

# What Nvidia’s \$4T valuation means for chip company

BY WENDY LEE  
*Los Angeles Times*

Nvidia is already the world’s most valuable company being one of the biggest beneficiaries of the global artificial intelligence boom.

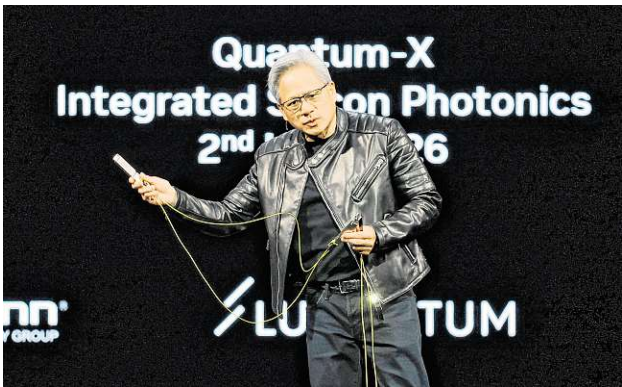
This week, the Santa Clara, California-based chip maker got another windfall.

The Jensen Huang-led technology giant on Monday received approval from the U.S. government to sell some of its AI chips in China, boosting Nvidia’s stock price by 4% to \$170.70 a share on Tuesday. Rival Advanced Micro Devices Inc. has received similar assurances from the government.

Nvidia’s valuation has risen dramatically over the last two years since generative artificial intelligence became a mainstream topic. Last week, the 32-year-old company became the first publicly traded firm to reach \$4 trillion in market capitalization, beating tech titans including Microsoft and Apple.

Though it’s a largely symbolic moment, the milestone raised the stakes for competition in the AI space, which has attracted enormous amounts of capital from established tech players and start-up investors.

“Once you reach that level of market cap, everybody and their brother wants to be you,” said Rob Enderle, principal analyst



JUSTIN SULLIVAN Getty Images/TNS

Nvidia CEO Jensen Huang delivers the keynote address during the Nvidia GTC 2025 at SAP Center on March 18. Last week, the 32-year-old company became the first publicly traded firm to reach \$4 trillion in market capitalization, beating tech titans including Microsoft and Apple.

with advisory services firm Enderle Group. “So that means that there’s going to be a huge focus on creating competitive technologies to Nvidia because it looks incredibly lucrative.”

Nvidia has become a primary force in the growth of AI technology, as many applications are built with Nvidia’s chips.

Prior to the AI boom, Nvidia was mostly known for creating premium graphics cards that were attractive to gamers in rendering high-speed visuals. Most recently, the company is known for selling powerful chips that help chatbots such as OpenAI’s ChatGPT and self-driving cars process information quickly enough to make the technology useful. Nvidia said in its 2025 annual report that it powers more than 75% of

the supercomputers on the TOP500 list, which ranks the 500 most powerful computer systems in the world.

## WHAT IS POWERING NVIDIA’S RISE?

Founded in 1993, Nvidia has ridden many technology waves, including the crypto frenzy.

But lately, Nvidia has seen tremendous growth thanks to worldwide investor interest - and competition for dominance - in artificial intelligence.

Companies are eager to explore how AI can make processes more efficient and figure out complex problems. But getting the computing power behind AI can be expensive if companies are building hardware on their own. That’s where Nvidia comes in.

Nvidia’s sales increased

69% to \$44.1 billion in its fiscal first quarter compared to a year ago. Net income was nearly \$18.8 billion, up 26% from a year ago. In its fiscal year 2025, the company’s revenue more than doubled to about \$130.5 billion compared to a year earlier, and net income increased 145% to nearly \$72.9 billion compared to fiscal year 2024.

In the last 12 months, Nvidia’s shares have increased more than 30%. Since five years ago, the stock has risen more than 16-fold.

“It is clear AI is going to change the world and people want to get on that train, and Nvidia is the easiest entry point,” wrote Berna Barshay, a partner at online investment platform Wall Street Beats, in an email. Over time, new winners and formidable rivals may emerge, Barshay said. “But during this foundational period of infrastructure creation, Nvidia has certainly been king.”

Other companies were slower to innovate in AI, including Apple and Intel, and underestimated how quickly AI technology would advance, analysts said.

## WHO IS JENSEN HUANG?

Huang, a former micro-processor designer, discussed the idea behind Nvidia inside a Denny’s in San Jose with fellow entrepreneurs Chris Malachowsky and Curtis

Priem. The company’s name is partly based on the Latin word “invidia” - which means envy, according to the Wall Street Journal.

Many businesses are certainly jealous of Nvidia’s success now, but in the 1990s, the company almost went out of business when its first chip, NV1, failed, according to media reports. Huang has said in public comments, including commencement speeches, that adversity can help people become better leaders.

Born in Tainan, Taiwan, in 1963, the onetime Denny’s dishwasher has become one of the industry’s most recognizable names, on par with Apple chief Tim Cook and Meta’s Mark Zuckerberg. Thousands of people watch Huang’s keynote at Nvidia’s developer conference, as his vision could provide a road map for companies eager to expand investments in AI. Some analysts regularly refer to him as the “godfather of AI.”

## WHAT CHALLENGES LIE AHEAD?

The biggest challenges facing Nvidia are trade wars and competition, analysts say.

Tariffs in the semiconductor industry could hurt companies like Nvidia, which manufacture and sell countless chips abroad. The company said in its annual report that 53% of its revenue in its 2025 fiscal year came from outside the U.S.

The company said that worldwide geopolitical tensions and conflicts in countries like China, Hong Kong, Israel, Korea and Taiwan, where the manufacturing of its product components and final

assembly are concentrated, could disrupt its operations, product demand and profitability.

Nvidia has worked with its production partners to increase U.S. manufacturing of its chips.

Several years ago, the U.S. restricted Nvidia’s sales of its chips in China due to concerns that its AI technology could be used to help the Chinese military. Huang has said that since the U.S. government could choose to apply restrictions, he didn’t think policymakers needed to be concerned about that and warned that allowing Nvidia to lose market share in China would cede a major advantage to Chinese tech company Huawei, according to Bloomberg.

While many analysts say Nvidia has a significant lead on competitors, it is possible over time they could catch up. OpenAI, which uses Nvidia products for ChatGPT, is developing its own chip design, according to Reuters.

There’s also the question of whether the power grid is robust enough to support the infrastructure needs of the fast-growing technology, which could slow down not just Nvidia but the larger AI ecosystem.

Despite the challenges, Thomas Monteiro, senior analyst at Investing.com, is bullish on Nvidia, saying it is possible that the company could reach \$5 trillion in market cap during the next 18 months.

“The world’s still catching up and the thing is, it’s going to take years for them to catch up,” he said. “As long as we’re looking at the AI revolution as a multidecade transformation, it’s going to be really hard to take Nvidia out of that position.”

# Trump drafts letter to fire Fed chair, asks GOP if he should

BY MAGGIE HABERMAN AND COLBY SMITH  
*NYT News Service*

President Donald Trump showed off a draft of a letter firing Federal Reserve Chair Jerome Powell during a meeting with roughly a dozen House Republicans on Tuesday night, polling them as to whether he should do it and indicating that he likely would, according to two people briefed on the meeting.

It remains to be seen whether Trump will actually go ahead with trying to fire Powell, a move that some in his administration have cautioned could be calamitous and have far more expansive

fallout than the president appears to anticipate.

The meeting in the Oval Office was on an unrelated topic - the House members’ apprehensions about a crypto-related piece of potential legislation. But Trump used the meeting to discuss what has become one of his favorite topics: his hatred of Powell, whom he elevated to chair in 2017, during his first presidency.

Speaking from a separate meeting in the Oval Office on Wednesday, Trump confirmed that he had queried House lawmakers about whether he should fire Powell but said he had no imminent plans to do so.

“I talked about the concept of firing him. I said, ‘what do you think?’ Almost everyone of them said I should,” Trump said, adding “but I’m more conservative.” Trump, who often reflexively disputes news reports about his actions, said he hadn’t had a letter drafted. It was unclear if he was being literal and meant that someone else had composed it.

Trump has been increasing his angry rhetoric around Powell - whom he attacks for not cutting interest rates while overseas counterparts have done so - for the past several days. He has seized on renovations that are underway at the Fed to refurbish a

nearly 100-year-old building that will eventually house most of the central bank’s staff.

Asked later whether he would rule out firing the Fed chair, he said, “I don’t rule out anything but I think it’s highly unlikely unless he has to leave for fraud.” Trump then pointed to the Fed’s renovation, saying “I mean it’s possible there’s fraud involved with the \$2.5 billion renovation.”

The project, which has been ongoing since 2021, has been scaled back because of swelling costs. The renovations are estimated to cost more than \$2 billion once completed and are already tracking \$700 million over budget.

The president has in recent weeks called on Powell to resign, saying he has not done enough to lower interest rates.

# Trump aide grabs pole position in race to be Fed chair

BY NANCY COOK AND CATARINA SARAIVA  
*Bloomberg News*

Kevin Hassett, one of President Donald Trump’s longest-serving economic aides, is the early frontrunner to replace Jerome Powell as Federal Reserve chief next year, according to people familiar with the process.

Hassett, director of the National Economic Council, and Kevin Warsh are the top two contenders in an “Apprentice”-like contest run by Trump out of the White House. Treasury Secretary Scott Bessent is advising on selection - but could get the job himself if others fail to impress - while Fed Governor Christopher Waller remains the dark horse, said a people familiar with the deliberations.

Trump has raised the succession stakes by routinely blasting Powell for keeping interest rates too high, and saying he’ll pick a Fed chair who wants to cut them. It’s left investors worried that the central bank’s autonomy from political pressure - key to its ability to fight inflation and support the dollar - is in growing danger.

Hassett has echoed Trump’s Fed critique. In a Fox Business interview this month, he noted that the central bank is an independent agency. But he said that by cutting rates before last year’s presidential election - and then keeping them on hold more recently, citing inflation risk from tariffs - it deserved the president’s barbs.

“I think that that raises the specter that they’re not being nonpartisan, they’re not being independent,” Hassett said.

## ‘THERE TO SERVE’

Once seen as a measured right-leaning economist, aligned with politicians like Mitt Romney, Hassett has been in the Trump orbit for close to a decade now. He’s approached the National Economic Council job very differently from predecessors like Gary Cohn, who sought to damp down the president’s impulses on tariffs - and didn’t last long.

Hassett has gone full MAGA instead - amplifying Trump’s instincts on trade, taxes, inflation or the Fed, in myriad TV appearances.

That’s what it takes in Trumpworld, according to Stephen Myrow, who runs Beacon Policy Advisers, a Washington research firm.

“Anyone who has survived this long under Trump, they’re not coming in with an ideology that they want to advance,” Myrow said. “They’re not there to serve a school of monetary thought. They’re there to serve Trump.”

What remains to be seen is how that service ethos applies to the next Fed chair - a job that’s supposed to be walled off from administration priorities.

It’s a multi-trillion-dollar question. Economists say autonomous central banks are better at taming inflation, so a Fed chief seen as acquiescent to the White House could trigger a slump in Treasury markets. Trump’s threats to fire Powell have added to financial jitters set off by his trade war.

The president has taken the opposite tack, arguing that excessive Fed rates add hundreds of billions a year to America’s debt service costs.

# FDA to end dozens of ‘obsolete’ rules for food items

BY CHRIS BENSON  
*UPL.com*

The federal government says it’s ending a whole slew of “obsolete” U.S. food standards that Trump administration officials say also include “unnecessary” ones.

“I’m eliminating outdated food regulations that no longer serve the interests of American families,” stated U.S. Health and Human Services Secretary Robert F. Kennedy Jr. on Wednesday.

The U.S. Food and Drug Administration announced that it’s revoking, or proposing to revoke, 52 federal standards for scores of food products in items such as canned fruit, vegetables, dairy, baked goods and macaroni products.

It will also apply to areas of food safety, packaging, manufacturing and production practices and nutrition information, labeling and claims on American-made products.

A proposal targets 23 types of products -- bakery, noodle and macaroni products, canned fruit juices, fish and shellfish, along with flavoring and food dressings.

Kennedy said his new U.S. food policy changes marked a “crucial step in my drive to cut through bureaucratic red tape, increase transparency and remove regulations that have outlived their purpose.”

In March, he had ordered the FDA to revise its rule allowing food companies to “self-affirm” the safety of their own ingredients.

FDA officials say Wednesday’s unveiling is the first round of results in the ongoing review of its portfolio of over 250 “Standards on Identity,” with a goal to “make sure they are useful, relevant and serve consumers.”

“Antiquated food standards are no longer serving to protect consumers. It is common sense to revoke them and move to a more judicious use of

food standards and agency resources,” said FDA Commissioner Marty Makary.

The Food and Drug Administration now contends that additional consumer protections mixed with advances in food science, production and agricultural practices have made it “unnecessary” to keep many of the older “recipe standards.”

A direct rule, which came with a proposed companion in case of a legal challenge, ends federal guidance and standards on 11 types of canned fruits and vegetables the FDA claimed are “no longer sold in U.S. grocery stores.”

It included seven rules for artificially-sweetened fruits with saccharin or sodium saccharin.

The other proposed revocation of standards looks at 18 dairy product types to include certain milk and cream items, frozen desserts, cheese and cheese-related products.

“The removal of these