Why I Bought NVIDIA (NVDA)

1. Trading Activity

Table 1: Contest Trades

Ticker	Company	Buy date	Buy price	Sell date	Sell price	Shares	Return
AAPL	Apple	Sep 16	$332.85	Held	Held	3	-
CAT	Caterpillar	Sep 16	$808.99	Held	Held	1	-
GOOGL	Alphabet	Sep 16	$349.54	Held	Held	3	-
INTC	Intel	Sep 16	$108.60	Held	Held	9	-
JPM	JPMorgan Chase	Sep 16	$350.87	Held	Held	3	-
NVDA	**NVIDIA**	**Sep 16**	**$215.50**	**Held**	**Held**	**4**	**-**
PLTR	Palantir Technologies	Sep 20	$177.64	Held	Held	6	-
SPCX	Space Exploration Technologies	Sep 20	$152.71	Held	Held	3	-
WMT	Walmart	Sep 20	$106.73	Oct 4	$104.26	8	−2.3%

Source: FACCTing Contest Portfolio. All dates are in 2026

2. Company Profile

NVIDIA designs chips and computing platforms for artificial intelligence, data centers, gaming, and automobiles. Its customers and partners include AWS, Google Cloud, Microsoft Azure, OpenAI, Meta, Dell, and Mercedes-Benz. NVIDIA earns most of its revenue by selling high-performance processors, networking equipment, software, and computer systems for data centers. Its main competitors include AMD, Intel, Alphabet, Amazon, and Microsoft.

Table 2: Key Numbers ($ millions, except EPS; NVIDIA fiscal year ends late January)

Financial measure	FY2024	FY2025	FY2026
Revenue	$60,992	$130,497	$215,983
Revenue growth	126%	114%	65%
Operating income	$32,972	$81,453	$130,387

Financial measure	FY2024	FY2025	FY2026
Net income	$29,760	$72,880	$120,067
EPS	$1.19	$2.94	$4.90

Source: NVIDIA press release for FY 2024, FY 2025, & FY 2026

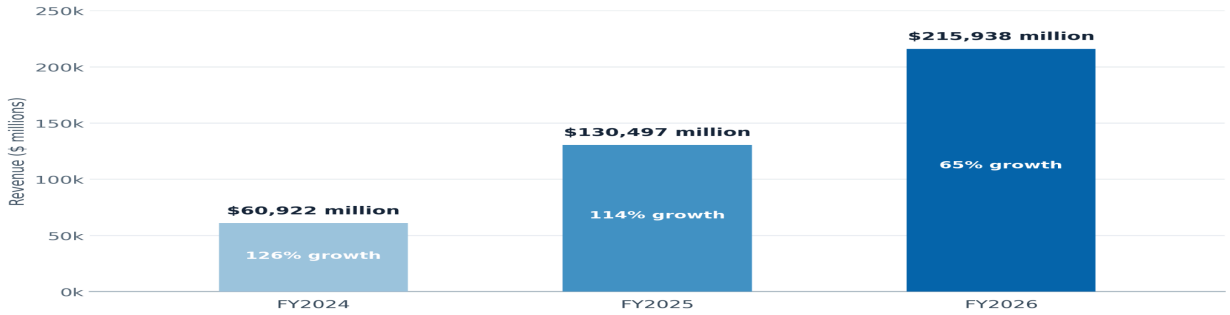
On the day I bought (Sep. 16, 2026): share price $215.50, market cap about $5.24 trillion, and P/E ratio approximately 27 (using earnings from the latest 12 months of about $7.97 per share).

3. Why I Bought

Reason 1: NVIDIA has a strong competitive advantage through its CUDA software ecosystem. CUDA is used by more than 6 million developers and supports nearly 6,000 applications. Major cloud providers, including AWS, Google Cloud, Microsoft Azure, and Oracle Cloud, also use NVIDIA technology. Because switching from CUDA can be difficult and expensive, I believed NVIDIA could maintain strong demand.

Reason 2: NVIDIA's revenue and profits were growing rapidly because of demand for artificial intelligence. As Table 2 & Figure 1 shows, NVIDIA's annual revenue increased from $60,992 (millions) in fiscal 2024 to $215,983 (millions) in fiscal 2026, an increase of more than 250% in two years. Its net income also increased from $29,760 (millions) to $120,067 (millions) during that period. These numbers showed me that NVIDIA's growth was supported by actual sales and profits.

Figure 1: Growth in revenue over 3 fiscal years



Source NVIDIA press release for FY 2024, FY 2025, & FY 2026

Reason 3: NVIDIA's price appeared reasonable compared with its growth. I bought the stock for $215.50 per share at a P/E ratio of about 27. NVIDIA had reported quarterly revenue growth of 106% and Data Center growth of 117%, so I believed the stock still had room to rise.

4. Why I Sold

I did not sell NVIDIA and held my shares through the end of the competition because my original reasons for buying remained true. The company continued to benefit from AI demand, financial growth, and its strong CUDA ecosystem. I learned that a stock does not always need to be sold quickly when its performance and business outlook remain strong.

What I learned: I learned that I need to create an exit plan before buying a stock. Although NVIDIA increased in value, I had not set a target price, so I was unsure when to take the profit. Next time, I will set a profit target and stop-loss in advance.

Sources:

1. “NVIDIA Announces Financial Results For Fourth Quarter And Fiscal 2024” Oct. 10, 2026
https://investor.nvidia.com/news/press-release-details/2024/NVIDIA-Announces-Financial-Results-for-Fourth-Quarter-and-Fiscal-2024/

2. “NVIDIA Announces Financial Results for Fourth Quarter and Fiscal 2025” Oct. 10, 2026
https://nvidianews.nvidia.com/news/nvidia-announces-financial-results-for-fourth-quarter-and-fiscal-2025?_gl=1*1wap4mj*_gcl_au*MTAyMTQyMjc4Ni4xNzkyMDgzNDI5Li0uLS4xNzkyMDgzNDg5LjI1MTYyODYyNS4xNzkyMDgzNDg5LjE3OTIwODM0ODk.

3. “NVIDIA Announces Financial Results for Fourth Quarter and Fiscal 2026”
https://nvidianews.nvidia.com/news/nvidia-announces-financial-results-for-fourth-quarter-and-fiscal-2026

AI use: I used AI for generating figure 1