



Three Ways to Profit from a Potential \$1.8 Trillion AI Boom

The artificial intelligence boom is here.

And there's plenty to get excited about. For one, according to Grand View Research, AI could be worth \$1.8 trillion by 2030. Two, OpenAI just released ChatGPT, which is a big advancement in the ability of AI systems to understand and generate human-like text.

Three, ChatGPT could impact a wide range of industries and applications. For example, it could be used to improve customer service by providing efficient responses to customer inquiries. It could also be used in education to create personalized learning experiences, or in healthcare to provide more accurate and efficient diagnoses and treatment recommendations.

Even the White House has taken notice. Just days ago the White House and the European Union agreed to work together to develop new AI tools.

And, according to National Security Advisor Jake Sullivan:

“This collaborative effort will drive responsible advancements in AI to address major global challenges with a joint development model and integrated research to deliver benefits to our societies through five key areas of focus: Extreme Weather and Climate Forecasting, Emergency Response Management, Health and Medicine Improvements, Electric Grid Optimization, and Agriculture Optimization.”

So, how can we potentially profit from the story?

Microsoft (MSFT)

Microsoft wants to be the dominant force in AI.

In fact, its \$10 billion investment in ChatGPT developer OpenAI could be its way in. The move will allow Microsoft to deploy GPT-3, the service that the generative AI chatbot ChatGPT is based on, and other platforms across its various cloud-based services, says Yahoo Finance. In addition, Microsoft just released an OpenAI service on its Azure platform, which developers can now incorporate into their software designs.

Nvidia (NVDA)

“Nvidia dominates the market for graphics chips designed for complex computing tasks needed to power AI applications. The more people use ChatGPT, the more computing power its owner OpenAI requires to generate responses to the millions of queries received from lazy students with essay assignments or struggling songwriters,” says Bloomberg.

Nvidia, which provides the processing power needed to run AI applications, could see significant revenue and share price boost because of it. Morgan Stanley agrees, reiterating an outperform rating on the stock with a price target of \$220.

“NVIDIA is the leader in accelerated compute and the key enabler for AI across vertical industries – full stop,” said the firm, as quoted by Barron’s.

C3.ai (AI)

C3.AI is an enterprise artificial intelligence software company. It’s working with Amazon, Microsoft, and Alphabet to boost their cloud platforms. It’s working with oil companies to monitor equipment for potential failure with AI. It’s even using AI to boost efficiency and produce cleaner fossil fuels. And from the looks of its chart, there’s more upside ahead.

Helping, the company just unveiled plans for C3 Generative AI for Enterprise Search, a new tool that will leverage software, such as ChatGPT to make it easier to find information on corporate information systems.

Even better, D.A. Davidson analyst Gil Luria just initiated coverage of AI with a buy rating, with a \$30 price target. “We believe that C3.ai is a truly scarce asset in a critical software arena and that the emergence of generative AI as a ‘killer app’ for Artificial Intelligence provides C3.ai with the opportunity to monetize its considerable investment and track record in the field of Artificial Intelligence,” Luria said, as quoted by Barron’s. He added the new generative AI search tool will be “a game changer for the company.”