Rumors of Intel Corp. purchasing graphic chip giant Nvidia Corp. were reignited today in reports from Reuters and Forbes.

The Intel/Nvidia rumors have been heating up since Intel rival Advanced Micro Devices (AMD) in July announced plans to acquire Nvidia rival ATI Technologies. The ATI purchase has been met with enthusiasm on Wall Street, with analysts trumpeting the merger as a huge coup for AMD and a sign that AMD stock performance is set to rocket past Intel's in coming months.

With the typically front-running Intel reeling from a string of lackluster financial quarters, a massive restructuring effort was spurred and with AMD's status as the current belle of the financial ball, rumors have swirled that Intel may buy Nvidia to keep up with its rival.

Adding to the speculation is the fact that Intel and Nvidia are not exactly strangers to each other. Back in 2004, Intel inked its first multi-year patent cross-license agreement with Nvidia, spanning multiple product lines and product generations. At the same time, the companies also announced the signing of a multi-year chipset agreement for Nvidia to license Intel's front-side bus technology, allowing it to deliver its nForce platform technology on Intel-based systems.

Furthermore, a total acquisition of Nvidia could give Intel a big step forward in the gaming realm. Gaming is being taken more and more seriously within even the staunchest corners of the tech industry, evidenced by behemoths like Hewlett-Packard and Dell snatching up niche gaming-oriented companies in recent months for beaucoup bucks.

Neither Intel nor Nvidia has officially commented on the possibility of an acquisition, but that hasn't stopped Wall Street from acting. Nvidia's stock jumped to a high of $31.25 in morning trading, just 65 cents shy of the company's 52-week high of $31.88 set in June. Stock action at Intel, however, has been more tepid on the rumors. The share price reached a high this morning of $20.98, a veritable world away from the company's 52-week high of $27.49 reached in December 2005.