Investment Report 0001

Investments in Semiconductor Giants

#Investment #Semiconductors

- **This is not financial advice!**

Investing in Nvidia, AMD and Qualcomm (Long-term Investment Plan)

#Nvidia #AMD #Qualcomm

- Here's a breakdown of the potential benefits and risks of investing $1000 in Nvidia, AMD and Qualcomm stock:
- Benefits:
  - **Diversification**: Spreading your investment across three companies in the semiconductor industry can help mitigate risk Each company has its own strengths and weaknesses, so if one underperforms, the other could offset the losses.
  - **Growth Potential**: The semiconductor industry is expected to continue growing in the coming years, driven by factors such as Artificial Industry, 5G Technology and the increasing demand for electronics. This could lead to stock price appreciation for all three companies.
  - **Dividends**: Nvidia offers a regular dividend, which could provide you with a steady stream of income. AMD and Qualcomm do not currently offer dividends, but they may do so in the future i their financial performance improves.
- Risks:
  - **Volatility**: The semiconductor industry is cyclical and stock prices can be volatile. This means that you could lose money on your investment, especially in the short term.
  - **Competition**: The semiconductor industry is highly competitive and new entrants or technological advancements could disrupt the market and negatively impact the performance of these companies.

    - **Economic Slowdown**: A global economic slowdown could reduce demand for electronics and hurt the semiconductor industry.
- Impact of Nvidia's dividend on stock price:
    - Declaring a dividend can have a mixed effect on a stock price. In the short-term, the stock price may dip slightly as investors who are looking for income receive their payout and sell their share. However, in the long-term, a company that consistently pays dividends is often seen as a stable and reliable investment, which can attract new investors and boost the stock price.
    - It's important to note that the actual impact of a dividend on a stock price depends on various factors, such as the company's financial health, the overall market sentiment and investor expectations.
- Impact of Qualcomm's dividend on stock price:
    - The impact of Qualcomm's dividend on its stock price is not straightforward and depends on various factors. While it can provide short-term fluctuations and attract certain investors, a sustainable dividend policy coupled with strong financial performance is likely the most significant factor influencing the long-term stock price.

Trends

Cadence Design Systems has an exciting new AI product that can help fuel future development of more advanced computing systems

#NVDATrends

- Cadence Design Systems (CDNS), a leader in semiconductor and computing system design software, has been booming. Shares are up nearly 60% in the last 12 months, including a more than 12% increase so far in 2024. Its latest foray is with some help from Artificial Intelligence.
- In early February, Cadence announced a new supercomputer system called Millennium M1 that it says is powered by GPUs "from leading providers", which could certainly mean **Nvidia**, the de facto leader in GPU systems and a longtime Cadence collaborator.

- The Millennium M1 AI supercomputer is really a server, a large computing unit that can be installed either on a company's property (in an office, a private data center, etc.) or deployed in the cloud and accessed via an internet connection. Specifically, Cadence designed this computing platform for accelerating computational fluid dynamics, or CFD.
    - It's a type of analytics and simulation software used in the design of all sorts of things, including auto engines and how cars will behave driving down the freeway, jet engines and how a plane will fly, and industrial and manufacturing processes using liquids and other materials. Really, anything that "flows" can be analyzed and simulated using CFD.
- Does Cadence have a special advantage?
    - So does Millennium give Cadence a leg up on the competition? It certainly could.
    - Cadence and Synopsys are the two dominant players in semiconductor design software (called EDA, or electronic design automation). Lots of new devices with chips embedded in them coming to market refill the sails of these two industry giants.
    - However, Synopsys' move on Ansys will mean significant debt will need to be paid off if the deal is finalized (perhaps in 2025). Meanwhile, Cadence is developing its own services that converge chip design with more mechanical processes in-house. Put another way, its clean balance sheet and best-in-class profit margins will remain intact, while Synopsys will have to digest its acquisition (again, if it happens).
- After a stellar 2023 that featured soaring profitability, though, Cadence stock is expensive at nearly 50 times expected earnings for 2024. With a valuation like that, even a significant 20%-plus pullback in the share price won't make Cadence cheap.
- But innovations like its new AI supercomputer, powered by GPUs and other high-end hardware and software algorithms, make Cadence a premium stock for good reason. Be patient with this investment in 2024, and consider a dollar-cost average plan if long-term ownership of Cadence Design Systems fits your portfolio needs.

Qualcomm set to double India investments

#QCOMTrends

- Qualcomm is making significant strides towards expanding its presence in India. The company has announced its intention to double investments in the country, signaling a deepening commitment to bolstering India's burgeoning semiconductor industry.
- Key points:

    - **Investment plans**: Qualcomm intends to invest over $1 Billion in India this year, a notable increase from previous levels. This place Qualcomm ahead of its rivals such as AMD and Micron in terms of commitment to India.
    - **Semiconductor Ecosystem**: Qualcomm aims to foster a robust semiconductor ecosystem in India by partnering with domestic chip manufacturers. The government's semiconductor incentive scheme provides a strong foundation for these collaborations.
    - **Collaborations**: Qualcomm is actively seeking partnerships with prominent Indian companies such as the Tata Group and HCL to actualize its plans for chip production.
    - **Indian workforce**: Boasting about 17,000 engineers in India, Qualcomm's Indian workforce is its largest globally. This underscores the importance of India's talent pool for the company.
    - **Diversification**: Qualcomm's India focus goes beyond smartphones. The company envisions strategic expansion into areas including automotive, 5G, PC, hybrid AI, IoT, Metaverse and XR technologies.
- Qualcomm's amplified investments in India indicate shifting geopolitical and economic winds within the global semiconductor industry. India presents a compelling alternative to other manufacturing hubs and it offers a large, highly skilled engineering workforce. Qualcomm's actions in this arena are likely to spur similar moves from other chipmakers as they seek to enhance their operations strategically.

US Commerce Secretary calls for CHIPS Act 2

- The recent calls by US Commerce Secretary Gina Raimondo for a CHIPS Act 2 has ignited discussions and sparked questions about the future of American semiconductor manufacturing.
- Key points:
    - **Raimondo's remarks**: Addressing the Intel Foundry event, Raimondo emphasized the need for ongoing investments in the American semiconductor industry, citing the necessity for continued global leadership and meeting the demand for advanced processor, particularly in the realm of Artificial Intelligence.
    - **CHIPS Act 1**: Enacted in 2022, the CHIPS and Science Act allocated $39 Billion in direct grants and $75 Billion in loans guarantees to support the domestic semiconductor industry.
    - **Call for CHIPS Act 2**: Despite the significant resources allocated by CHIPS Act 1, Raimondo argues that additional funding is crucial to solidify American technological leadership and economic security.
    - **Focus on Fabs**: Raimondo's emphasis lies on supporting the construction and expansion of semiconductor fabrication facilities (fabs) within the U.S.

- Potential implications:
    - **Increased investments in U.S. Fabs**: CHIPS Act 2 could lead to a significant influx of federal resource into the domestic semiconductor industry, potentially accelerating the construction and expansion of Fabs.
    - **Enhanced global competitiveness**: By strengthening the U.S. semiconductor industry, CHIPS Act 2 could help the nation regain its competitive edge in the global market, reducing dependence on foreign suppliers.
    - **Job creation**: Increased investment in the industry could lead to job creation opportunities in various sectors, such as engineering, construction and manufacturing.
    - **Concerns about cost and effectiveness**: Some might raise concerns about the long-term financial viability of continued government intervention in the industry, emphasizing alternative approaches to boosting competitiveness.

Others

- India's Pathway to Semiconductor Future

- Nvidia Share Price; Nvidia Key Statistics
- AMD Share Price; AMD Key Statistics
- Qualcomm Share Price; Qualcomm Key Statistics
- https://www.tradingview.com/news/benzinga:960f985a8094b:0-what-do-nvidia-and-inflation-have-in-common-munster-says-their-growth-will-be-higher-for-longer-but-bust-is-going-to-be-epic/

    > **Note**
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    > * "What Do Nvidia And Inflation Have In Common? Munster Says Their Growth Will Be 'Higher For Longer' But 'Bust Is Going To Be Epic!'"
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- https://www.tradingview.com/news/DJN_DN20240222010165:0/

> **Note**
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> * "Nvidia's spectacular earnings report and forward guidance are spurring investors to buy shares of almost any company with a stake in the AI race — everything from computer and networking hardware providers to cloud computing plays to enterprise application software."
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- Nancy Pelosi bought $NVDA options on Nov. 22, 2023

> **Note**
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> * "PURCHASED 50 CALL OPTIONS WITH A STRIKE PRICE OF $120 AND AN EXPIRATION DATE OF 12/20/24."
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- Further more,
  - NVDA stocks purchased by Congress
  - AMD stocks purchased by Congress
  - QCOM stocks purchased by Congress
- https://www.youtube.com/watch?v=nJQulJ_gBjo