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A functional argument for the linked nature of NVDA/ORCL and why the ratio can be used as a baseline for NVDA's state:

Nvidia's explosion has been largely backed by a progressive integration of AI into everyday operations for all companies. This means that the cloud and database solutions that Oracle provides for companies are becoming AI run and the relationship becomes a hardware-software relationship where Nvidia makes it possible for companies to make the most out of existing cloud infrastructure provided by Oracle. As more business go online and migrate to cloud services, the demand for data centers surges and demands advanced hardware solutions which Nvidia's high-performance computing (HPC) chips provide. Oracle buys those chips and profits greatly from selling the AI functionality to clients who can't afford to build the expensive infrastructure that companies looking for AI solutions will rely on.

Notably this relationship is also seen in the Oracle Cloud Infrastructure where Nvidia allows Oracle to directly sell Nvidia functionalities as an access to their super computing and super storage capabilities. This among other projects demonstrates collaborative business ventures which boost the individual companies reputations and tie them together financially as the gain investor confidence from one another.

Unlike other companies like Google and Amazon which provide database and cloud services in addition to other ventures, Oracle has an explicit correlation with Nvidia because it's primary focus is to best utilize the hardware Nvidia provides.

Fundamental Analysis:

Another strong indicator of Nvidia's strength is it's P/E ratio which currently sits at ~107 where other companies in the industry hover near 30 ( Google: 28.6, Meta:28.7, Oracle:39.3) with a few notable exclusions like Tesla at 70.4 and Amazon at 109.4. These values are a judgement on the markets confidence in the stock for it's future earnings. Meaning that the market has really high expectations and hopes for Nvidia as we lead into the AI boom. Investors have a heavy belief that the company will take off in the earnings department and bring them incredible value in the long run. This ratio is a signal of investor confidence in an asset and represents a belief that the current price is significantly under the earning potential of a given company. In the case of Nvidia it's a representation that the current price boom is only the beginning of the rewards Nvidia will reap from the coming AI boom, meaning that even at it's skyrocketing current evaluation it's likely still overweight due to the fervor and optimism that surrounds current AI conversation. It's difficult to account for the peaks to which AI will take the only competitive AI hardware company but it's undeniable that NVidia's current price is largely supported by intense speculation for the future of AI.

At the same time, Nvidia is leveraged out the ass with a price to book of 48 meaning and so when considering the near infinite well of hype around AI right now and the insane commitment Nvidia has made to rapid growth, the stock is out performing expected bench marks and doing so by incredibly

numbers as investors expect it to make profit for them hand over fist as the race to build the best AI continues to fall on the back of Nvidia.

#### Geopolitics and floor level risk assessments:

Nvidia is also currently surrounded by numerous geopolitical and supply chain related issues which once solved may boost the company's performance even further. Right now there are numerous supply chain constraints, a phenomenon that has been escalating the costs and limiting the availability of semiconductor components globally. Notably questions about rare earth minerals largely sourced from China and trade questions surrounding Taiwan and the TSMC. Nvidia's current market cap is largely a comment on speculative and optimistic tech investors who are happy to over look current supply and manufacturing risks for the promise of a given technology's success down the road. Notably, supply chain challenges aren't the only threat looming over the AI space, as of now a number of Nvidia products have been banned from being sold to companies with Chinese connections as the USG believes "the chips will ultimately reach a military end-use". Restrictions like these and future regulations on the field could dampen the optimism of AI as a sector.

Nvidia has a substantial foothold in the AI revolution, but it's current market cap defined by optimism and market excitement. Current investors are buying for what the company could be but as of now it's bogged down by serious resource and supply chain shortages. The success of Nvidia largely hinges on the solvency of the semiconductor production globally and that means rare earth minerals from China, an obvious geopolitical risk, Russia an obvious geopolitical risk, Vietnam, who shares reserves with China and does not have significant extraction infrastructure, and/or Brazil, who also doesn't have significant extraction infrastructure. Beyond the materials that go into semi conductors, the TSMC has control over 65% of global semiconductor production, and 90% of advanced semiconductors. And if/when Chinese tensions flare up over Taiwan, that's a big yikes from me dog. Despite all of these possibly terminal challenges Nvidia's market cap is still growing at an incredible rate.

While Nvidia is perfectly set up to build and profit from the impending AI revolution, its current market stance is inflated by desire and excitement, pointing to an overweight assessment that necessitates careful navigation by investors.