



## 3 Stocks for the AI Revolution

Artificial intelligence (AI) continues to reshape our world by revolutionizing various industries such as healthcare, finance, and transportation. As AI technology advances, companies that excel in AI research and implementation are becoming increasingly attractive to investors. In this article, we'll analyze why NVIDIA, Microsoft, and Adobe are three of the top AI stocks to invest in.

### NVIDIA: Pioneering AI Hardware

NVIDIA, a company that initially gained prominence through its graphics processing units (GPUs) for gaming, has successfully positioned itself as a key player in the AI sector. NVIDIA's GPUs have become the go-to hardware for AI development, particularly in deep learning, because of their ability to handle complex calculations more efficiently than traditional CPUs.

NVIDIA's AI offerings span a wide range of applications, from autonomous vehicles to healthcare diagnostics. The company's Drive AGX platform, for instance, powers self-driving cars, while its Clara platform enables medical imaging and genomic analysis. Moreover, NVIDIA's data center business, which includes AI-specific hardware like the A100 Tensor Core GPU, has experienced robust growth, contributing significantly to the company's revenue.

NVIDIA's strategic acquisitions, such as the purchase of Mellanox Technologies in 2020 and the pending acquisition of Arm Holdings, demonstrate the company's commitment to expanding its AI capabilities. These acquisitions will likely reinforce NVIDIA's position in the AI market by broadening its product portfolio and strengthening its technological foundation.

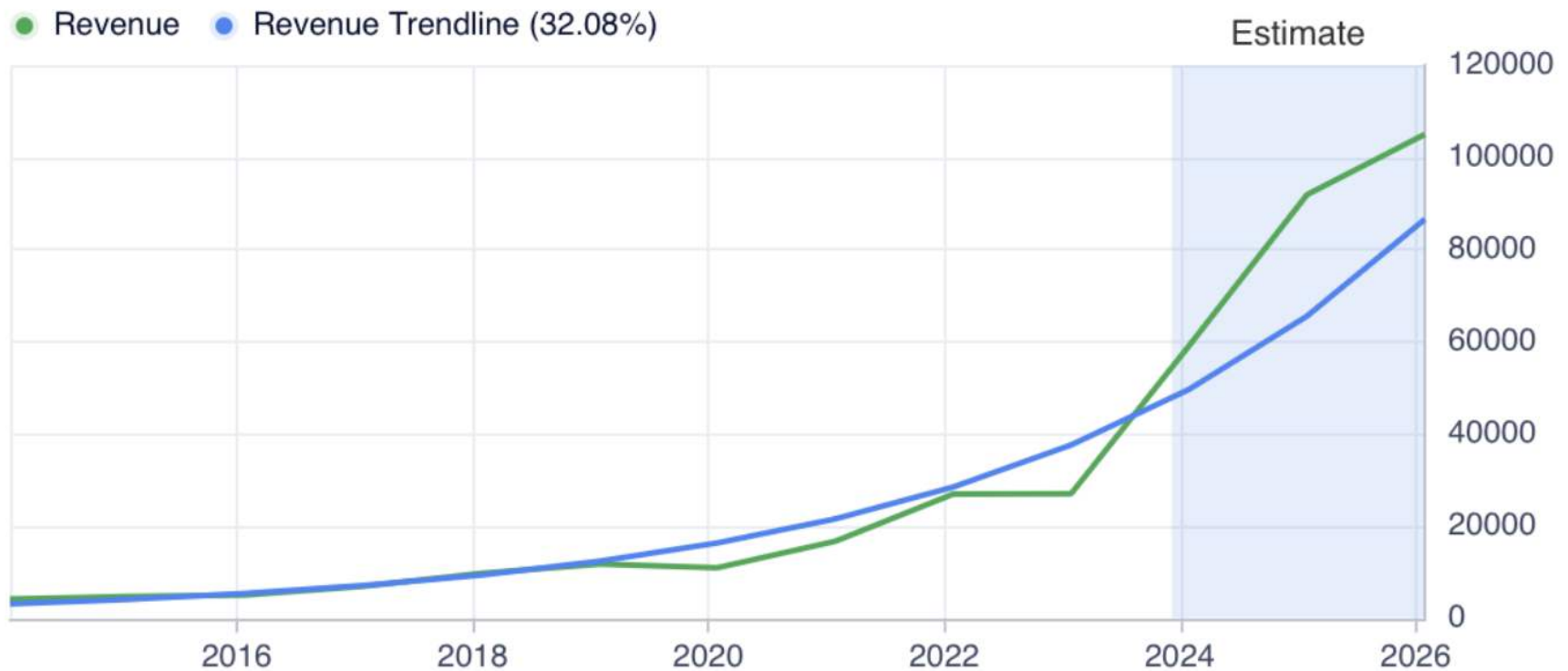


NVDA stock has shown tremendous strength over the last twelve months, climbing 364% from trough to peak. This would be an impressive move for any stock, but for a mega-cap company of this size, it is even more rare.

At the time of this writing, NVDA has a relative strength rating of 98/100. In other words, it is outperforming 98% of all publicly traded stocks over the trailing twelve months. This is a clear sign of institutional accumulation as large funds build larger and larger positions in this game-changing company.

From a fundamental perspective, Nvidia is delivering tremendous results. Profits soared in the quarters ending July and October 2023. EPS grew by 429% and 593%, respectively, year over year.

Sales are also climbing steadily.



Revenue has grown at an average of 25.7% for the last five years, and that is accelerating. Analysts believe this trend will continue. Expectations for fiscal 2025 are \$100 billion – a 122% increase over trailing twelve-month sales.

Even though Nvidia is a somewhat obvious play in the AI sector, it is also the one of the largest by market capitalization. Moreover, it is the only mega-cap stock with the majority of its revenue coming from AI-related products, making it the largest 'pure play' in the space.

Institutions looking to increase their artificial intelligence exposure will continue to buy this stock due to its high liquidity and perceived safety.

The same is true for exchange-traded-funds targeting robotics and AI. A quick look at their holdings will reveal Nvidia as the largest position in nearly all of these funds.

For these reasons, NVDA will have a persistent level of buying support as long as the AI theme remains a dominant one among growth investors.

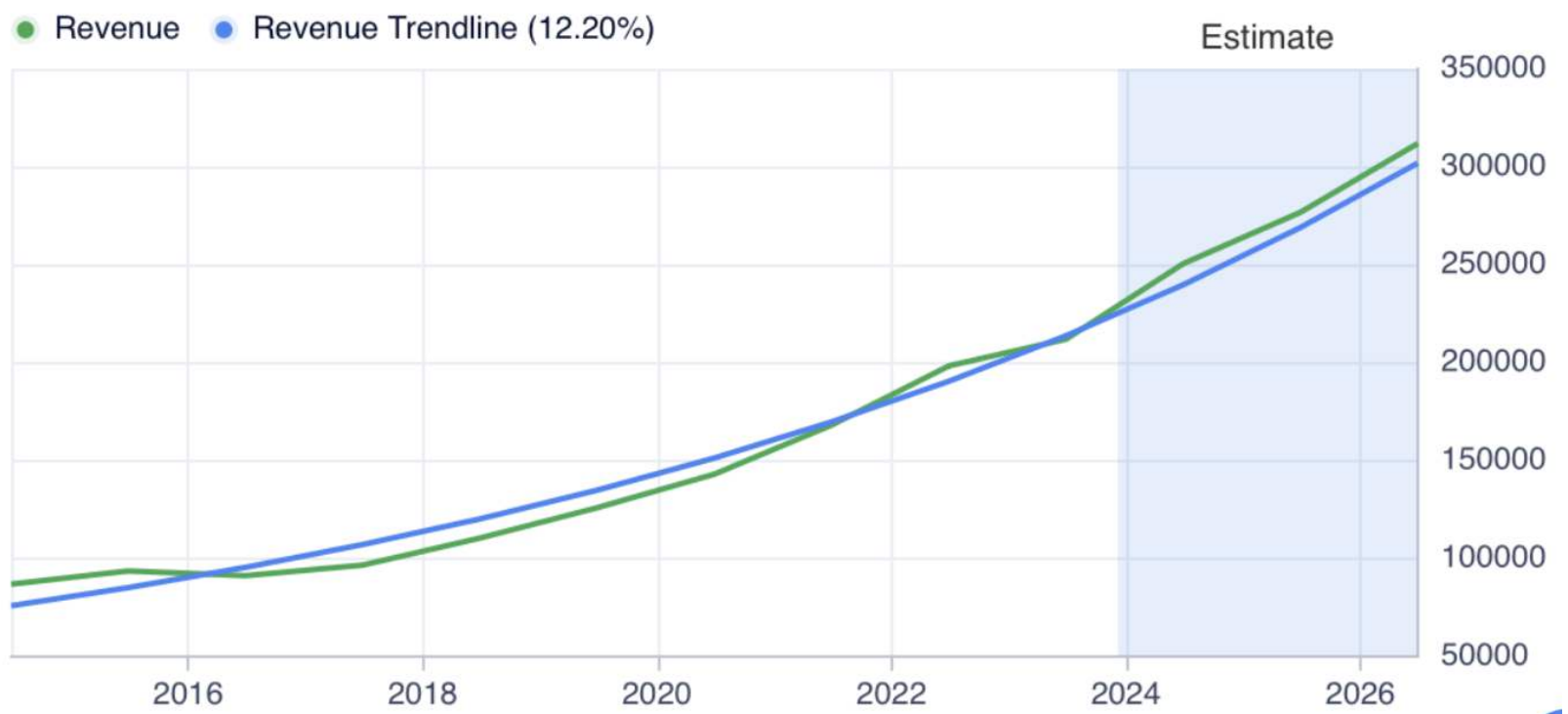
# Microsoft: AI Integration and Cloud Computing

Microsoft, a technology giant with a vast array of products and services, has been making significant strides in AI research and development. The company's AI initiatives are integrated across its business segments, including Azure, Office 365, Dynamics 365, and Windows.

Microsoft's Azure cloud computing platform offers a comprehensive suite of AI tools and services, such as Azure Machine Learning, Cognitive Services, and Azure Databricks. These services enable organizations to build, deploy, and manage AI applications, making Microsoft's AI offerings accessible to a broad range of users. The company's commitment to AI is further evident through its investment in OpenAI – a leading AI research lab.

Microsoft also has equity in C3.ai – the developer of the ChatGPT language model app. When CEO Sam Altman was removed by the board in November 2023, Microsoft quickly offered him a position on the company's artificial intelligence team. Altman ended up returning to C3 after employees demanded his return, but Microsoft's swift actions showed its desire to expand its AI infrastructure.

Thanks to its robust offerings, revenue continues to grow at the company. Sales have increased at a 15% clip for the last five years and profits have risen even more. Analysts do not expect this trend to change, and most are calling for continued growth for several years to come.



Microsoft is no spring chicken, however. When the company went public in 1986, it was worth \$777 million (\$2.14 billion in 2023 dollars). Today, it is worth \$2.75 trillion – more than 1,000 times the value even after adjusting for inflation. But don't let the multi-trillion-dollar juggernaut fool you... the big girl can still move.

MSFT shares climbed 71% from trough to peak in 2023 alone.



And just like Nvidia, the company has huge institutional support. In fact, almost ever large-cap mutual fund and ETF owns shares in this company. That means nearly every IRA and 401k contribution in America will go toward Microsoft stock.

Microsoft's AI prowess, combined with its robust cloud infrastructure, positions the company to benefit from the growing demand for AI-powered solutions in various industries. Furthermore, Microsoft's strong financials and market presence make it a reliable investment option for those seeking exposure to AI stocks.

## **Adobe: Transforming the Creative Industry with AI**

Adobe, a leading software company known for its creative and multimedia products, has been integrating AI into its offerings to revolutionize the creative process. Adobe Sensei, the company's AI and machine learning framework, powers features in popular applications like Photoshop, Illustrator, and Premiere Pro, enhancing user productivity and streamlining workflows.

Sensei's AI capabilities include content-aware fill, auto-tagging, and facial recognition, among others. By incorporating AI into its core products, Adobe is able to offer innovative solutions to its growing user base, ensuring its continued relevance in the creative industry.

In addition to its creative suite, Adobe's investment in AI extends to its digital marketing and analytics services. The company's Experience Cloud leverages AI to deliver personalized content and targeted advertising, positioning Adobe as a leader in the rapidly evolving digital marketing landscape.

Like most tech-focused growth stocks, ADBE got murdered in the 2022 bear market. Shares lost 60% of their value before bottoming in October. But they have quickly recovered most of those losses.

Adobe Inc., 1W, NASDAQ O604.91 H608.53 L591.17 C598.35 -14.12 (-2.31%) Vol5.638M  
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As of December 2023, ADBE is within spitting distance of new all-time highs. But don't think you've missed the move. If Adobe's historical growth trend is any indication, the stock could double again over the next 24 months.

You see, the stock price may have declined in 2022. But sales did not. In fact, they both grew. And with interest rates expected to decline over the next 1-2 years, ADBE stock should return to historical price-to-sales multiples.

Below is a long-term trend channel for ADBE stock.



Even a move back to the lower end of this channel would be a gain of roughly 100% from today's prices. While I do not expect to see this happen tomorrow, it is a likely scenario over the next few years. Investors looking for long-term returns might do well to add this stock to their portfolio in anticipation of that move.

## Conclusion

NVIDIA, Microsoft, and Adobe are prime examples of companies that have successfully leveraged AI to strengthen their market positions and deliver innovative solutions. Investors seeking to capitalize on the AI revolution should consider these stocks as they exhibit strong growth potential and a proven track record in AI research and development.

The largest gains, however, will come from new companies. Small to medium-sized firms with revolutionary products will be the ones that could deliver 1,000%+ gains.

Microsoft climbed 3,000% from 1986-1992. Its Windows operating system took over the PC marketplace while in its infancy, allowing the company to see parabolic growth.

Nvidia went public in 1999 and rose nearly 10-fold in its first year of trading. And Adobe stock soared 731% in its first 9 months.

The point is that while these are great companies that will no doubt benefit from their investments in artificial intelligence, it is nearly impossible for stocks of this size to grow 1,000% in a short period. Moves like that are reserved for smaller companies in the early growth stages.

[The AI Wonder Stock is in its early stages. Sales are growing at 50-100% a year and climbing. And the stock has only been trading for a year and a half.](#)

It went public in the middle of the 2022 bear market. The timing could not have been worse. The stock fell 90% the first eight months. While unfortunate for pre-IPO investors, this has created a huge opportunity for us today.

Shares were priced at \$10 a piece in the IPO – that was the fair market value determined by a team of professional analysts and underwriters.

Even a return to the initial public offering price would triple one's investment. But we believe this under-the-radar AI wonder stock will surge well beyond previous highs and deliver gains in excess of 1,000%.

***GIVE ME THE #1 AI STOCK TICKER NOW***

## About the Author - Ross Givens



Ross Givens got the trading bug at an early age. He traded his first stock at 12 years old buying 100 shares of Microsoft. After earning a degree in Finance, he quickly learned the ins and outs of the investment business as a broker, financial advisor, and professional money manager.

He even served as a Vice President for a major investment bank and held Series 7, Series 66, and Series 3 securities licenses.

Ross has a simple investment philosophy – follow the money.

He has dedicated years to studying volume patterns that reveal pending moves in under-the-radar stocks.

Ross is also the leading expert on insider trading. His proprietary system follows the buying and selling of corporate insiders to identify high- probability investment opportunities.

He has been featured on Fox Business, CNBC, Bloomberg, and several other major financial networks.

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