



## How Product Announcements Affect Stocks: A Case Study of NVIDIA And Their 2 Brand New Gaming GPUs

On 4 January 2022, tech giant [NVIDIA announced their 2 brand new gaming GPU for laptops](#) in the CES 2022. Every time NVIDIA announces a new product, tech enthusiasts and gaming geeks worldwide get fascinated and express their sensation by posts, reviews, unboxing vlogs, and of course, 'kidney selling' memes. This time was also not an exception. However, besides social media, another community gets thrilled by such announcements - the stock traders.

Whenever a giant company releases a big announcement, the stock price curves of the company and its competitors get affected immediately. This hype prevails from a few weeks to even a couple of months. Therefore, it is essential to keep oneself updated about such announcements and obtain a clear idea about what they signify.

This post will discuss how product announcements of giant corporations affect the stock market. To thoroughly understand it, we will observe a case study on a very recent event of 4 January when NVIDIA officially announced details regarding their upcoming Laptop GPUs. We will discuss the stock market, then move to NVIDIA's announcement and the instant effect it caused

on the stock market. Finally, we shall explain every detail in layman's terms so that a complete beginner in stocks and GPU can obtain experience and ideas from this article.

## Stock Market - At A Glance

A stock (also known as a share or equity) is a financial instrument that denotes ownership of a small portion of a firm. The traders purchase their picked stocks through their preferred brokers online. When you buy a company's stock, the price fluctuates in response to the company's profit or loss. If you trade successfully, you may earn a substantial profit that rivals gold or bank-issued fixed deposit income. Thus, the strategy is to buy equities that will rise in value and sell those that will drop.

Predicting the stock market, on the other hand, is never simple. Numerous factors influence the stock price chart, including news sentiment, market hype, EPS (Earnings per Share), earnings base, inflation, and liquidity. Of those, news sentiment and market hype will be the key points of our discussions today.

## Everything About The NVIDIA Brief

If you are a gaming junky like me, you probably just clicked this article seeing the "NVIDIA" term. The wait is over. However, the announcement is significant and relevant to our discussion in a true sense. Therefore, we will try to cover every detail of that announcement in this section. On 4 January 2022, NVIDIA unveiled 2 of their most awaited GPU products in the Consumer Electronics Show (CES), 2022, alongside the latest generation of **Max-Q technology**. They are:

1. **GeForce RTX 3080 Ti**
2. **GeForce RTX 3070 Ti**

In the announcement, NVIDIA went over some of the specs of RTX 3070 Ti and the 3080 Ti-powered laptops.

### GeForce RTX 3080 Ti

The model RTX 3080 Ti contains 16 GB of memory that NVIDIA claims to be their "fastest ever GDDR6" graphic memory. As a result, it is expected to outperform its TITAN RTX GPU, used in gaming desktops. NVIDIA expects the GPU to endure 120 fps on average at 1440p resolution, on ultra mode.

NVIDIA expected the GPU to be available in the market by 1 February 2022, through their partner laptop brands, including ASUS, Alienware, MSI, Razer, etc.

### GeForce RTX 3070 Ti

Not much information was shared regarding the specs and expected performance of RTX 3070 Ti. However, it was declared that the performance of 3070 Ti would be 1.7X faster and more robust than the GeForce RTX 2070 SUPER graphics card used in desktops. Furthermore, the average performance is expected to be, on average, more than 100fps at 1440p on ultra preset.

RTX 3070 Ti-equipped laptops are expected to arrive through NVIDIA's partner laptop brands in the market on 1 February 2022, the same date as RTX 3080 Ti.

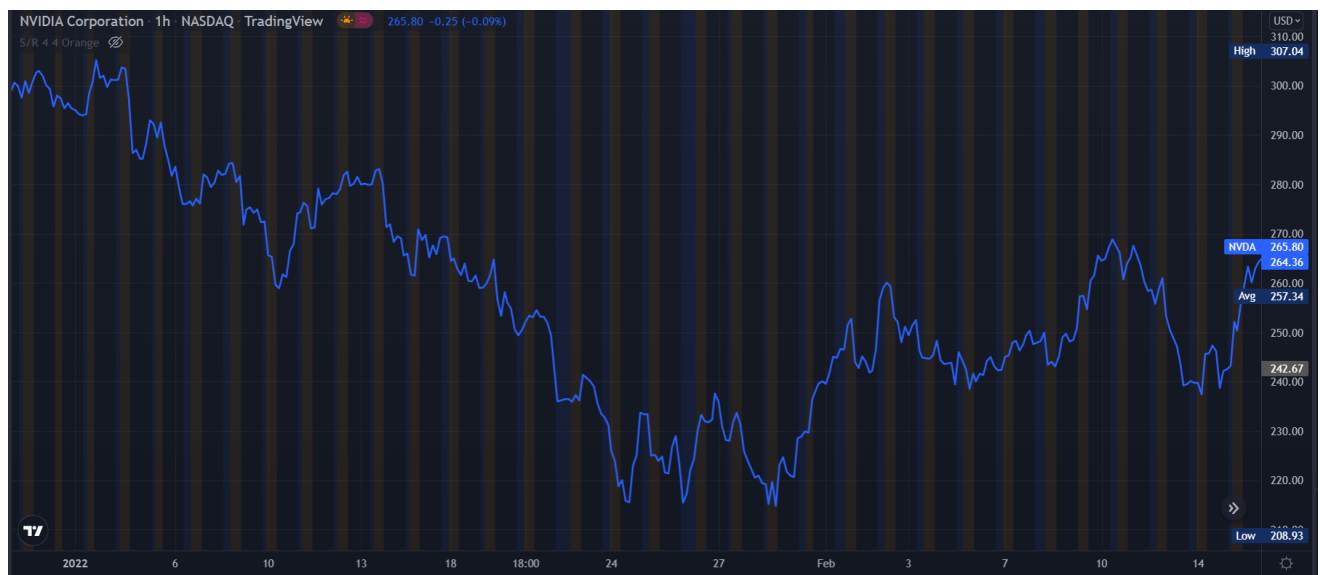
## Max-Q Technology - 4th Edition

Max-Q is derived from the aeronautics industry and refers to the highest aerodynamic stress that an aircraft can withstand. However, in the computing domain, Nvidia has appropriated this and used it to symbolize the concept of pushing both efficiency and performance to their limits in order to achieve an optimal point for both while retaining acceptable amounts of heat. Launched at Computex 2017, each version of the Max-Q technology implies smaller, lighter gaming laptops to become possible.

The 4th Edition offers the luxury to remotely manage a laptop's CPU in order to properly optimize or redistribute performance, power, and temperature as necessary according to the Nvidia GPU's optimization.

## Findings On The Reaction In The Stock Market

On 4 January 2020, the stock price of NVIDIA ([NASDAQ: NVDA](#)) was floating around \$291. However, the price unexpectedly declined 22% in January 2022 and closed at \$231 as the whole NASDAQ stock exchange slumped 12% in January due to inflation and some macro-market issues. Therefore, the announcement could not make much difference despite its potential.



However, if we keep an eye on the expected launch date of 1 February 2022, the price curve takes a correction and suddenly goes up. The price climbed 14.28% only within 10 days of the expected launch date. Here's how the price went up as an uptrend:

Date	Open	High	Low	Close	Volume
2/1/2022	251.04	251.45	238.9001	246.38	51892520
2/2/2022	257.94	258.17	245.5301	252.42	54341941
2/3/2022	244.58	250.77	237.8	239.48	41017781
2/4/2022	239.72	246.35	236.32	243.19	35482848
2/7/2022	243.72	251.82	242.02	247.28	37686754
2/8/2022	243.59	252.3	239.8	251.08	41035859
2/9/2022	256.22	267.25	253.53	267.05	52428168
2/10/2022	259.95	269.2499	256	258.24	51319969
2/1/2022	251.04	251.45	238.9001	246.38	51892520

This depicts the influence of the latest product launches and the corresponding days of giant companies on their stock price curves. However, this chart also warns that purchasing a stock only looking at the market hype and lucrative news might drain your portfolio if you are indifferent to the overall market situation.

## Conclusion

We discussed the announcement of NVIDIA's some of the latest GPUs and studied how product launches manipulate the stock market. However, we also learned that jumping into any stock without proper market study can be risky and result in huge losses. Therefore, always do your own research before purchasing a company's stocks when their awaited products are released. Right investment at the right time is bound to bring you a fortune.

A last piece of advice. Trading is always more secure and simple with trusted brokers. In this case, my personal favorite is [Avatrade](#). It is a trusted broker in the field which allows trading a vast range of shares via CFDs on its platform. Be sure to check it out.