# AI crypto tokens face challenges despite bullish trends in traditional stocks



Artificial intelligence (AI) crypto tokens are currently facing significant challenges, with many failing to meet the optimistic projections set for 2024. This comes despite a recent surge of bullish sentiment among AI stocks in traditional markets, notably following Nvidia's (NVDA) annual conference.

The NEAR token, which saw a considerable increase in value leading up to Nvidia's conference last March, is indicative of how volatile the market can be. During that period, NEAR doubled its value, a trend reflected in the wider AI crypto market where tokens such as Fetch.AI (FET), The Graph (GRT), and SingularityNET (AGIX) also experienced substantial rallies. However, the past 24 hours have painted a different picture: NEAR has dropped by over 8%, while FET has fallen nearly 9%. In contrast, Nvidia's stock has demonstrated resilience, starting the year at $133 and climbing by 15% to reach $153 as the conference progressed.

Several factors contribute to the waning interest in traditional AI tokens. A notable trend is the rise of AI agent tokens, which exhibit characteristics reminiscent of memecoins, marked by their volatility and cult-like followings. Investors are increasingly attracted to these tokens due to their potential for significant returns, sometimes achieving triple or quadruple-digit gains. This speculative nature, however, comes with heightened risks, as AI agent tokens possess the potential for deeper losses akin to their memecoin counterparts.

Furthermore, a notable decline in public interest is evident. Recent Google search trends indicate a drastic decrease in searches for "NEAR token" and "Fetch.ai," plummeting by 47% and 84% respectively since March. This lack of engagement underscores the fickle nature of the crypto market, which often punishes sectors that have previously experienced rapid speculative growth.

The decline in AI tokens should not shadow their potential for the future. The market is still in the early stages, with most AI crypto projects not yet widely adopted or utilized. Many products associated with these initiatives remain under development. In a strategic move, Nvidia has announced a $3,000 mini supercomputer, named Digits, to be available for purchase starting in May, which could catalyse future interest and growth within the sector.

As the landscape for AI crypto tokens continues to evolve, industry participants and investors remain watchful of both the challenges and opportunities that lie ahead.

Source: [Noah Wire Services](https://www.noahwire.com)

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