Inside AI

For June 05, 2024

Here's a look at today's AI briefing:

- Nvidia's market cap tops $3 trillion for first time.
- Treasury Secretary expected to warn of AI's risks.
- xAI to build 'world's largest supercomputer' in Memphis.
- AI video-generation startup Pika raises $80M.
- Asana unveils 'AI teammates' for work tasks.
- Fresh funding.

Beth
p/beth-duckett

1

Nvidia's market cap topped $3 trillion for the first time today, surpassing Apple to become the world's second most valuable company. Nvidia, with a market cap of $3.01 trillion, now only trails Microsoft's $3.15 trillion.

More:

- Nvidia hit $1 trillion last May and $2 trillion in February, surpassing both Amazon and Alphabet.
- Its shares have surged around 147% this year, adding $1.8 trillion to its market cap amid soaring demand for its AI chips.
- On Wednesday, Nvidia's stock rose 5.2% to $1,224.40, valuing it at $3.012 trillion, just above Apple's $3.003 trillion.
- Nvidia plans a 10-for-one stock split on June 7 to attract more individual investors.

Zoom out:

- Nvidia's stock has surged over 24% after its Q1 earnings report in late May.
- The chipmaker reported that its quarterly data center business, including AI chip sales, skyrocketed by 427% YoY to $22.6B.
- Nvidia owns 70%-95% of the AI accelerator chip market.

2

In a Thursday speech, U.S. Treasury Secretary Janet Yellen is expected to tout AI's benefits for financial firms while warning about the technology's risks. Yellen will deliver a speech at an AI conference held by the Financial Stability Oversight Council (FSOC) and the Brookings Institution.

More:

- The Treasury Department shared excerpts of the speech with media outlets.
- In the remarks, Yellen says AI-related risks have become a main focus for the regulatory council, which monitors U.S. financial stability.
- She praises AI for automating customer service, improving forecasting and portfolio management, and boosting fraud detection.
- But AI's risks include complex, opaque models, insufficient risk management, and widespread reliance on similar data and models, Yellen warns.
- Faulty or inadequate data can also introduce or worsen biases in financial decisions, she says.

Zoom out:

- In December, the FSOC issued its first warning about AI as an "emerging vulnerability" to financial markets.
- The group's annual report identified risks, such as lending bias, particularly in AI programs that operate as "black boxes."

3

Elon Musk's xAI startup plans to build "the world's largest supercomputer" in Memphis, Tennessee. Musk previously unveiled plans to build a supercomputer to power a more advanced version of Grok, xAI's chatbot.

More:

- Musk has said the supercomputer, made up of Nvidia H100 GPUs, would be four times larger than current clusters.
- The "Gigafactory of Compute" may be the biggest multi-billion dollar investment by a new-to-market company in Memphis history, said Ted Townsend, president of the Greater Memphis Chamber.
- According to Townsend, Musk and xAI have collaborated with Memphis officials since March to plan for the project.
- Memphis is considering offering tax breaks to xAI for the factory, with cost and job estimates pending.
- The project, which would see xAI occupy a former manufacturing site, still needs approval from local government authorities.

Zoom out:

- xAI released Grok-1, its "rebellious" chatbot modeled after the Hitchhiker's Guide to the Galaxy, in November.
- In May, xAI announced a $6B Series B round, with plans to use the funding to take its "first products to market, build advanced infrastructure, and accelerate the research and development of future technologies."

4

Spark Capital led an $80M funding round in AI video-generation startup Pika. Other investors include Greycroft, Lightspeed Venture Partners, and actor and musician Jared Leto.

More:

- Pika, now valued at $470M, offers AI software for users to generate short video clips from text, images, or other video.
- Its co-founders Demi Guo and Chenlin Meng left Stanford to launch Pika's AI video-making software late last year.
- Pika plans to update its text-to-video model later this year to offer higher-quality, longer videos, extending beyond the current three-second limit.

Zoom out:

- Leto's band, Thirty Seconds to Mars, has incorporated videos created with Pika into some concert stage footage.

5

Asana unveiled "AI teammates," a generative AI feature for automating work tasks. The AI bots can manage workflows, set priorities, suggest productivity improvements, and automate routine and complex tasks.

More:

- Asana, a work management platform, said it's been testing the beta tool with Palo Alto Networks and other enterprise customers.
- The bots are customizable for specific roles and tasks, such as product launches, strategic planning, and onboarding.
- The AI teammates offer the customized support by drawing from Asana's "Work Graph" data model, which maps relationships between team tasks, work information, and employees.
- Paige Costello, Asana's head of AI, said the future of work involves humans collaborating not only with each other but also with AI.
- Asana's AI teammates offer a more flexible approach to internal workflow management than its existing tools, Costello said.

Zoom out:

- Also today, Asana and Anthropic released the results of a survey about AI at work.
- In the U.S., over 57% of workers use AI tools at least once a week, up from 46% nine months ago.
- The top AI application, used by 37% of knowledge workers, is email generation.

% of respondents who use GenAI tools at work at least weekly

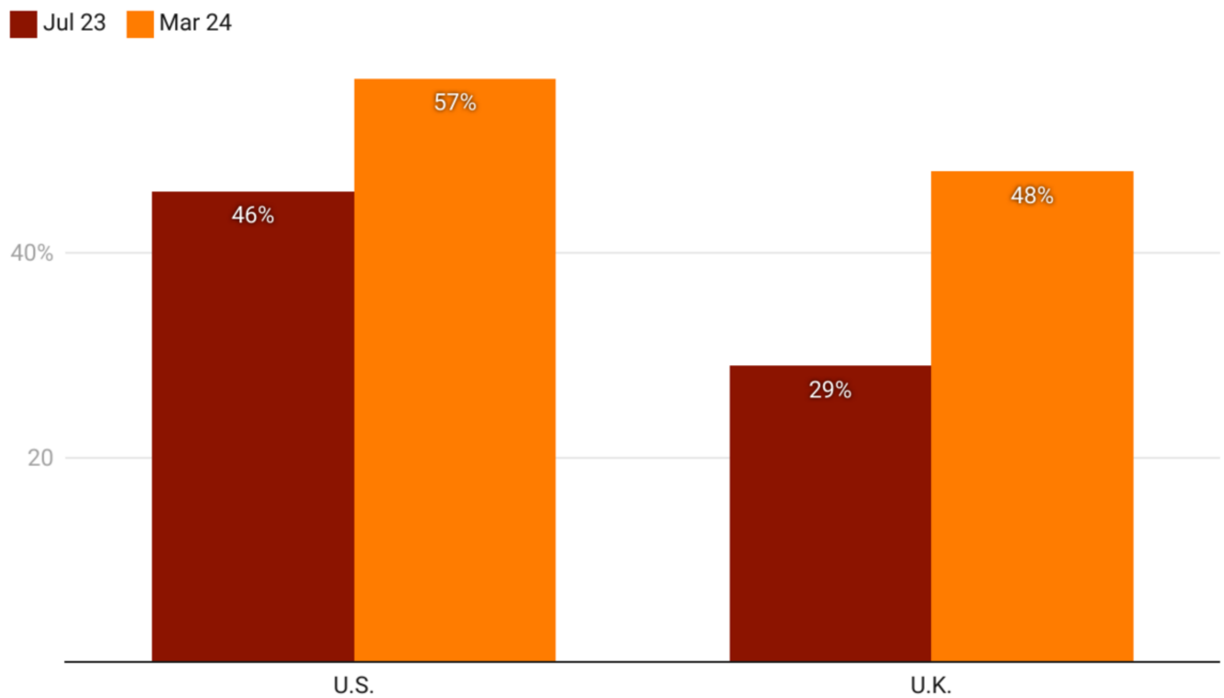

Chart: Inside.com • Source: Asana's Work Innovation Lab and Anthropic, "The State of AI at Work 2024" • Created with Datawrapper

Top use cases for generative AI in the workplace

Chart: Inside.com • Source: Asana's Work Innovation Lab and Anthropic, "The State of AI at Work 2024" • Created with Datawrapper

6

Fresh funding:

- Canadian LLM startup Cohere secured $450M from investors like Nvidia and Salesforce Ventures. The investments mark the first tranche of Cohere's ongoing fundraising at a $5B valuation.
- Saudi Aramco's venture fund Prosperity7 Ventures joined a $400M funding round for Chinese AI startup Zhipu AI. The financing round reportedly values chatgot maker Zhipu at $3B.
- AI-powered virtual physical therapy startup Sword Health bagged $30M in fresh funding from new and existing investors, including Khosla Ventures, at a valuation of $3B. Sword Health’s valuation surged by 50% compared to its $2B valuation at its Series D round in 2021. In addition to the primary round, the company also facilitated a $100M secondary transaction that allowed employees and early investors to dilute their holdings.
- AI-powered cancer care prediction tool maker Valar Labs raised a $22M Series A funding round led by DCVC and Andreessen Horowitz, with additional support from Pear VC.

Some of this information was first published in our Inside Venture Capital newsletter. Subscribe here.

7

Quick Hits:

- Join industry’s leading AI conference - free passes available! Register Now! passes are selling quickly.**
- Humane warned that AI Pin owners should stop using the wearable's charging case due to a fire risk from a third-party battery cell.
- Stability AI's new Stable Audio Open can generate songs and sounds from text prompts.
- Wix is introducing a generative AI feature to its app builder for users to create and customize mobile apps.

- Raspberry Pi partnered with Hailo to offer an AI Kit for running AI-based apps natively.
- German business software giant SAP acquired Israeli Saas company WalkMe for $1.5B in cash. The deal is expected to boost SAP's AI offerings for enterprise customers.

**This is sponsored content*

Beth Duckett
AI and technology writer

Beth is a contributing editor and writer of Inside's AI and Tech newsletters. She has written for publications including USA Today, the Arizona Business Gazette, and The Arizona Republic, where she received recognition with a Pulitzer Prize nomination and a First Amendment Award for collaborative reporting on state pension cost increases. You can reach her at Beth.Duckett@yahoo.com.

This newsletter was edited by Beth Duckett