

## Nvidia Is Clear Winner In a Lackluster Big Tech Earnings Season

- Companies pledged to boost capital spending in AI-related push
- Chipmaker is due to report quarterly earnings later this month



Technicians unpack an Nvidia HGX H100 server. *Photographer: Dhiraj Singh/Bloomberg*

By [Jeran Wittenstein](#)

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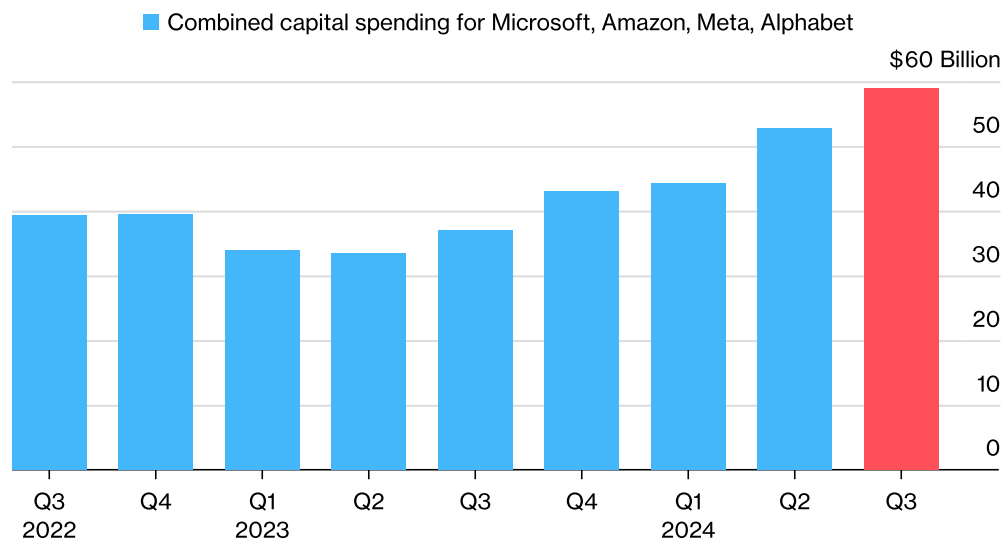
Updated on November 7, 2024 at 9:44 AM EST

Results from tech giants largely underwhelmed this earnings season – but they included plenty of good news for Nvidia Corp.

The chipmaker's biggest customers, including Microsoft Corp., Alphabet Inc., Amazon.com Inc. and Meta Platforms Inc., all pledged to pump more into capital spending in the year ahead. The four firms plowed a combined \$59 billion into data center gear and other fixed assets in the third quarter, marking a quarterly record, according to data compiled by Bloomberg.

“If you’re owning Nvidia, the big buyers out there need to keep buying and every quarter they need to buy more,” said Mike Bailey, director of research at Fulton Breakefield Broenniman. “You can check that box.”


### Capex From Nvidia's Biggest Customers Hit Record



Source: Bloomberg

The tech giants' spending plans were just what bulls were looking for to keep Nvidia's stock rally going. The stock has nearly tripled this year, and rose 4.1% to close at a record on Wednesday amid broad stock-market gains in the wake of Donald Trump's election win. The Santa Clara, California-based maker of AI chips overtook Apple Inc. this week to again become the world's most valuable company.

Big tech earnings also paint a rosy picture ahead of Nvidia's own results, scheduled for Nov. 20. Nvidia shares shed nearly \$900 billion in market value from a June peak to an August low amid questions about returns on investments in AI and delays for its new Blackwell chips. They've since rebounded, helped by reassurances from Chief Executive Officer Jensen Huang that Blackwell production is on track. The latest evidence of robust AI spending has further eased concerns.

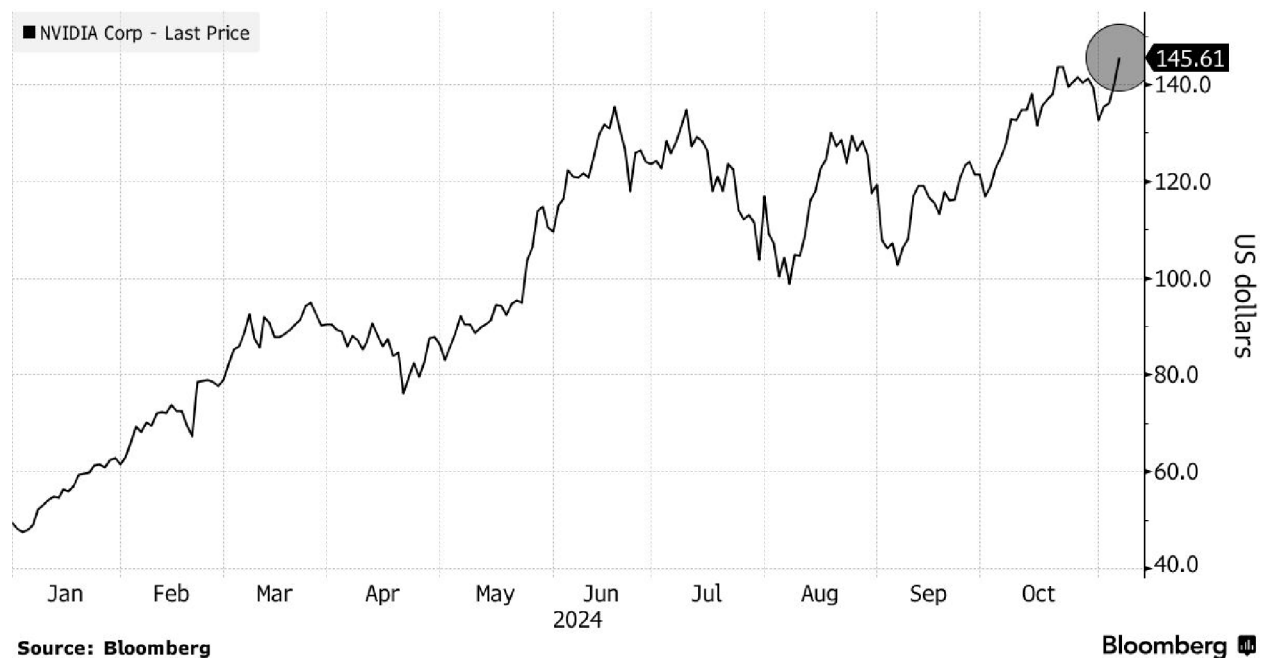


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Wall Street analysts are overwhelmingly positive on Nvidia, with 67 of the 75 analysts tracked by Bloomberg rating the stock a buy. They've also continued to boost estimates, with profit forecasts for next year up about 10% over the past three months, according to data compiled by Bloomberg. That's helped temper Nvidia's valuation, which is now around 39 times forward earnings, down from last year's peak of more than 60 times.

## Nvidia Shares Climb to Record



William Blair analysts Sebastien Naji and Jason Ader are among those that have boosted fiscal 2026 estimates, writing in a recent note that “our confidence in Nvidia’s ability to maintain its market-leading position for AI infrastructure has only been reinforced.” It appears to be “full-throttle ahead” for AI, they said.

UBS Wealth Management [estimates](#) that annual spending by big tech firms on AI will rise by 50% this year, to \$222 billion, and then increase another 20% in 2025.

“Microsoft, Alphabet, Amazon, and Meta account for almost half of all AI spending, and their strong balance sheets and willingness to invest will likely continue to support strong growth in AI spending,” said Solita Marcelli, chief investment officer Americas at UBS Global Wealth Management.


Investors should “take advantage of near-term volatility to build up sufficient exposure to quality AI stocks,” she said.

### Tech Chart of the Day

## Lyft Soars as Record Trips Boost Results

### Stock hits highest level since April



Lyft Inc. ’s new strategy of attracting more commuters seems to be working. Shares in the ride-hailing service rallied as much as 30% on Thursday, to hit their highest level since April, after it issued strong guidance for both this quarter and the full year. The results came as a relief to investors after larger rival Uber Technologies Inc. reported disappointing results in late October.

### Top Tech Stories

- Arm Holdings Plc, the chip designer that went public last year, gave a disappointing sales forecast for the current period, signaling that a still-recovering smartphone market may overshadow growth from artificial intelligence.
- Qualcomm Inc., the world’s biggest seller of smartphone processors, gave a bullish sales forecast for the current period, pointing to bright spots in the mobile device industry. The shares jumped in early trading on Thursday.
- Taiwan should pour more resources into advancing chip technology and expanding its supply chain expertise to maintain global leadership, an executive from its most valuable company said hours after Donald Trump was elected to be US president for the second time.

### Earnings Due Thursday

- Premarket
  - Datadog
  - Dynatrace
  - Bentley Systems
  - EPAM Systems

- Macom
  - ACI Worldwide
  - Nova
  - Clear Secure
  - Appian
  - Lightspeed Commerce Inc
  - N-able
  - NCR Voyix Corp
  - CommScope
  - ScanSource
  - Ceva
  - BigCommerce
  - BCE
  - Warner Bros Discovery
  - Liberty Broadband
  - Endeavor Group
  - Nexstar Media
  - Quebecor
  - Millicom
  - Cogent Comms
  - Playtika
  - Tegna
  - Taboola
  - Cars.com
  - Advantage Solutions
  - Vivid Seats
  - Shenandoah Telecom
  - Thryv Holdings Inc
  - iHeartMedia
  - Townsquare Media
- 
- Postmarket
    - Arista Networks

- Motorola Solutions
- Fortinet
- Cloudflare
- Akamai
- Dropbox
- Unity Software
- BILL Holdings Inc
- Lumentum
- DXC Technology
- BlackLine
- JFrog
- Envestnet
- RingCentral
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- Synaptics
- Alarm.com
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- Five9
- Jamf Holding
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- Meridianlink Inc
- Sprout Social
- Adeia Inc
- PDF Solutions
- Arlo Technologies
- A10 Networks
- Olo Inc
- indie Semiconductor
- Consensus Cloud
- ON24
- Porch Group
- LivePerson
- Trade Desk

- Pinterest
- News Corp
- Globalstar
- CarGurus
- Grindr
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- System1
- Skillz Inc

*(Updates stock move in the Tech Chart of the Day section)*

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