

Forget the US Magnificent 7 - Europe has its own version which has delivered better growth so far in 2024

- Europe's top tech stocks have grown by 15% since the beginning of 2024
- eToro says the US seven's grip on the market is loosening as Apple and Tesla slip

By [Harvey Dorset](#) Updated: 17 April 2024

The top seven European tech stocks delivered higher growth in the first three months of 2024 compared with the [much-lauded Magnificent 7](#) US group, eToro data shows.

Europe's own 'Magnificent 7', which comprises ASML, SAP, Adyen, RELX, Infineon, STMicroelectronics and Capgemini, delivered 15 per cent growth, surpassing the seven US tech giants, which have risen by 12 per cent.



The Magnificent 7 US stocks: Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia and Tesla, nicknamed for their massive value and growth in 2023, are worth more than the stock markets of the UK, Japan, France, China and Canada combined.

The seven big hitters helped to push the S&P 500 up 19 per cent last year, whereas the index would have risen just five per cent without their input. The companies comprise almost a third, 29 per cent, of the S&P 500's value.

While the Mag 7 have undoubtedly proven sound investments, delivering 106 per cent returns over 2023, data from eToro indicates that in 2024, Europe's own tech stocks are so far delivering more attractive margins. Over the past five years though, the US Mag 7 has delivered returns of 291 per cent, compared with the EU Mag 7's 160 per cent.

The EU Mag 7, like the US version, is made up of tech-based stocks. However, these stocks are able to benefit more, according to eToro, because the European market doesn't have such a tech dominance. Ben Laidler, Global Markets Strategist at eToro, said: 'Europe's 'Magnificent 7' have potentially benefited from a scarcity valuation premium, since the tech and communications sectors only account for 11 per cent of the European market, compared to a huge 40 per cent in the US.

'Although the European Mag 7 have historically lagged behind US peers, they consistently outperform the Stoxx 600 and are gaining significant momentum this year.

'At the forefront is semiconductor company ASML, whose stock has jumped 50 per cent over the past year as its lithography machines are powering the massive growth of AI.'

He added: 'On the other hand, with Tesla and Apple faltering recently, the American Mag 7 seems to be loosening their collective grip on the markets.'

ASML, while by far the most valuable of the EU Mag 7, is dwarfed by its US Mag 7 competitors. With a market capitalisation of €364billion (\$454billion), ASML vastly outsizes the rest of the EU Mag 7, €150billion ahead of the second largest, SAP.

Even so, ASML lags behind even the smallest of the US Mag 7, Tesla, which has a market cap of \$492billion. The other six in the US have market caps of more than \$1trillion, with Microsoft the largest at \$3.09 trillion. Meanwhile, [the Granolas](#), Europe's other set of stocks that has been billed to rival the Magnificent 7, has risen just four per cent so far this year.

So named for the combined first initials, which spell Grannnlass, the eleven companies are 'internationally-exposed quality growth compounders,' according to Goldman Sachs analysts.

The Granolas are made up of GlaxoSmithKline, Roche, ASML, Nestle, Novartis, Novo Nordisk, L'Oreal, LVMH, AstraZeneca, SAP and Sanofi.

'The Granolas stocks have driven Stoxx 600 gains in the longer term but their defensive growth has lagged in the past year as investors have looked for more direct beneficiaries of Europe's coming interest rate cuts and economic recovery,' Laidler said

'While the Granolas offer a diversified and lower valuation portfolio than the US Magnificent 7, investors may want to look at Europe's biggest tech players for an alternative way to profit from global technology growth.'

Share price performance of stocks in the European Magnificent 7

Stock	Year-to-date	1 year	3 years	5 years
ASML	34%	50%	72%	459%
SAP	22%	47%	46%	78%
RELX	8%	27%	74%	90%
Adyen	24%	0%	-28%	116%
Infineon	-15%	-11%	-10%	63%
STMicroelectronics	-14%	-16%	19%	162%
Capgemini	9%	22%	36%	100%