

Chris Ford comments on NVIDIA's share price growth

Chris Ford, Head of Growth Equities at Sanlam Investments comments:

"An AI bunfight has ignited, revealing a pressing scarcity of high-powered computing capacity to meet the surging demand. NVIDIA's recent staggering revenue estimates of \$11 billion for the coming quarter, far surpassing expectations (\$7bn), signals the growing confidence that it can also deliver for its 2025 fiscal year due to the rapid growth of accelerated computing and generative AI. With an unprecedented \$200 billion surge in market cap yesterday (25 May), we believe that there is still some potential upside to NVIDIA's numbers from here.

"The profound impact of NVIDIA's integral role in processing vast volumes of data via its industry-leading products resonates across the industry, and will filter out to other businesses in the same space. Boasting an incredibly strong market share of approximately 95%, NVIDIA remains a dominant force, with AMD as the only other realistic contender. The ultimate challenge of course lies in NVIDIA's ability to meet the overwhelming demand and build the necessary infrastructure. Nevertheless, it seems the world has woken up to the pace and magnitude of change that AI will present to the global economy and NVIDIA is in prime place to capitalise right now. The AI genie is out of the bottle."

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