

NVDA

NVIDIA Corporation

Nasdaq · fiscal years end late January · written from an owner's view
Brad Wolff, with my AI equity research desk

\$229.28 -0.52%

1D · close Fri Oct 9, 2026 (Yahoo) · Market cap ≈ \$5.53T
Memo price: \$237.47, close Wed Oct 7, 2026 (the boxes below use memo data)

BUY (HALF)

At \$224-228

Out below \$217

Buy (half) at \$224-228, out on a daily close below \$217 (Oct 9 read). Buy (full) at or below ~\$171.



PERFORMANCE	memo data, price return to Oct 7, 2026		
PERIOD	NVDA	S&P 500	REL.
1W (from Sep 30)	+4.0%	+2.0%	+2.0 pp
1M (from Sep 4)	+3.1%	+1.1%	+2.0 pp
3M (from Jul 7)	+20.6%	+4.0%	+16.6 pp
YTD (from Dec 31)	+27.3%	+14.0%	+13.4 pp
1Y (from Oct 7, 2025)	+28.3%	+16.2%	+12.1 pp

Source: Yahoo daily closes for NVDA and ^GSPC (S&P 500 at 7,801.77 on Oct 7, 2026). Price return only.

TREND	memo data, close Oct 7 · entry row Oct 9		
vs. 50-day	+7.7% (50-day \$220.58, rising)		
vs. 200-day	+17.7% (200-day \$201.68, rising)		
Support	\$236.00-236.75 / \$230.50 / \$225.60-227.50		
Resistance	\$238.80-239.50 / \$241.20 / \$243.37 (ATH Oct 6)		
Entry / out	Buy (half) \$224-228 / close below \$217 (Oct 9 read). Memo history (Oct 7): \$185-190 / \$180		
Next earnings	Tue Nov 17, 2026, after close (expected, not formally announced)		
Volume	81.8M on Oct 7 vs 120.2M 50-day average. Breakout needs >145M		

THE CALL		memo of Oct 7, 2026 · revised Oct 11 on Oct 9 data
Rating	Buy (half),	half risk, revised from the memo's Wait (Oct 7). A wonderful business at a fair price, with new balance-sheet and cash-flow warning signs, so I size it at half. Red-flag screen: Caution . Cyclical
NVDA value	Blend ~\$245	(low ~\$127, high ~\$317), the call basis. Base cases: Market-implied ~\$284 · Growth-adjusted ~\$206 · Conservative floor ~\$105. Memo history (Oct 7): probability-weighted ~\$263, base scenario ~\$268 (bear ~\$78, bull ~\$526)
NVDA levels	Buy (half) level: at or below ~\$245	(blend base). Buy (full) level: ~\$171, 30% under the blend base (High uncertainty). The memo's Oct 7 buy-below (~\$185) is shown as history only
Price vs value	\$229.28 (Oct 9)	is ~6% under the blend base and ~34% above the Buy (full) level. Memo history: \$237.47 (Oct 7) was ~10% under ~\$263
Trigger	Buy (half) at \$224-228	on a bounce day of 119M shares or more. Add to Buy (full) only at or below ~\$171. A clean Q3 FY27 (tests in section 6) means a re-run of the cases. It doesn't mean adding above ~\$171
Technical stop	Out on a daily close below \$217	(about 1 ATR under the 50-day). Levels expire after the Nov 17 report. Memo setup (Oct 7, history): below \$180
Re-check	Q3 FY27 report, expected Tue Nov 17, 2026, after the close	

MY READ
It's the best business in the AI supply chain, with ROIC above 100% and ~45% FCF margins. The CUDA-plus-systems moat is real.
The price assumes FY28's record earnings (~\$690B revenue, ~55% net margin) are a durable plateau. The risk is that they mark a cyclical peak.
Q2 showed what an owner fears: 40% cash conversion, DSO at 60 days, \$279B of supply commitments, \$99B of equity stakes, a \$105B OpenAI lease guarantee.
Size for the Nov 17 print: half risk, gap-adjusted, levels expire after it. The way to lose money is buying near a peak partly financed by the seller.

VALUATION	Oct 7 price	GROWTH & PROFITABILITY	TTM Q2 FY27	BALANCE SHEET	Jul 26, 2026	OTHER	as dated
P/E TTM GAAP, EPS	~30x	Revenue	\$303.0B	Cash + mkt. debt sec.	\$56.6B	Dividend quarterly	\$0.25/sh
\$7.91		Growth Q2 y/y · q/q	+106% · +18%	Debt ST 1.0B + LT \$32.4B	\$33.4B	Buyback left Sep 28	\$235B
P/E TTM ex-gains, est.	~35x	Gross margin Q2 · TTM	75.0% · 74.7%	Net cash ex equity stakes	\$23.2B	52W range	\$164.27-243.37
P/E FY27e \$9.31 / FY28e \$15.91	25.5x / 14.9x	Op. margin Q2 · TTM	66.2% · 65.2%	Equity investments	\$99B	Shares short FINRA Sep 30	311.4M
P/E NTM, Bloomberg Oct 6	~17x	FCF margin TTM	41.9%	Shares out Aug 21 cover	24.1B	Short % shares out est.	~1.3%
EV/sales TTM / FY27e / FY28e	18.8x / 13.8x / 8.2x	OCF ÷ net income TTM · Q2	70% · 40%	Diluted Q2 FY27	24.29B	Days to cover FINRA Sep 30	2.82
FCF yield TTM	2.2%	ROIC FY26, my calc	~134%	Diluted Y/Y Q2 vs Q2	-1.0%	Insider sales Apr 7-Oct 7	≈\$1.38B, no buys
FCF less SBC yield	2.1%						

Sources: price, 52W range, averages and volume from Yahoo (Oct 7, 2026 close). Market cap ≈ \$5.72T is \$237.47 × 24.1B. Bloomberg put it "just shy of \$5.8T" on Oct 6. Multiples and yields are my math from the memo (EV ≈ \$5.70T, with consensus EPS and revenue from Yahoo Finance analysis, viewed Oct 7). Balance sheet from the Q2 FY27 press release and 10-Q. Aug 21 share count from the 10-Q cover. TTM margins and the diluted Y/Y change (24.53B in Q2 FY26) are my math from SEC XBRL. Short interest from FINRA (Sep 30, 2026 settlement, the latest published as of Oct 11). Short % is my estimate on shares outstanding.

1. The business and why it matters now

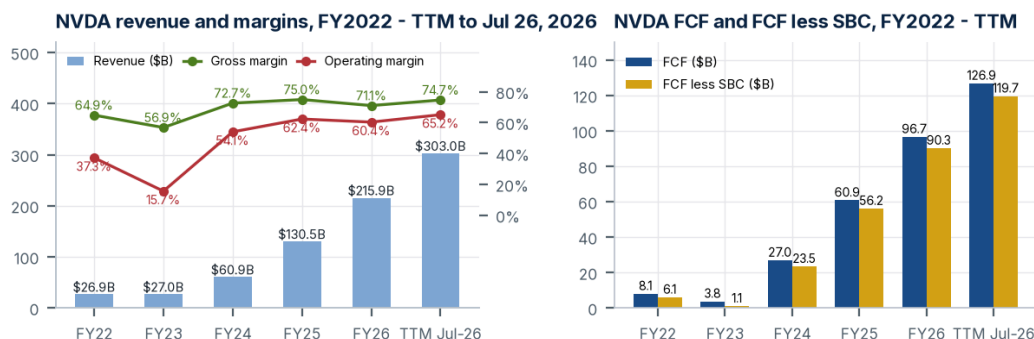
Nvidia sells full AI computing systems, from chips to racks and networking. Data Center was 90% of FY26 revenue and 92.5% in Q2 FY27. From FY27 it reports Data Center split into Hyperscale and "AI Clouds, Industrial & Enterprise" (ACIE), plus Edge Computing. Q2 FY27 (reported Aug 26) was another record: revenue \$96.2B, up 18% q/q and 106% y/y, Data Center \$89.0B (+117% y/y), GAAP and non-GAAP gross margin 75.0%, GAAP EPS \$2.46 and non-GAAP \$2.22. One governance change I like: from Q1 FY27, non-GAAP results no longer exclude SBC. What makes it matter now is the gap between profits and cash, and how much of the demand Nvidia is financing itself.

LAST FOUR QUARTERS												\$B - Q3 FY26 - Q2 FY27				GUIDANCE AND CONSENSUS		as of Oct 7, 2026	
QUARTER (ENDED)	REVENUE	DATA CTR	GM	OP. MGN	NI	OCF	FCF	OCF+NI	DSO	INV.	AR								
Q3 FY26 (Oct-25)	57.0	51.2	73.4%	63.2%	31.9	23.8	22.1	74%	53	19.8	33.4		Q3 FY27 guide	Revenue \$108.0B ±2% with no China data-center compute · GM 74.0% ±50bp · opex ~\$9.2B GAAP / \$9.0B non-GAAP · FY27 tax 16-18%					
Q4 FY26 (Jan-26)	68.1	62.3+	75.0%	65.0%	43.0	36.2	34.9	84%	51	21.4	38.5		On the call	~70% FY28 growth, supply-limited. GM bottoms at 71-72% in Q4 FY27 on "extreme" memory pricing, then 72-73% in FY28. Vera Rubin ~20% of Q3 Data Center					
Q1 FY27 (Apr-26)	81.6	75.2	74.9%	65.6%	58.3	50.3	48.6	86%	45	25.8	40.7								
Q2 FY27 (Jul-26)	96.2	89.0	75.0%	66.2%	59.7	24.1	21.3	40%	60	31.6	63.1								
TTM	303.0				192.9	134.4	126.9	70%					Q3 / Q4 FY27e	\$108.98B (range \$104.9-116.3B), EPS \$2.47 / \$124.48B, EPS \$2.75					
Sources: XBRL facts, Q3 FY26 10-Q, Q2 FY27 press release and CFO Commentary. Quarters ended Oct 26, 2025, Jan 25, Apr 26 and Jul 26, 2026. DSO is my calc. *FY26 Data Center \$193.7B less 9M FY26 \$131.4B. GAAP net income in Q1/Q2 FY27 includes \$15.9B and \$7.8B of mark-to-market gains on equity stakes. Non-GAAP net income was \$45.5B and \$54.0B. Q2 Data Center: Hyperscale \$48.7B, ACIE \$40.3B. Edge Computing \$7.2B.													FY27e / FY28e	\$411.65B (+91%), EPS \$9.31 (51 analysts) / \$692.21B (+68%), EPS \$15.91 (52, range \$12.85-18.75)					
													Revisions	FY28 EPS average up from ~\$12.71 ninety days ago to ~\$15.8 (Equibles)					
													Sources: Q2 FY27 press release (Aug 26), MarketBeat call summary and Reuters. Yahoo Finance analysis (viewed Oct 7), cross-checked with Equibles.						

SEGMENTS, OLD REPORTING					\$M · FY22 - FY26		DEMAND: HYPERSCALER CAPEX		as reported by Oct 7	
SEGMENT	FY22	FY23	FY24	FY25	FY26			2026, big four	~\$720-745B: Alphabet \$195-205B (raised), Amazon ~\$220B (raised, memory costs), Meta \$130-145B, Microsoft ~\$175B (lease-accounting change, not a cut)	
Data Center	10,613	15,005	47,525	115,186	193,737			2027 consensus	~\$934.5B for the four (MarketScreener via I/O Fund). Alphabet: "increase significantly". Amazon is capacity-constrained through 2027	
Gaming	12,462	9,067	10,447	11,350	16,042				New demand	SpaceX reportedly seeking ~\$40B to buy Nvidia chips (CNBC, Oct 7). AWS to deploy 2M more Nvidia GPUs through Q2 FY29 (call)
Pro Visualization	2,111	1,544	1,553	1,878	3,191			Caution		Much of it is debt-financed: customer bonds, private credit, Nvidia's own guarantees. Credit-dependent capex can stop quickly
Automotive	566	903	1,091	1,694	2,349					
OEM & Other	1,162	455	306	389	619					
Data Center share	39%	56%	78%	88%	90%					
Sources: FY24 10-K (FY22-FY24) and FY26 10-K (FY24-FY26). FY26 Data Center = Compute \$162.4B + Networking \$31.4B.								Sources: TMT Finance, EffectStory tracker, I/O Fund, CNBC.		

2. The numbers

FY (ENDS)	REVENUE \$B	YOY	GROSS MGN	OP. MGN	NET INC. \$B	FCF* \$B	FCF MGN	SBC \$B	FCF LESS SBC	BUYBACKS \$B	DILUTED SH.	ROIC**
FY22 (Jan-22)	26.9	+61%	64.9%	37.3%	9.8	8.1	30%	2.0	6.1	0.0	25.35B	~56%
FY23 (Jan-23)	27.0	0%	56.9%	15.7%	4.4	3.8	14%	2.7	1.1	10.0	25.07B	~19%
FY24 (Jan-24)	60.9	+126%	72.7%	54.1%	29.8	27.0	44%	3.5	23.5	9.5	24.94B	~115%
FY25 (Jan-25)	130.5	+114%	75.0%	62.4%	72.9	60.9	47%	4.7	56.2	33.7	24.80B	~186%
FY26 (Jan-26)	215.9	+65%	71.1%	60.4%	120.1	96.7	45%	6.4	90.3	40.1	24.51B	~134%***
TTM (Jul-26)	303.0	n/a	74.7%	65.2%	192.9	126.9	42%	7.2	119.7	n/a	24.29B (Q2)	n/a
Sources: SEC XBRL company facts and the 10-Ks. FY22 shares split-adjusted (2024 10-for-1). *FCF = operating cash flow less purchases of PP&E and intangibles. **My calc: operating income × (1 - 15% normalized tax) + average (equity + debt + operating leases - cash and marketable debt securities), high partly because cash piles are netted out. ***~170% excluding equity stakes. FCF less SBC, TTM margins and TTM FCF margin are my math. In FY23, a down year (crypto bust plus inventory glut), revenue was flat and operating margin fell from 37% to 16%. This is still a cyclical hardware company selling to a few huge buyers.												



Source: SEC XBRL and 10-Ks as tabled in the Oct 7, 2026 memo; TTM gross and operating margin are my math from XBRL quarters (Q3 FY26-Q2 FY27). FCF = OCF less PP&E and intangibles purchases.

BALANCE SHEET, JUL 26 VS JAN 25, 2026		\$B	SHARES, BUYBACKS, DIVIDEND, SBC	
Cash + mkt. debt sec.	\$56.6B (cash \$22.4B + debt securities \$34.1B)		Diluted shares	25.35B (FY22) to 24.29B (Q2 FY27), about -4% in 4.5 years
Equity stakes	Marketable \$42.8B (was \$12.9B) · locked-up public in Other assets \$5.0B (was \$4.8B) · private \$51.2B (was \$22.3B). \$99B total, plus \$25B unfunded commitments (10-Q). "Nearly \$50B in frontier AI labs" (CFO)		Buybacks	\$93.4B FY23-FY26 plus \$39.0B in H1 FY27: ~\$132B to shrink the count ~4%, so much of it offsets employee stock
Debt	\$33.4B (was \$8.5B). \$25.0B of senior notes issued Jun 2026, due 2028-2056 at 4.25%-5.625% (8-K). Still net cash, but less so		Sep 28, 2026	+\$150B authorization. \$235B remaining "through fiscal year 2028" (newsroom)
Equity / assets	\$229.0B / \$320.3B		Dividend	\$0.25/share a quarter (~\$6.0B paid in Q2)
			SBC	\$6.4B in FY26 (3.0% of revenue), \$7.2B TTM, falling as a share of revenue

3. Valuation and what the price implies

What changed and why. The memo's Oct 7 buy level put a 30% margin of safety on one probability-weighted value (~\$263), which gave ~\$185. I now show three valuation cases and set the Buy (half) level at the base of the market-implied and growth-adjusted blend (~\$245), gated by the red-flag check (Caution) and a technical stop (\$217), with Buy (full) only at or below ~\$171. The business didn't change between Oct 7 and Oct 9. The method changed, and the price slipped to \$229.28.

Reverse DCF (10-year explicit period, 3% terminal). From TTM FCF of \$126.9B and the memo's EV of ~\$5.70T (Oct 7), the price implies ~**18% a year FCF growth for 10 years at 10%** (15.6% at 9%, 20.3% at 11%), about \$660B+ of FCF by year 10, roughly 5x today. On FCF after SBC (\$119.7B) it's ~19%. If consensus is delivered (FY27 FCF ≈ \$190B per StockAnalysis, and FY28 ≈ \$323B, my estimate of 85% of consensus net income, \$15.91 × ~23.9B shares), the price needs only ~**7.7% a year for FY29-FY36**. Growth beyond FY28 can be modest. The price depends on FY28 holding as a durable plateau. If FY28 FCF stayed flat forever, my DCF gives about **\$154** a share. If it then declined 5% a year, about **\$117**.

NVDA BASE VALUE: EXIT P/E × FY31 NET MARGIN				NVDA BASE VALUE: DISCOUNT RATE × EXIT P/E			
NET MARGIN	16X	20X	24X	DISCOUNT RATE	16X	20X	24X
45%	\$194	\$242	\$290	9%	\$224	\$279	\$335
50%	\$216	\$269	\$322	10%	\$216	\$269	\$322
55%	\$237	\$295	\$354	11%	\$207	\$258	\$310
Base revenue \$920B, 23.0B shares, 10%, ~4.3 years, \$1/yr dividends. My math on the memo's inputs. My rebuild gives \$269 vs the memo's ~\$268 (dividend timing).				Base revenue and 50% margin. Only the 16x column at 10-11% gets near the memo's ~\$185 line on base-case revenue.			

PEER COMPS: GROWTH, MARGINS AND MULTIPLES									TTM - prices Oct 7, 2026	
COMPANY	PRICE	MKT CAP	REVENUE TTM	REV. GROWTH	GROSS MGN	OP. MGN	FCF MGN	FCF LESS SBC	P/SALES	P/FCF
NVDA (to Jul 26)	\$237.47 (memo, Oct 7)	\$5.72T	\$303.0B	+83.4%	74.7%	65.2%	41.9%	\$119.7B	18.9x	45.1x
AVGO (to Aug 2)	\$376.51	\$1.80T	\$89.1B	+48.7%	68.8%	48.0%	44.2%	\$30.9B	20.2x	45.6x
AMD (to Jun 27)	\$645.86	\$1.05T	\$41.3B	+39.5%	53.2%	15.7%	20.3%	\$6.5B	25.5x	125.5x
MRVL (to Aug 1)	\$284.68	\$249.6B	\$9.45B	+30.6%	52.2%	16.5%	18.3%	\$0.9B	26.4x	144.3x
INTC (to Jun 27)	\$113.12	\$570.6B	\$57.0B	+7.5%	38.6%	-0.1%	5.0%	\$0.4B	10.0x	201.5x
Sources: prices from Yahoo (Oct 7, 2026 close). Peer revenue, margins, FCF (OCF less capex) and SBC are my TTM math from SEC XBRL company facts (latest four reported quarters). Growth is TTM vs prior TTM. Market cap on each latest 10-Q cover count. NVDA growth is TTM vs prior TTM from XBRL (Q2 alone was +106% y/y). NVDA multiples use market cap. Price/sales, not EV/sales, because I didn't reconcile peer debt. Google TPU and Amazon Trainium sit inside much larger companies.										

Against its listed rivals Nvidia grows fastest and runs the highest gross and operating margins (Broadcom converts slightly more of its revenue to FCF), and it trades at a lower price/sales than any of them except Intel. That is the bull case in one line. The bear case is that all of these numbers sit at the same point in the same capex cycle. Broadcom's AI semiconductor revenue was \$16.7B in its Aug-2026 quarter, up 221% y/y and guided to \$21.7B, faster than Nvidia's Data Center (+117%) from a smaller base.

MOAT ASSESSMENT		memo of Oct 7, 2026
MOAT SOURCE	TODAY / 5-10 YR	WHY
CUDA ecosystem	Very strong / medium-high, eroding at the edges	Training and research default to CUDA, but PyTorch, JAX and Triton abstract the hardware, the biggest buyers write their own stacks for TPU and Trainium, and inference (the larger long-run market) is more portable.
Full-stack systems + networking	Very strong / medium-high	Whole racks and "AI factories" (NVLink, InfiniBand, Spectrum-X, Vera CPU). Networking hit a record in Q2, and Spectrum-X grew 2.6x y/y. Broadcom/Ethernet and UALink aim right at it.
Pricing power	Exceptional (75% GM) / medium	Margins this high attract competitors and push customers to build their own chips. Nvidia can raise prices today because supply is short, exactly the condition that won't last.
Scale / supply lock-up	Very strong / medium	\$279B of commitments buys priority at TSMC and the memory makers: a moat when demand holds, a liability when it doesn't.
Ecosystem financing	New / unknown, possibly negative	Deepens lock-in, but ties Nvidia to its customers' creditworthiness.

4. Technical levels (expire after Nov 17)



Source: Yahoo daily bars, Apr 13 - Oct 9, 2026 (126 sessions). 6-month daily volume profile (80 bins, 70% value area). Levels from the Oct 9 close. They expire after the expected Nov 17 report. Levels as of the Oct 9, 2026 close (daily, Apr 13 - Oct 9, 2026). I buy half at \$224-228 and get out on a daily close below \$217. I add to full only at or below ~\$171. The Oct 7 memo levels stay in the table as history.

LEVELS AND SETUP		memo read Oct 7 · current read Oct 9		SIZING (PERSONAL ACCOUNT)		BUY (HALF) · HALF RISK	
Read	Bullish primary trend, cautious short term: the Oct 6 high (\$243.37) is an unconfirmed breakout			Account / risk per trade		\$100,000 / 0.5% = \$500	
Volume profile	Oct 9 read, 6m daily: POC \$211.31 · VAH \$228.24 · VAL \$200.15 (Apr 13-Oct 9, charted). Memo (Oct 7), 6m hourly: POC \$219.25 · VAH \$227.50 · VAL \$199.00. 12m POC \$182.25			Entry / stop		\$226 (zone midpoint) / \$217	
Averages / VWAPs	Oct 9: SMA20 \$226.73 · SMA50 \$222.08 · SMA200 \$202.15. Oct 7: AVWAP from the Sep 14 low \$226.49, from the Mar 30 low \$209.77			Risk per share		\$9.00	
				Shares (1.0x)		55 sh · \$12,430 · 12.4%	
Memo entry (Oct 7, history)	\$185-190, the 12-month heaviest volume shelf and the Jun/Jul double bottom (\$189.80/\$190.01)			Gap-adjusted (1.5x)		37 sh · \$8,362 · 8.4%	
				-8.5% earnings day (Feb 27, 2025)		37 sh lose ~\$711 (0.7%)	
Breakout / fail	Confirm: close above \$243.37 on >~145M (1.2× 50-day). Fail: close below \$235.15. Back inside value below \$225.60. Trend damage below \$208.93			Same method as my Quick Takes: shares = \$ risk ÷ (risk/sh × gap multiple). Buy (half) is half the 1% risk. Buy (full) waits for ~\$171 or lower. Gap-adjusted because Nov 17 earnings fall inside the trade. Stress uses the worst close-to-close earnings reaction of the last eight.			
Memo stop (Oct 7, history)	Daily close below \$180						
Buy (half), current (Oct 9 read)	Entry \$224-228 (50% of Sep 14-Oct 6 leg \$226.15, 6m VAH \$228.24). Out: close below \$217 (~1 ATR under the 50-day \$222.08). Confirm: bounce on ≥119M						
Volatility	ATR14 \$5.61, RSI14 64.3. Last four earnings gaps: +5.1% (Nov 20, 2025), -0.7% (Feb 26), -0.5% (May 21), +6.3% (Aug 27)						
Source: memo technical read of the Oct 7, 2026 close and the Oct 9 read (Yahoo daily, hourly and intraday bars). All levels expire after the Q3 FY27 report, expected Tue Nov 17 after the close.							

5. Red flags and risks

RED FLAGS, RANKED BY SEVERITY		memo of Oct 7, 2026
#	FINDING	SEVERITY
1. Customer financing	\$99B of equity stakes plus \$25B unfunded, many in buyers or AI labs (~\$50B "in frontier AI labs"). \$42.4B of equity bought in H1 FY27 alone. \$36B AI-cloud agreements renting back capacity, \$20B of leases for third parties, and up to \$105B of SB Energy lease guarantees for OpenAI in Ohio (8-K Aug 17). Some demand is enabled by Nvidia's own balance sheet, a hallmark of the 2000 telecom bubble (Lucent, Nortel).	RED
2. Cash vs profits	Q2 OCF \$24.1B vs \$59.7B net income (40%, vs ~85% the prior two quarters). AR up \$22B in a quarter. DSO 45 to 60 days on extended terms.	RED

3. Investment gains	H1 FY27 GAAP net income includes \$23.7B of mark-to-market gains that can reverse. Use non-GAAP EPS or core operating income.	ORANGE
4. Fixed commitments	\$279B supply (from \$95B in January), \$366B total. In a pause, as in FY23 (op. margin 37% to 16%), these become write-downs. The \$4.5B H20 charge in FY26 was a preview.	ORANGE
5. Concentration	Three direct customers 44% of H1 revenue, and five hold 70% of receivables.	ORANGE
6. Margin peak	GM guided to 71-72%. Broadcom AI ~2x faster growth, Google sells TPUs, OpenAI and Meta dual-source.	YELLOW
7. Balance sheet	Debt went from \$8.5B to \$33.4B. It borrowed \$25B while buying back ~\$20B a quarter.	YELLOW
8. Insider selling	~\$1.38B sold in six months, mostly Stevens outside a 10b5-1 plan. No buys.	YELLOW
9. Geopolitics	China-HQ customers 8.2% of Q2 revenue, exposed to HQ-based rules. Taiwan/TSMC, possible gaming-GPU rules, SAMR, DOJ (Groq), Hugging Face scrutiny.	YELLOW
10. Accounting / org	New CAO, new sales chief, re-cut segments, a customer reclassified between Hyperscale and ACIE in Q2. Benign alone, harder trends together.	WHITE
Red-flag screen, Oct 11: Caution (\$288.5B customer-financing exposure, 126% of equity, 40% OCF/NI, DSO 60 days, \$2.08B of 12-month insider sales, no buys). Severity is the memo's own ranking (red, orange, yellow, white). Sources: 10-Q, CFO Commentary, 8-Ks (Aug 17, Jun 2026 notes), Form 4s. Short interest is low: 311.4M shares at the FINRA Sep 30 settlement (294.2M on Sep 15), ~1.3% of shares outstanding (my estimate), 2.82 days to cover.		

COMPETITION, CHINA, SUPPLY		REGULATORY, M&A, MANAGEMENT	
Google TPU	Sold and rented externally. Anthropic up to ~1M TPUs (SemiAnalysis). Meta multibillion-dollar rental (The Information via WinBuzzer)	China SAMR	Sep 2025 preliminary finding of a Mellanox-condition breach, unresolved as of May 2026 (Reuters, TechTimes)
Trainium 3 / AMD	Trainium 3 in production with Anthropic and reportedly OpenAI (not verified against Amazon filings). OpenAI up to 6 GW of AMD GPUs, 1 GW of MI450 from 2H 2026 (AMD IR)	US DOJ (Groq)	Probing whether the Dec 2025 Groq licensing deal avoided review. Formal information request. Fine possible, unwind unlikely. \$2.9B paid re Groq in H1 FY27. Broader 2024 AI-chip inquiry status unverified
China	"Effectively foreclosed" from data-center compute (10-Q). H200 licensed from Feb 2026, but Beijing restricted purchases: <1% of Q2 Data Center, \$0.4B H200 charge in H1. China-HQ customers \$7.88B (8.2%) of Q2, up from \$4.55B in Q1. China compute is upside optionality. Huawei and others are the longer risk. The French Competition Authority is examining GPU categories	Hugging Face	~\$11.9B plus up to ~\$1.0B retention equity, close 1H 2027 subject to approval (8-K Sep 3)
Supply	FY28 growth "supply-constrained," demand "much higher." CoWoS still tight. Mizuho's wafer numbers unverified and not used. Essentially all leading-edge output runs through TSMC in Taiwan	Management	CAO Scott Gawel (ex-Intel) from May 4, 2026, replacing Donald Robertson. Sales chief Ajay Puri retiring, Nicholas Parker (ex-Microsoft) in. A CAO change during complex new financing deserves attention
		10-Q note	Subject to "regulatory and government inquiries and investigations" not expected to be material

DATED EVENTS AND CATALYST CALENDAR	2026 - 2027
2026 so far: Mar 30 52-week low \$164.27 · May 4 New CAO starts (8-K) · Jun 2026 \$25.0B senior notes (8-K) · Aug 17 OpenAI / SB Energy lease guarantee (8-K) · Aug 26 Q2 FY27 results, +6.3% gap the next day · Sep 3 Hugging Face deal (8-K) · Sep 10 DOJ Groq probe reported (Reuters/NYT) · Sep 28 +\$150B buyback authorization · Oct 6 All-time high \$243.37 Ahead: ~ Oct 26 Next FINRA short-interest release (Oct 15 settlement) · Tue Nov 17 Q3 FY27 results after the close (expected, stated by IR Aug 26, not formally announced). Levels expire · Q4 FY27 Gross-margin trough of 71-72% guided · 2H 2026 First 1 GW of AMD MI450 for OpenAI · 1H 2027 Hugging Face close, subject to approval · Date n/a SAMR ruling and DOJ Groq outcome Dates from the memo, its linked filings and the FINRA schedule.	

6. What would change my mind

- On price (revised Oct 11): Buy (half) at \$224-228, out on a daily close below \$217. Add to Buy (full) at or below ~\$171, 30% under the ~\$245 blend base. The memo's Oct 7 line (~\$185 on ~\$263) is history.
- A clean Q3 FY27 report (expected Tue Nov 17, after the close, when the current levels expire) keeps the half position and sends me back to re-run the three cases. A higher blend could lift the Buy (full) level in that re-run. Until then I add only at or below ~\$171. Clean means OCF + net income back above ~75%, DSO back to ~50 days or less, the GM trough held at 71% or better with ~70% FY28 growth reaffirmed, and no new large guarantees or customer-financing deals.
- I'd steer clear if DSO or receivables keep climbing, guarantees or vendor financing expand again, any big hyperscaler cuts 2027 capex, or GM guidance breaks below ~70% while inventory keeps rising.

SOURCES
SEC EDGAR, CIK 1045810: Q2 FY27 press release (8-K Ex. 99.1, Aug 26, 2026) and 10-Q (quarter ended Jul 26, 2026), FY26 and FY24 10-Ks, Q3 FY26 10-Q, 8-Ks (Apr 24, Jun 2026 notes, Jun 28, Aug 17, Sep 3, 2026), Form 4s (Apr 7 - Oct 7, 2026), XBRL company facts. Q2 FY27 CFO Commentary. NVIDIA newsroom (Sep 28, 2026). Yahoo Finance quotes, daily bars and analysis (Oct 7, 2026). Bloomberg, Reuters, MarketBeat, CNBC, TMT Finance, EffectStory, I/O Fund, SemiAnalysis, WinBuzzer, Tom's Hardware, The Edge, TechTimes, Bloomberg Law, AMD IR, Broadcom 8-K, Equities, StockAnalysis, as linked in the memo. Peers: SEC XBRL for AVGO, AMD, MRVL, INTC and Yahoo closes (Oct 7, 2026). FINRA short interest (Sep 30, 2026 settlement). Technicals: dated technical reads of the Oct 7 and Oct 9, 2026 closes. The levels chart uses Yahoo daily bars through Oct 9, 2026. Call, numbers and conclusions: my valuation memo of Oct 7, 2026, unchanged except the Oct 11 revision (valuation cases on Yahoo's Oct 9 close and stockanalysis.com consensus of Oct 9, Buy (half) levels from the technical read of the Oct 9 close, and the red-flag screen of Oct 11). Grids, peer math and sizing are my own.

Disclaimer. Student research written for educational purposes only. This is not investment advice, a recommendation, or an offer to buy or sell any security. The numbers come from public sources that may contain errors, and the valuation rests on my own assumptions. Do your own work before making any investment decision.