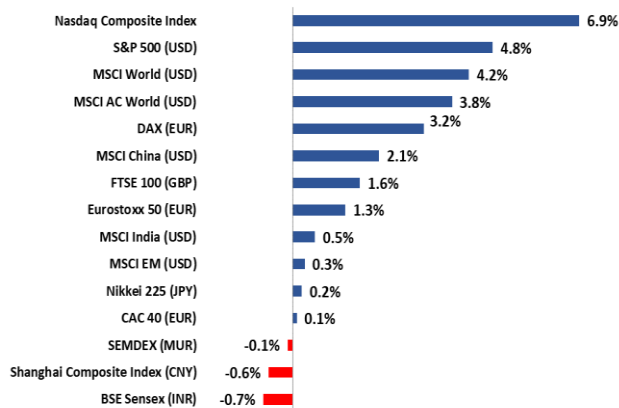


MARKET SUMMARY

Equities: May 24 performance (in Index currency)



- Most developed markets posted positive returns over the month of May, driven by the technology sector in the US.
- In the US, consumer prices rose by 3.4% in the 12 months to April, down from 3.5% in the previous month. The latest estimate of Q1 US GDP stood at 1.4%.
- In Europe, the annual inflation rate was confirmed at 2.4% in April, the same as in March, and holding at levels not seen in nearly three years.
- S&P downgraded the rating for France from "AA" to "AA-", citing the French government's failure to meet its targets for controlling the budget deficit following substantial spending during the Covid pandemic and the energy crisis.
- In the UK, British Prime Minister Rishi Sunak called a surprise summer election for 4 July. The annual inflation rate in the UK eased to 2.3% in April, moving towards the BoE's target of 2%.
- WTI and Brent prices fell by 5.8% and 7.1% respectively due to supply issues. Gold prices continued to rise, supported by geopolitical issues.
- In Mauritius, headline inflation for the 12-months ended May 2024 was 5.0% (vs 10.6% for the previous period).
- The number of tourist arrivals by air stood at 104,420 in May 24 vs 99,788 in the previous period. As per BOM's latest figures, gross tourism earnings stood at Rs 7.83Bn for the month of April 2024 – an increase of 18% y-on-y.
- Post-May, the Budget proved to be very social-focused.

NVIDIA

- The tech giant continues to dominate headlines amidst the AI craze, briefly becoming the most valuable company in the world at a market capitalisation of \$3.3Trn.
- The rally is nevertheless backed by fundamentals. Since the release of ChatGPT in November 2022, the quarterly revenue of NVIDIA has increased by 330% from \$6Bn to \$26Bn in April 2024. As margins expanded, Quarterly Free Cash Flow grew by 782% over the same period. The market capitalisation of the company grew by 707% since ChatGPT was announced.
- Training of Generative AI models on large datasets require substantial computing power and NVIDIA positioned itself early on as a comprehensive AI solution provider and now holds 70%-95% market share for AI chips.
- As per CEO Jensen Huang, "a trillion dollars' worth of existing data centres needs to be accelerated, and a trillion more dollars is needed to expand the installed base with AI factories in the next five years."

Recent Developments

- At the GTC Conference in March, NVIDIA announced Blackwell, the next generation data centre platform which delivers 4x faster training and 30x faster inference than its predecessor.
- CEO Jensen Huang expects Blackwell to be "the engine to power this industrial revolution". Blackwell-based products are expected to be rolled out in the latter part of 2024 as Amazon, Google, Meta, Microsoft, OpenAI and xAI have already adopted the infrastructure.
- On June 7, NVIDIA effected a 10-to-1 stock split which drove investments from retail investors. The company's shares rose by 16.4% over the next 8 days. After a technical correction amidst profit taking and sector rebalancing, the stock settled at \$123.99 and is up 150.38% YTD (as of 28 June 2024).
- Due to the lofty expectations of the markets, NVIDIA's stock will likely remain volatile over the next quarter. The company however shows no signs of weakness and should continue to grow as new AI products drive greater demand for its solutions.

28th June 2024

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