The Mag(nesium) 7: The Market's Next Power Group Isn't in Tech

FLEXTION It's about *time*.

For ten years, investors were glued to the Magnificent 7—the tech giants that dominated headlines and drove US equity returns. But while all eyes stayed on Silicon Valley, something far more important has been happening in the background.

Industrial metals are hitting all-time highs. And yet global portfolios remain dramatically underweight the companies best positioned to benefit.

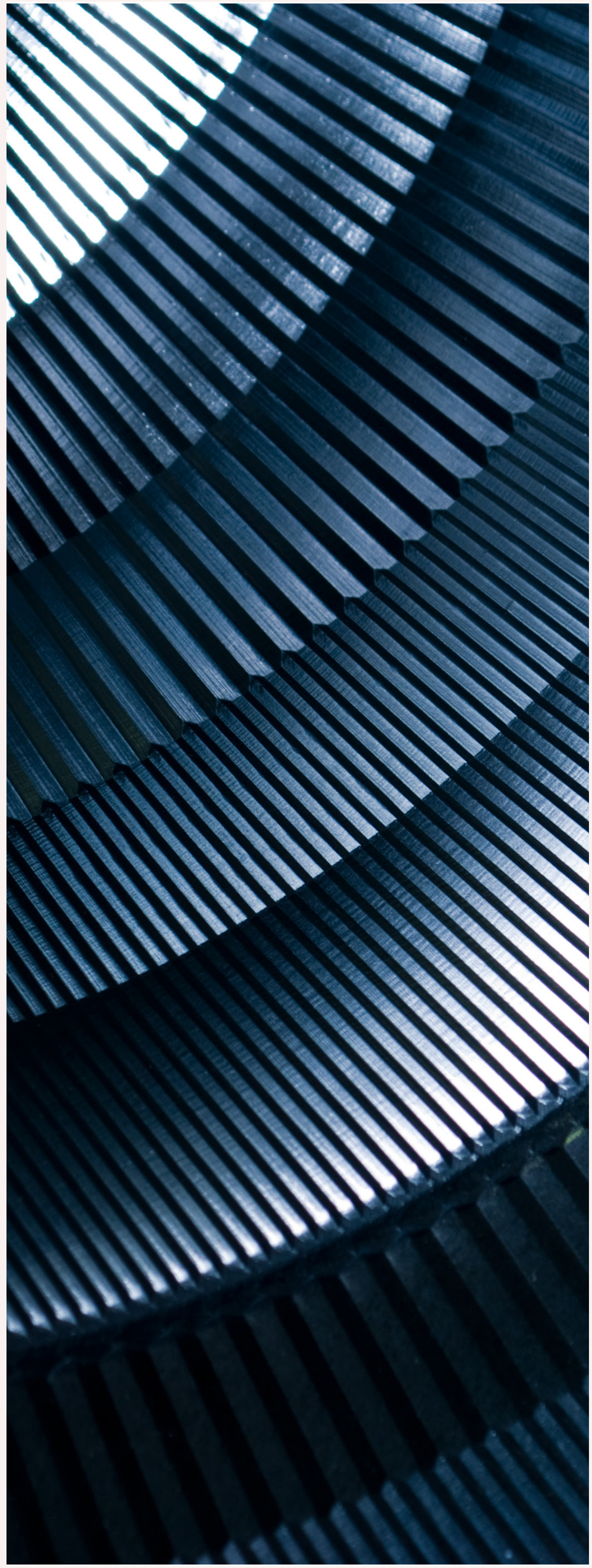
Beneath the surface, a powerful shift is taking shape—one grounded not in narratives, but in the physical inputs that modern economies can't function without. We call them the Magnesium 7: the world's dominant mining and materials companies whose scale, diversification, and resource control may make them the next era's market leaders (see chart below). The magnesium reference is intentional—not flashy, but essential; not speculative, but foundational. Just like these companies.

And this time, investors who wait for the headlines may find they've already missed the turn.

This is a list of the largest mining companies in terms of revenue (in US billion dollars) as ranked by Investopedia in 2023.

No.	Company	Revenue*	Headquarters
1	Glencore	255.98	United Kingdom
2	Jiangxi Copper	70.99	China
3	BHP	60.28	Australia
4	Rio Tinto	50.55	Australia, United Kingdom
5	Aluminum Corporation of China Limited	42.46	China
6	Vale	41.46	Brazil
7	Zijin Mining	40.96	China

*Billion US dollars



Why Metals Are Breaking Out Now

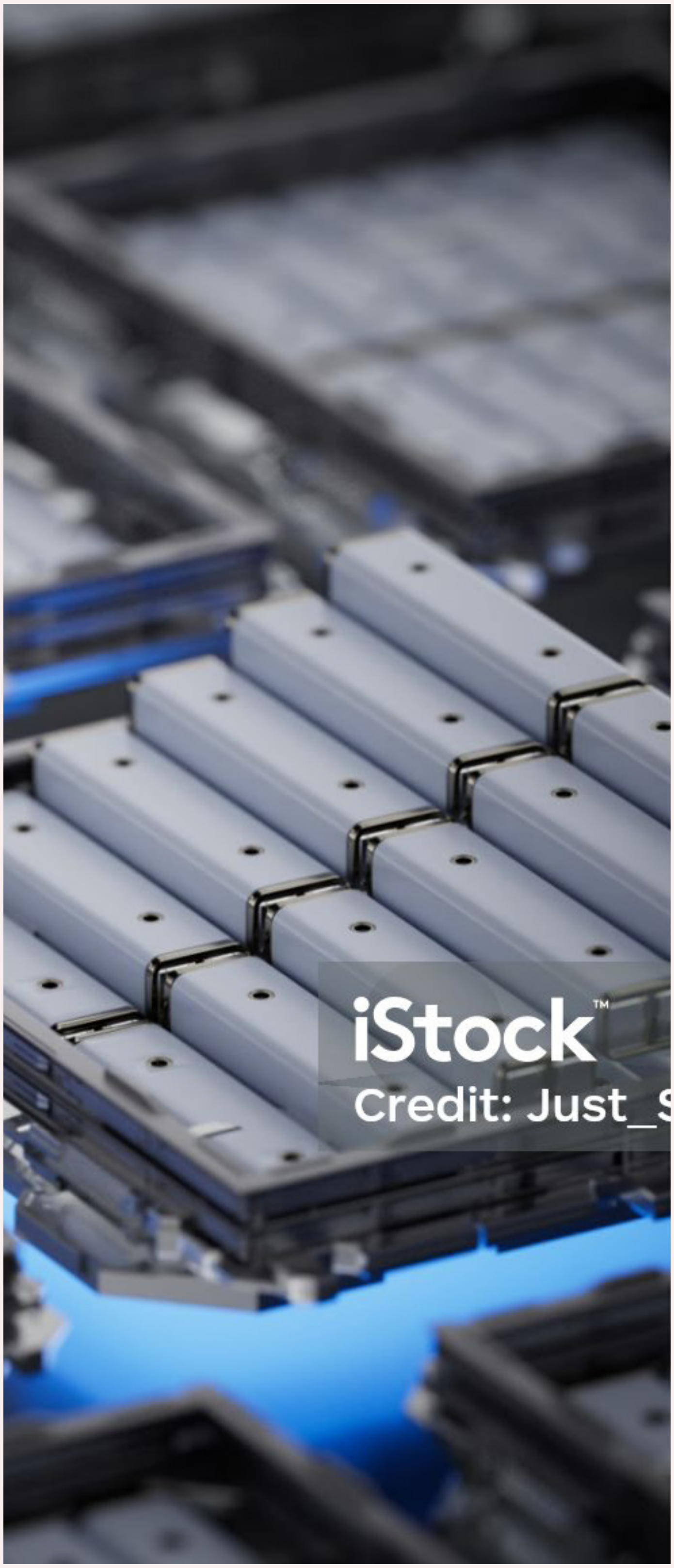
This isn't a speculative spike. The forces pushing metals higher are structural, global, and accelerating. The world is embarking on a massive industrial rebuild:

- Power grid modernization
- Energy-transition infrastructure
- Reshoring and industrial relocation
- AI-driven data center buildouts

All of this requires steel, copper, aluminum, nickel, lithium, and rare earths in quantities we haven't planned for. But here's the catch: the mining industry hasn't invested in new supply for over a decade. Capex is low. Permits are slow. Mines are aging.

That combination—surging demand + constrained supply—is the classic blueprint for a multi-year commodities bull cycle. It's happening at the same time investors are quietly rotating out of crowded, overvalued growth names and into real assets and cash-flow generators.

Across Flextion's work, the same pattern keeps emerging: the next market cycle is shifting from financial narratives to tangible, essential producers.



The Behavioral Tell: Investors Are Looking Backward

Investors love what already worked. Tech. Growth. US mega-caps. But leadership never lasts forever, and the data is clear:

- Underowned assets outperform when conditions turn
- Neglected sectors become value traps—for everyone else
- Long-term rotations start quietly, not with a headline

Just as the tech boom began years before most investors noticed, the mining supercycle may already be underway. Metal prices are telling the story long before Wall Street does.

> This is how regime changes always look in the early stages—obvious in hindsight, invisible in real time.

What This Means for Portfolios

Real assets play a role no software company can: they anchor portfolios when inflation rises, policy regimes shift, or geopolitical risk spikes. For long-term investors, the implications are clear:

1.

Rotate Early—Before the Crowd

Commodity leadership tends to persist for years once it starts. Early exposure helps capture returns while reducing concentration risk.

2.

Add True Global Diversification

The Magnesium 7 aren't tied to a single economy. They benefit from global demand, emerging market growth, and multi-currency revenue streams.

3.

Hedge Against Inflation and Policy Instability

When governments spend, currencies weaken, or supply chains realign, real assets historically outperform. These companies sit at the center of that cycle.

If the last decade belonged to the Magnificent 7, the next may belong to the companies that power everything the economy runs on—literally.

The Magnesium 7 are not a branding exercise.

They may be the early foundation of the next leadership cycle.

And the signals are already flashing.

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About the Author

Paul Ehrlichman, Flextion's CEO and CIO, has over four decades of experience in portfolio management, leveraging fundamental and quantitative research to develop investment processes and strategies that enhance client returns and manage risks in volatile markets. He has led equity teams focused on global and international value strategies, serving a diverse client base that includes individuals, pension funds, and endowments at several leading global asset managers.

Flextion is a breakthrough platform for evaluating fund strategy returns, helping investors identify managers at a pivotal turning point—those poised to outperform after a period of underperformance. Designed by seasoned portfolio managers, Flextion bridges the gap between "clock time" and "market time," empowering investors to unlock long-term value and uncover hidden performance potential.

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