

DeepSeek-Led AI Rout Is a Buying Opportunity, Tom Lee Says

The S&P 500 fell 1.46% on Monday after DeepSeek sparked worries about Big Tech's massive artificial intelligence spending when the Chinese company can do much of the same with less investment required.

The declines were led by market darling Nvidia, which fell 17%—its worst day since March 2020. Fundstrat Head of Research Tom Lee assuaged some of those worries by reminding investors that those declines ended up being a huge opportunity for investors.

"To me, it's an overreaction," Lee said with Scott Wapner on CNBC's Closing Bell. "It's not a fun day, but I'd be looking at this as an opportunity."

Lee said that Nvidia still remains a dominant chip player. And at multiples of about 30 times forward earnings, Nvidia isn't prized for perfection yet, he added.

One silver lining is that market breadth improved despite the decline in the broader index. Financials, healthcare and staples were in the green for the day.

"The market does look healthy," Lee said.

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