

TheStreet

Wednesday Wrap-Up: Target Hits the Sweet Spot

Here's what you're missing on TheStreet.

By [Katherine Ross](#) 

Updated Aug 22, 2018 4:19 PM EDT

Happy hump day.

There has been plenty of news today, but here are the top stories on TheStreet.

AMD vs. Intel

You ready for this fight?

TheStreet's Executive Editor Brian Sozzi scoffs at [the idea of a fight](#). According to him, AMD is pummeling Intel.

The mood on Wall Street is that Advanced Micro Devices ([AMD - Get Report](#)) continues to take [market share](#) from wounded Intel ([INTC - Get Report](#)).

Ouch.

"As Nvidia ([NVDA - Get Report](#)) increases its lead in the graphics market, all eyes are on AMD's EPYC server sales as investors track the company's efforts to reach their market share goals; mid-single digit share by EOY 2018 and double-digit by EOY 2019. And based on our checks, we see no reason to change our long-held belief that AMD is well-positioned to disrupt the server market. We note that EPYC demand from major server manufacturers looks very strong through the end of 2018 as AMD takes advantage of INTC's 10nm issues and security flaws," said Jeff Johnston, an analyst at Arthur Wood.

Sticking With the Chips: Nvidia's a Fighter

Nvidia ([NVDA - Get Report](#)) [hosted an early presentation](#) at the Autonomous Vehicle 2018 conference in Novi, Mich.

TheStreet's autonomous driving expert [@BretKenwell](#) talks all thing [Nvidia](#).

The innovative tech company has been in the news lately, too. Whether that's the [more recently announced](#) Turing GPU architecture, [the keynote presentation](#) from CEO Jensen Huang in Cologne, Germany or the quarterly earnings results Nvidia released on Aug. 16.

While the quarter had some bumps around cryptocurrency, the rest of the results were very, very strong. Datacenter, gaming and automotive all displayed impressive traction and aren't showing many signs of slowing down.

Another [Nvidia](#) product that should safely accelerate the realization of autonomous driving? DRIVE Constellation, a colossal project that will allow developers to test their programs in virtual worlds. Put simply, Constellation will allow for synthetic testing environments.

During his presentation at AV18, Danny Shapiro, the senior director of automotive for Nvidia, gave a glimpse at what Constellation can do. Want to see how your driverless software operates during those few minutes a day where the glare from the sun is right in the car's sensors?

Instead of driving a few cars in that scenario each day and hoping for optimal conditions, a developer can test that specific scenario thousands of times over and over -- and do so 24/7. With Constellation, the user can manipulate the angle of the sun, add obstacles such as people or cars, alter the weather and go from day to night. There are a near endless amount of scenarios a team of developers can come up with to test their software.

Whew. That's a lot of tech.

Target's Got a Bullseye

Um, what retailpocolypse?

The retailer [silenced the haters](#) by blowing earning expectations out of the water. Yeah, it was that good.

Target ([TGT - Get Report](#)) posted earnings on Wednesday, Aug. 22. The 6.4% increase in traffic growth is the strongest number it has posted since the company started reporting traffic in 2008. It also announced comparable sales growth of 6.5%, which is the largest increase in 13 years.

"[Target](#) hit the bulls-eye in Q2, with improvement across virtually every meaningful measure, led by online sales growth of 41% and comparable store sales growth of almost 5%," said Charlie O'Shea, Moody's lead retail analyst. "The raising of guidance for the back half of the year is consistent with our view that there are macroeconomic tailwinds that can be exploited by the strongest, most financially flexible retailers that are hitting on all cylinders, with Target definitely in that class."

"We put the stores [in the center](#) of our overall strategy," Cornell responded to [TheStreet's Brian Sozzi](#). "Our stores are fulfilling [the majority] of our online orders."

Target, in its investor relations phone call, mentioned that it was not only chasing after Millennials, but also Gen Z. "I think that's very smart ... to reach out to Gen Z," said Jennifer Olson, senior financial analyst at Apriem Advisors. "[Target] is in a better position to attract a younger generation." Olson credited the fall of Toys R Us as a boost for Target.

"You're looking at a company that has invested to survive in the age of Jeff Bezos and Amazon," said David Russell, VP of content strategy at Tradestation.

"In my career, I don't recall a stronger consumer environment than we have now," Cornell told TheStreet's Katherine Ross. He attributed the strength to GDP and the housing environment.