UOB PRIVATE BANK

CIO Insights

Compute is revenue

8 June 2026

Key Takeaways:

- GPU rental prices are rising across Blackwell/B200, H100/H200 and A100, suggesting AI compute demand is broadening rather than fading, with scarcity extending beyond frontier training workloads.
- H100 and A100 strength undercuts the stranded-asset bear case, as older GPUs remain useful for inference, fine-tuning, enterprise AI and cost-sensitive workloads.
- This reads positively into chip makers, GPU cloud providers, Hyperscalers with scarce capacity, and AI infrastructure enablers across power, cooling, networking, data centres and memory.
- Key risks are customer optimisation, hyperscaler internalisation, neocloud financing pressure, policy and grid bottlenecks, and custom silicon shifting value away from raw GPU ownership.

GPU Rentals: The AI Trade Is Still Hungry

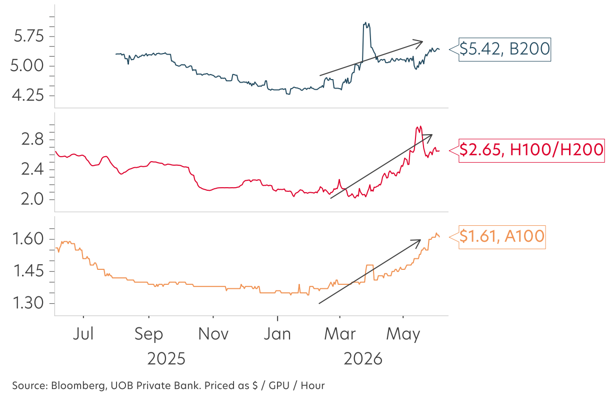
The latest GPU rental data sends a fairly clear message: AI compute demand is not rolling over. It is broadening. Figure 1 shows rising rental prices across multiple generations of Nvidia GPUs, including Blackwell/B200, H100/H200, and even the older A100. That matters because a true supply glut would first show up in falling rentals, weaker utilisation, and collapsing prices for older chips. Instead, the market is paying up almost everywhere.

The top-end market remains the tightest. The B200 GPU sits at around USD5.42/GPU/hour. Those are premium levels versus Hopper-era hardware. This suggests customers are still willing to pay for the newest accelerators, especially where training performance, cluster scale, and time-to-market matter. For Nvidia, this supports the view that Blackwell monetisation remains strong. For cloud providers with early Blackwell allocation, this is good news: expensive capex is being met by expensive demand.

More interesting is what is happening below the bleeding edge. The H100/H200 rental is around USD2.65/GPU/hour. Both have firmed from late-2025 levels. That undercuts the bear case that H100 capacity would be stranded and obsolete once Blackwell arrived. The H100 still has a job: inference, fine-tuning, enterprise AI, batch processing, and customers who want useful compute without paying Blackwell prices. In plain English, last year's king has not been sent to the retirement home.

What we find most interesting is how the A100 GPUs are hitting USD1.61/GPU/hour and rising sharply from its lows. The A100 is not fashionable hardware anymore, which is precisely why the rebound matters. If users are bidding up older GPUs, demand is no longer confined to frontier model labs. It suggests AI workloads are spreading into cost-sensitive use cases, smaller enterprises, and inference-heavy applications. That is a healthier signal than a narrow spike in the newest chip alone.

Figure 1: Rental prices per GPU per hour



Source: Bloomberg, UOB Private Bank

Investment conclusion

We believe that the inflecting GPU rental rates are supportive for the AI infrastructure complex over the next 6-12 months. The strongest read-through is positive for makers of GPU/XPU accelerator chips, because demand appears resilient across product generations. It is also positive for Hyperscalers and Neoclouds with access to scarce GPU capacity, as higher rentals improve utilisation and asset payback.

The second-order winners are power, cooling, networking, data-centre equipment, and memory suppliers, provided GPU deployment remains constrained by physical infrastructure rather than end-demand.

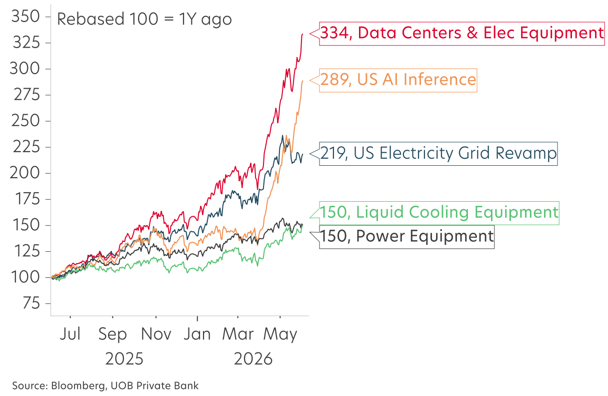
Key risks

The main risk is not sudden GPU abundance. Capacity should remain constrained by chips, power, data-centre readiness, networking, cooling and deployment complexity. The bigger risk is that high compute prices change customer behaviour, pushing users toward optimisation, smaller models, efficient inference, batching, caching, distillation and open-source alternatives.

Scarce capacity may also be internalised by Hyperscalers, reducing external rental monetisation and making public rental indices like what we see in figure 1 less representative. Neoclouds face financing risk if contracts shorten, pricing flexibility rises, or GPU-backed financial leverage outpaces durable demand. Grid bottlenecks and custom silicon could also cap growth or shift value away from raw GPU ownership.

For now, though, the market's verdict is clear: AI compute is still scarce, older GPUs are still earning their keep, and the capex party has not yet run out of champagne. We remain positive on AI infrastructure, with a preference for companies that own scarce capacity, enable deployment, or sell into the bottlenecks. The next thing to watch is not Nvidia's demand story in isolation. It is whether rental prices stay stable or keep rising as more Blackwell supply arrives.

Figure 2: AI infrastructure stack performance



Source: Bloomberg, UOB Private Bank

Figure 3: Gross breakeven time for GPUs

GPU	GPU price	Rental rate / GPU-hour	Breakeven months at 100% utilisation	Breakeven months at 80% utilisation
A100 80GB	USD16,000	USD1.62	13.5	16.9
H100 SXM	USD37,500	USD2.65	19.4	24.2
B200 SXM	USD35,000	USD5.42	8.8	11

Source: UOB Private Bank. Note: excludes server chassis, CPUs, RAM, networking, storage, power, cooling, rack space, downtime, platform fees, financing cost, and utilisation leakage. GPU price is today's approximate selling price.

Disclaimer:

General
This document contains material based on publicly available information. Although every reasonable care has been taken to ensure the accuracy and objectivity of the information contained in this document, United Overseas Bank Limited ("**UOB**") makes no representation or warranty as to, neither has it independently verified, the accuracy or completeness of such information (including any valuations mentioned). UOB neither represents nor warrants that this document is sufficient, complete or appropriate for any particular purpose. Any opinions or predictions reflect the writer's views as at the date of this document and may be subject to change without notice.

The information contained in this document, including any data, projections and underlying assumptions, are based on certain assumptions, management forecasts and analysis of known information and reflects prevailing conditions as of the date of publication, all of which are subject to change at any time without notice. Past performance figures are not indicative of future results.

Not an offer or solicitation to any particular person
This document should not be regarded as an offer or solicitation to any particular person to transact in any product mentioned. Before deciding to invest in any product mentioned, please seek advice from your financial, legal, tax or other appropriate advisers on the suitability of the product for you, taking into account your specific investment objectives, financial situation or particular needs (to which this document has no regard). If you do not wish to seek such advice, please consider carefully whether any product mentioned is suitable for you.

Risks
An investment in any product mentioned in this document may carry different risks of varying degrees, including credit, market, liquidity, legal, cross-jurisdictional, foreign exchange and other risks (including the risks of electronic trading and trading in leveraged products). Nothing in this publication constitutes personalized accounting, legal, regulatory, tax, financial or other advice that regards the personal circumstances of a particular recipient. Please speak to your financial, legal or other appropriate adviser to understand the risks involved and whether it is appropriate for you to assume such risks before investing in any product.

Any description of investment products is qualified in its entirety by the terms and conditions of the investment product and if applicable, the prospectus or constituting document of the investment product.

Valuation
Product valuations in this document are only indicative and do not represent the terms on which new products may be entered into, or existing products may be liquidated or unwound, which could be less favourable than the valuations indicated herein. These valuations may vary significantly from those available from other sources as different parties may use different assumptions, risks and methods.

No liability
To the fullest extent permitted under applicable laws and regulations, UOB and its affiliates shall not be liable for any loss or damage howsoever arising as a result of any person acting or refraining from acting in reliance on any information, opinion, prediction or valuation contained herein.

UOB and its affiliates involved in the issuance of this document may have an interest in the products mentioned in this document including but not limited to, marketing, dealing, holding, acting as market-makers, performing financial or advisory services, acting as a manager or co-manager of a public offering, of persons mentioned in this document. UOB and its affiliates may also have alliances, contractual agreements, or broking, investment banking or any other relationships for the provision of financial services, with any product provider mentioned in this document. UOB and its affiliates may have issued other reports, publications or documents expressing views which are different from those stated in this document and all views expressed in all reports, publications and documents are subject to change without notice.

Others
Unless you are notified otherwise by UOB, UOB deals as a principal in any transaction which UOB has been instructed to effect, other than transactions relating to securities traded on an exchange, unit trusts and funds on your behalf where UOB acts as your agent.

Singapore. This document and its contents are intended for Accredited Investors (as defined in Section 4A of the Singapore Securities and Futures Act (Chapter 289)).

Hong Kong. This document and its contents are intended for "professional investors" (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and its subsidiarity legislation) ("**Professional Investors**"). Shares or debentures in a company may not be offered or sold in Hong Kong, by means of any document, other than (i) to Professional Investors; or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)(the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO. Unless permitted to do so under the laws of Hong Kong, no person may issue or have in his/her possession for the purpose of issue, or will issue, or have in his/her possession for the purposes of issue, any advertisement, invitation or document relating to the securities, structured products or interests in collective investment schemes whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong, other than with respect to the securities, structured products or interests in collective investment schemes that are or are intended to be disposed of only to persons outside Hong Kong, or only to Professional Investors.

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document may only be distributed in countries where its distribution is legally permitted. This document is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) such publications are prohibited This document may contain proprietary information of UOB (or its product providers) and may not be reproduced or disseminated in whole or in part without UOB's prior consent.

If there is any inconsistency, or any difference in meaning between the English version and any translation of this document, the English version shall apply and prevail.

United Overseas Bank Limited. Co. Reg. No. 193500026Z
United Overseas Bank Limited is a licensed bank in Hong Kong and is a registered institution in respect of Types 1 (Dealing in Securities) and 4 (Advising on Securities) regulated activities under the SFO.