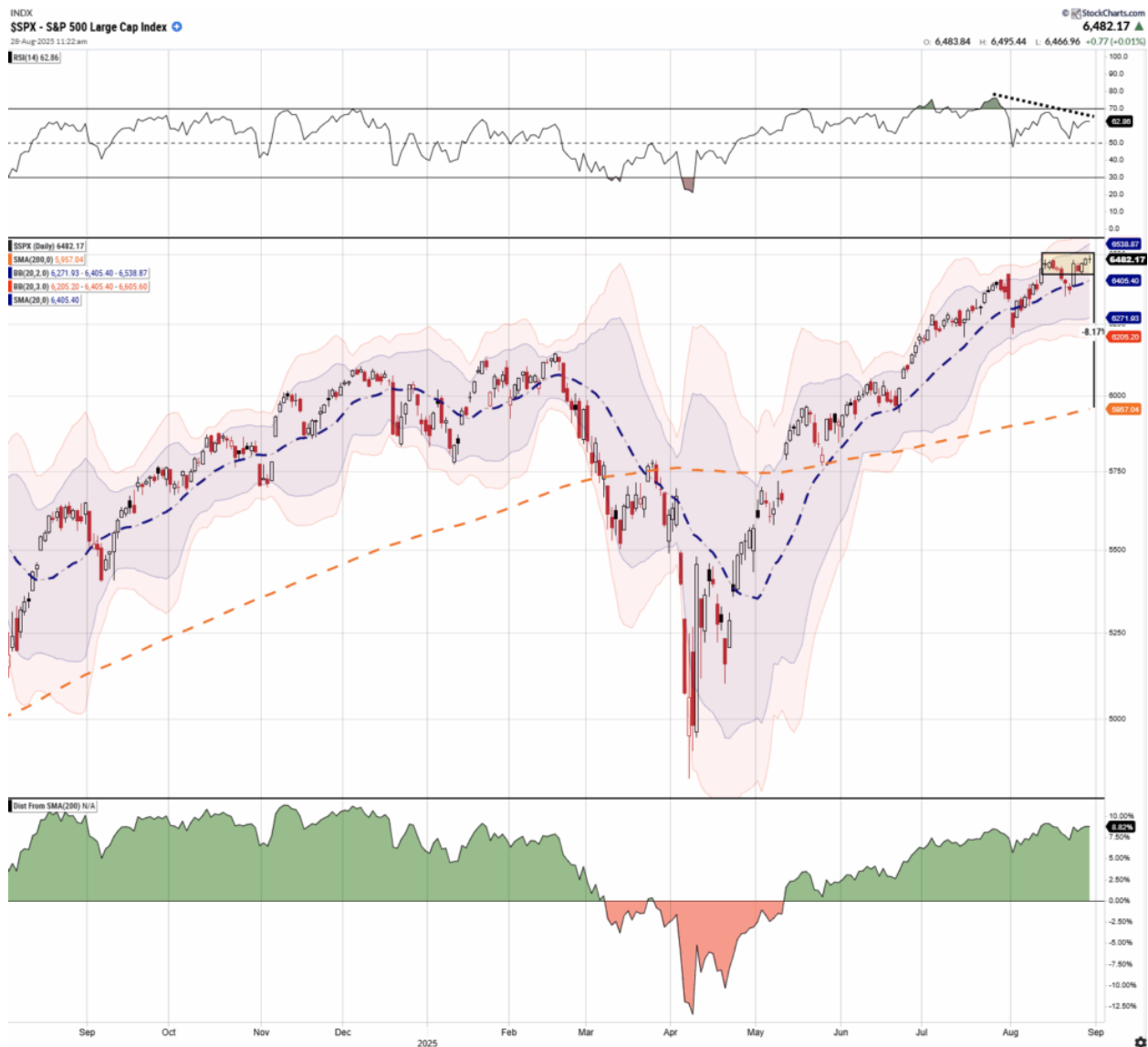
Furthermore, there is a negative divergence in the number of stocks on bullish buy signals. While the negative divergence can last for some time, it generally leads to a correction at some point. It may seem like the current market will not go down, but such is always the case before it does. The question for investors is always twofold: when and how much?



There is a good level of support at the 20-DMA, which has been repeated support for the rally since the April lows. However, that complacency at the 20-DMA has also driven trader to bring their stops up to that level. Therefore, any break of the 20-DMA, around 6400, will likely trigger a decent amount of automated selling, driving markets lower. The 200-DMA is about 8% lower currently. While you may not think a test of the 200-DMA is possible, that is also what investors thought from September last year, as the market continued to push higher.

With a negative divergence in relative strength and the market well deviated above the 200-DMA, the risk of a more substantial pullback has risen as volatility has compressed. Does this mean it will

happen next week? No. However, investors should know that such risks are growing and plan accordingly.



Heading into today, investors brace for a critical inflation report and digest mixed earnings. The S&P 500 sits near record highs, but market tone is cautious. Today focuses on July's **core PCE index**, the Federal Reserve's preferred inflation gauge, which will be released at 7:30 AM ET. Markets currently price a 90 percent probability of a rate cut in September, but a hotter-than-expected reading could unsettle that expectation and push bond yields higher. A cooler reading may reinforce optimism and support risk assets.

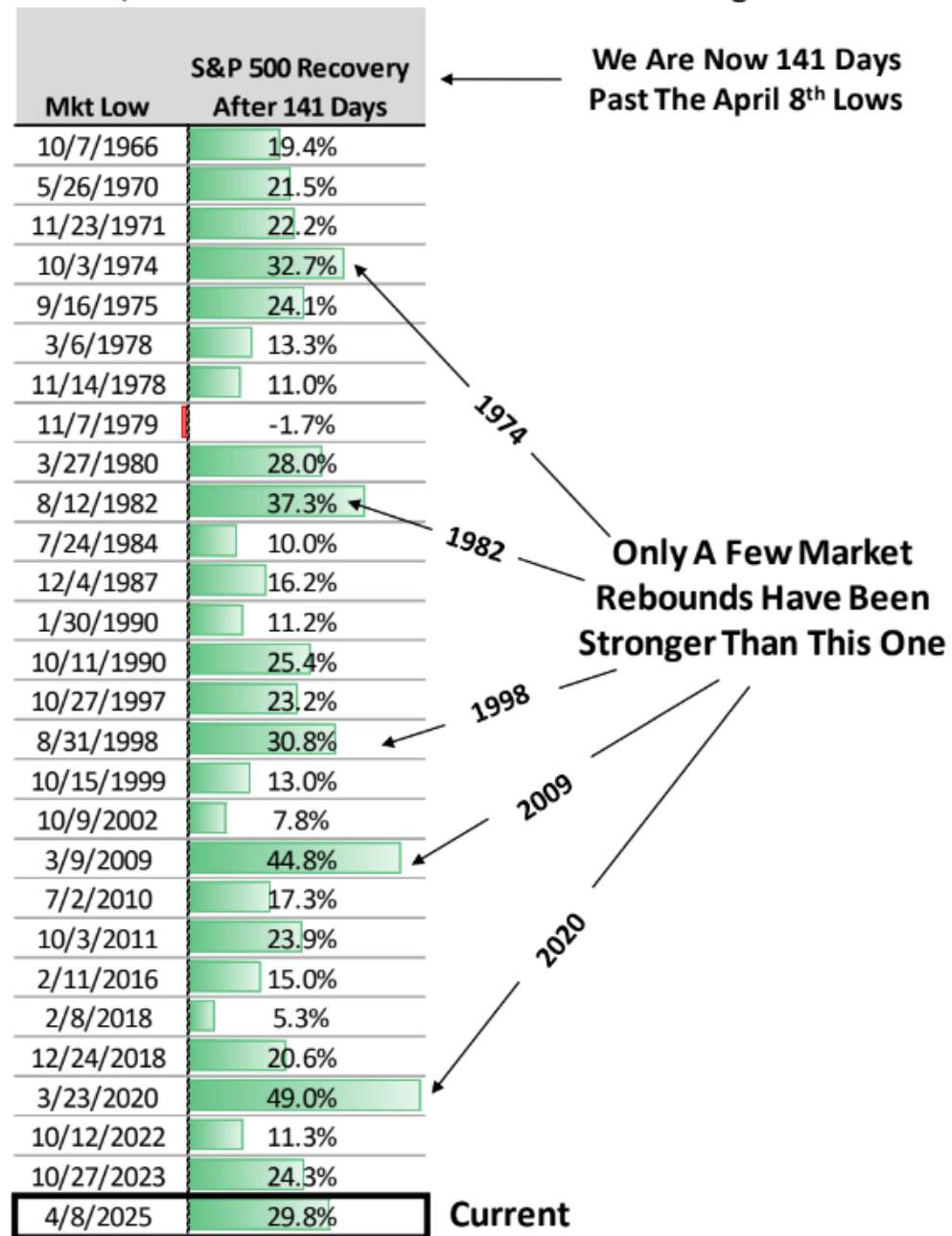
1. **Trade light into the PCE release** ? Keep position sizes smaller than usual before 7:30 AM ET to avoid whipsaw volatility. Enter positions only once the market digests the data.
2. **Watch bond yields for equity signals** ? A spike in Treasury yields will likely pressure growth and tech stocks. If yields stabilize or fall, risk assets should find support.
3. **Use sector rotation tactically** ? Defensive sectors like utilities and healthcare tend to outperform when inflation data surprises to the upside. Growth and tech sectors benefit if data cools.
4. **Set tighter stop-loss levels** ? With event-driven volatility on deck, protect capital by setting defined loss limits. Do not widen stops in an attempt to ride it out.?

Trade accordingly.

This Market Recovery Has Been Stronger Than Most

The S&P 500 is up nearly 30% since April 8th. This is an outsized move even when compared to past market recoveries! If we look back at how markets fared at this point in the recovery (141 days past the market trough), there are only a handful of periods that were stronger and many of them were recessions.

Outside Of Recessions, Few Market Rebounds Have Been As Strong As This One



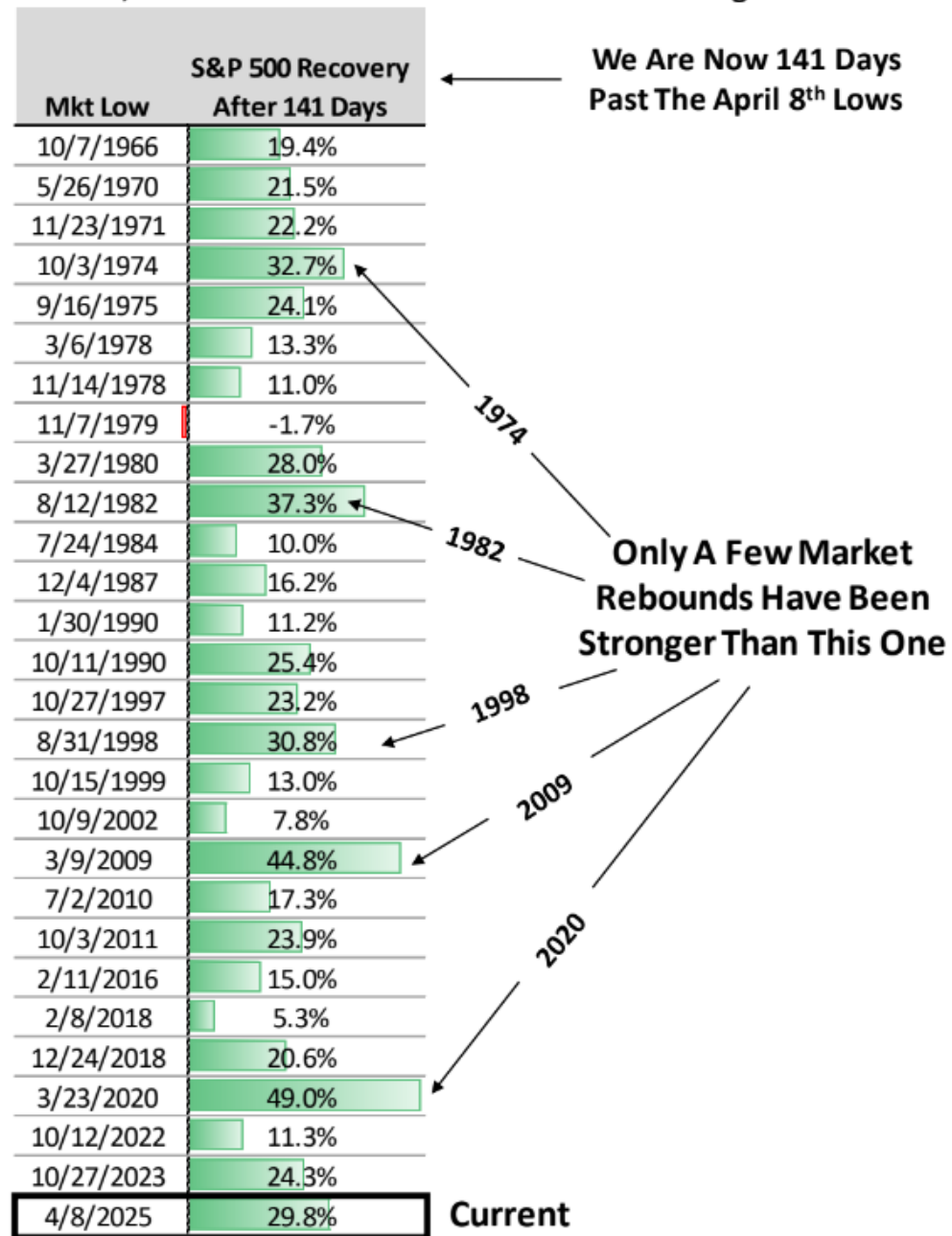
It's Been An Amazing Recovery

Since the lows in April, the market has been on a meteoric rise. The graphic below, courtesy of Michael Kantrowitz, provides context to that statement. It shows that in the 141 days since the April 8 lows, the S&P is up nearly 30%. As his graph highlights, only four other recoveries since the 1960s have been more substantial. It's worth noting that the two most recent recoveries, in 2009 and 2020, occurred after the financial crisis and the COVID-19 lows, which involved significantly steeper declines than those seen in April. Furthermore, both periods were the start of an economic recovery from a recession.

This Market Recovery Has Been Stronger Than Most

The S&P 500 is up nearly 30% since April 8th. This is an outsized move even when compared to past market recoveries! If we look back at how markets fared at this point in the recovery (141 days past the market trough), there are only a handful of periods that were stronger and many of them were recessions.

Outside Of Recessions, Few Market Rebounds Have Been As Strong As This One



How To Use Advanced Tax Planning To Maximize Long-Term Wealth

If you're accumulating significant assets, navigating capital gains, managing business revenue, or preparing for retirement, traditional tax prep simply isn't enough. Advanced tax planning allows you to:

- Reduce lifetime tax liability
- Strategically time income and expenses
- Optimize charitable giving
- Coordinate business and estate strategies

- Avoid tax pitfalls that erode your wealth over time

By making intentional decisions today, you can [enhance long term tax efficiency](#) and redirect more of your money toward personal, business, and philanthropic goals.

[READ MORE...](#)

Tweet of the Day



Lance Roberts @LanceRoberts · 1h



Should you just own 5 [#stocks](#)?

" 70 million working Americans will be buying [\\$NVDA](#) every month, whether they realize it or not."

Monthly flows into 401k plans.

Key Single-Stock Beneficiaries of 401(k) Flows into TDFs				
Rank	Symbol	Daily Flow	Weekly Flow	Monthly Flow
1	NVDA	94.97M	474.85M	1.90B
2	MSFT	82.47M	412.34M	1.65B
3	AAPL	74.41M	372.07M	1.49B
4	AMZN	47.37M	236.83M	947.30M
5	META	35.82M	179.12M	716.49M

?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.](#)?

Please [subscribe to the daily commentary](#) to receive these updates every morning before the opening bell.

If you found this blog useful, please send it to someone else, share it on social media, or contact us to set up a meeting.