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PHILEQUITY CORNER

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The Rise and Fall of Jensen Huang

Nvidia announced last Thursday, November 12, that Jensen Huang had resigned as president, CEO and board member, effective immediately. He had run the company since co-founding it in 1993, growing it from a graphics-card startup into one of the world's most valuable companies. His abrupt exit came days after he admitted an affair with a woman whom US intelligence suspects of spying for China.

At Thursday's intraday low, Nvidia shares were down nearly 40 percent from their October peak. Philequity has followed Nvidia's rise in several articles, including "The Magnificent One" (June 3, 2024) and "Godfather of AI" (June 23, 2025). Could the stock that led the AI bull market now be signaling the market's top?

The world's most powerful tech CEO

Huang was AI's chief evangelist. In his trademark black leather jacket, he sold investors, CEOs and presidents on what the technology could do. In Taiwan, legions of fans mobbed him for selfies and autographs in a frenzy called "Jensanity." He was even dubbed the "Taylor Swift of AI." Books have since been written about him. The two most popular are Stephen Witt's The Thinking Machine and Tae Kim's The Nvidia Way.

The largest company in the world

Nvidia went public in January 1999 with a market value of about $600 million. In June 2024, it became the world's most valuable company for the first time, then took turns at the top with Apple and Microsoft for a year. It took the top spot again in June 2025 and held it for most of the next 17 months, until Apple passed it in late October. On October 6 this year, its shares hit an intraday all-time high of $243.37, valuing the company at $5.9 trillion.

After Huang

The same day Huang admitted the affair, Nvidia's board said it had "no reason to believe" that company secrets or national security had been compromised, and that it had confidence in his leadership. By Wednesday night, the board had decided to push him out, according to CNBC. For the first time in its history, someone else is running Nvidia. CFO Colette Kress, who joined in 2013, is now the interim CEO while the board searches for a permanent replacement. Director Harvey Jones became the company's board chairman.

The key man risk

Huang's departure exposes Nvidia's key man risk. Much of the company's strategy, technology development and major decisions revolved around him. He reportedly had around 60 senior executives directly reporting to him, reflecting his hands-on management style. There was no publicly identified successor.

Kress has been CFO for more than a decade, but Huang's job was never mainly about numbers. He was the one on stage at every product launch, and the one who personally lobbied the White House and urged world leaders to build sovereign AI. In 2025, he successfully petitioned Trump to permit more GPU exports to China.

Did Nvidia mark the market top?

The timing is noteworthy. Nvidia peaked on October 6, the same day the S&P 500 and Nasdaq Composite closed at record highs. Last Thursday, Nvidia fell to an intraday low of $148.80 before recovering to $162.85, still down 33 percent. At their lows, the S&P 500 was down 6.3 percent from its record high and the Nasdaq 12.5 percent. Both regained some ground by Friday's close, ending the week with the S&P 500 3.3 percent below its high and the Nasdaq 8.9 percent below.

Jensen memes

Social media has been flooded with Jensen memes, AI-generated videos and jokes about Huang's scandal. One quip goes, "He wants Lay's; she wants chips." Wall Street strategist Ed Yardeni borrowed from James Bond movies with his commentary, "Double Feature: The Spy Who Loved Me & To China With Love." Others recreated scenes from The Matrix and the Coldplay kiss-cam scandal. But behind the humor are serious questions about lapses in corporate governance, possible leaks of sensitive information and national security, all at the height of the US-China rivalry over AI.

Trouble in Washington

The bigger risk for Nvidia may now be in Washington. Trump has said the FBI is investigating whether Huang's affair led to any compromise on US national security. Three House Republican committee chairs have asked Huang to appear at a closed-door briefing on November 18. They wrote that recent reports raise significant national security concerns regarding China's access to sensitive US technology.

After this month's midterm elections, expect closer scrutiny of AI chip exports to China and of the US datacenter buildup. Tougher restrictions may hurt Nvidia's business in China and affect other chipmakers as well. Rising power costs, questions about Nvidia's circular investments in its own customers and doubts about the payoff from AI spending add to the uncertainty.

AI is not over

The fall of Jensen Huang, who was once called the "Godfather of AI," is sad to watch. He was adored all over the world, and his name became synonymous with AI. Few business leaders have risen so high or fallen so fast.

The AI revolution is far from over. But the departure of its most influential spokesman, coupled with greater regulatory scrutiny and the intensifying technology rivalry between the US and China, could mark a turning point for Nvidia and the broader AI bull market.

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