

NEXUS OF DIGITIZED AND UNIFIED MARKETS

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Morgan Stanley Experience

How to get Duke's NBA bound basketball players as your wealth management clients? Plus, an insightful Morgan Stanley experience and more with **Benjamin Barlow**.

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Financial Model for Nvidia

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AI Market Disruption: DeepSeek's Impact

The AI industry faces inefficiencies, from soaring energy consumption (160% higher than traditional computing) to ethical concerns like low-paid content moderation. AI's rapid expansion also threatens market stability, as seen in Nvidia's recent \$600 billion loss. DeepSeek's emergence challenges Nvidia's AI chip dominance by offering a low-cost, high-efficiency alternative. While still private, its potential IPO could trigger volatility for industry leaders like OpenAI and Nvidia. As AI evolves, disruptive models like DeepSeek will reshape the market, pushing companies to adapt or risk obsolescence.

Semiconductor Industry

Nvidia operates in the Electronic Computer Manufacturing industry, alongside companies like Dell, HP, and Omnicell. The industry is driven by advancements in AI, semiconductors, and alternative materials such as gallium nitride and graphene to meet growing demand for more advanced circuits. Chip packaging innovations are also emerging to reduce size and enhance customization.

Nvidia Spotlight: Shaping the Future

Nvidia's strong Q3 earnings, with a revenue of \$35.1 billion, highlight its dominant position in the semiconductor and AI sectors. Despite a 17% drop in stock price after DeepSeek, a Chinese AI competitor, announced a lower-cost rival AI model, Nvidia remains a key player due to its integral role in AI infrastructure. The company's market position has been bolstered by increased capital expenditure (CapEx) from major companies like Alphabet, Microsoft, and Meta, who are investing in AI infrastructure that requires Nvidia's GPUs. With a positive outlook from analysts, including a 12-month target of \$178.84, Nvidia's stock is considered a strong buy as it prepares for its fiscal year-end earnings report.

A Tale of Two Chips

