

Nvidia stock drops after report of Meta considering multi-billion-dollar deal for Google AI chips

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Nvidia ([NVDA](#)) extends slide to drop **6%** on Tuesday after a report that Meta Platforms ([META](#)) is in talks to spend billions on Google's ([GOOGL](#)) ([GOOG](#)) AI chips.

Meta is in discussions to use the Google chips — known as tensor processing units, or TPUs — in data centers in 2027, *The Information* [reported](#). Meta may also rent chips from Google's cloud division next year, the news outlet said.

Nvidia issued a [statement](#) saying it was “delighted by Google's success,” but that it is still the leader in the industry. “NVIDIA is a generation ahead of the industry — it's the only platform that runs every AI model and does it everywhere computing is done,” Nvidia said. “NVIDIA offers greater performance, versatility, and fungibility than ASICs, which are designed for specific AI frameworks or functions.”

An agreement would position TPUs as a viable alternative to Nvidia's chips and create significant competition for both Nvidia and Advanced Micro Devices, potentially undermining their sales and pricing power.

Google parent Alphabet ([GOOGL](#)) was up **~2%**, adding to a recent surge amid optimism over the latest version of its Gemini AI model. Advanced Micro Devices ([AMD](#)) meanwhile, sank over **9%**.

Nvidia—which in October became the first company to exceed a \$5 trillion market valuation—shed \$243 billion in market value on Tuesday.

(Updates story to include Nvidia comment.)

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