Advanced Micro Devices, Inc. (NASDAQ: AMD)

Equity research update | Price-level review at $477.57 (4 September 2026 close) | Report date: 6 September 2026 | Supersedes the note of 24 August 2026

RECOMMENDATION	INVESTMENT SCORE	WEIGHTED FAIR VALUE	HORIZON
BUY (reaffirmed)	**73 / 100 (was 73)**	**$527 (+10.4%)**	**12-24m**

The rating does not change, and the more useful statement is that it does not change for the same reasons as before. Twelve sessions have passed since the upgrade note of 24 August. The share price has moved 0.9%, from $473.25 to $477.57. No guidance has been revised, no quarterly result has been reported, and none of the four conditions that note attached to the rating has fired. What has happened in the interval is that the largest company in the sector reported a quarter that speaks directly to this report's principal risk, that the sell side has raised its price targets across the board, and that a cluster of insiders has been selling. Those pull in different directions, and the sections below weigh them.

1. Do the Published Levels Still Hold?

This is the question a mid-cycle review exists to answer, so it goes first. The 24 August note published an entry band of $440 to $480, an ideal buy range of $445 to $468 anchored to a hundred-day average then calculated at $442.64, a stop at $420 and targets at $540 and $672. At $477.57 the price sits inside the entry band but at its upper edge, which is where it also sat when the band was written. Three of the five levels stand unchanged. One requires correction, and the reason is worth stating plainly rather than quietly fixing.

The hundred-day average has been recomputed rather than carried forward. The August figure of $442.64 was calculated from a hundred-session history, the longest series then available, and two things have moved since: the window has rolled forward twelve sessions, and a longer fifteen-month series is now used for every average in this report. On that basis the hundred-day average today is $466.56, some $23.92 above the level the ideal buy range was anchored to. The ideal buy range moves with it. A published level that was derived from a moving average has to be recalculated when the average moves, or the reader is being handed a number that describes a chart from a fortnight ago.

The stop does not move. It sits at $420, below the 29 July intraday low of $424.03, and that low is a fixed historical price rather than a rolling calculation. Average true range has narrowed from $28.40 to $22.51, so the same stop now stands 2.6 average daily ranges below the price where it previously stood 1.9. That is clearance improving on its own; it is not a reason to move the stop further away.

Published level (24 Aug)	Then	Now	Status
Entry band	$440 - $480	$440 - $478	Held; price at the upper edge
Ideal buy range	$445 - $468	$450 - $468	**Reset.** Anchored to the recomputed 100-day average of $466.56
Cut-loss	$420	$420	Held. Below the 29 July low of $424.03; 2.6 ATR of clearance
Take-profit 1	$540	$540	Held. Base-case fair value on the 2027 estimate
Take-profit 2	$672	$672	Held. Bull case

Levels assessed against the confirmed close of $477.57 on 4 September 2026. The 100-day average is recomputed in code from a 300-session daily series and is not the figure carried in the previous note.

2. What Has Actually Moved

Nvidia reported its July quarter on 26 August, two sessions after the previous note, which had flagged that event as the largest near-term uncertainty facing the sector. Revenue was $96.2bn, up 106% year on year, with data centre revenue of $89.0bn up 117%, a 75.0% gross margin, and October-quarter revenue guided to $108.0bn plus or minus 2%. That guide implies roughly 12% sequential growth on a base already twice the size it was a year ago, and management described the infrastructure buildout as running at full steam. The relevance to AMD is not competitive but cyclical. This report's bear case is built on AI infrastructure spending digesting in 2027, and the single best-informed forward indicator of that spending has just been guided sharply higher. It is evidence against the bear branch, and it is the only genuinely new information in the period.

The sell side moved in the same direction. Raymond James raised its target to $641 on 25 August while maintaining Buy, and the stock rose on the note. Benchmark moved to $685 from $485, Roth MKM to $650, Jefferies to $650, and Wells Fargo carries $700. JP Morgan remains the outlier, holding a Neutral rating with a $550 target raised from $385. The estimate revisions behind those targets matter more than the targets: Wells Fargo now models $40.6bn of 2027 data centre GPU revenue with upside toward $50bn, and RBC has added $10bn to both its 2027 and 2028 lines. Those numbers sit alongside rather than above the build this report uses, which is the point. The estimate this report has carried since early August, once treated as aggressive, is now close to the middle of the published range.

Set against that, insiders have been selling steadily. A director filed a Form 144 on 25 August proposing to sell $64.11m of common stock, and officers sold $13.6m on 21 August, $7.94m on 26 August and $7.11m on 27 August, each preceded by its own Form 144. Insider sales after a stock has tripled are routine and are usually about diversification rather than conviction, so the weight here should be modest. It is, however, a genuine change in the sentiment picture since the last note, and the honest reading is that the people closest to the 2027 ramp are taking money off the table while the sell side raises targets.

3. Valuation

The estimates are unchanged, because nothing the company has disclosed would revise them. Group revenue approaching $70bn in 2027, built from data centre revenue more than doubling off a 2026 base near $25bn with the other segments roughly flat, still produces earnings near $12 per share at a 57% gross margin and a 13% tax rate across about 1.68bn shares. At $477.57 that is 39.8 times the 2027 estimate against 39.4 times at the time of the upgrade, and 23.9 times the company's own marker of significantly exceeding $20 of annual earnings within its strategic timeframe. The price paid for the stream has risen by nine-tenths of a percent. The confidence attaching to the stream has risen by more than that, which is the substance of this review.

Measure	24 Aug (at $473.25)	Now (at $477.57)	Read
Market capitalisation	~$786bn	~$793bn	1.66bn guided diluted shares
P/E on estimated 2027 EPS (~$12)	~39.4x	~39.8x	Marginally richer on unchanged estimates
P/E on the $20 long-term EPS marker	~23.7x	~23.9x	Within the strategic timeframe
Upside to weighted fair value	+9.6% ($519)	+10.4% ($527)	Improved on the revised probabilities, not on price
Upside to base-case fair value $540	+14.1%	+13.1%	Narrowed with the price
Downside in the bear case $297	-37.2%	-37.8%	Still the dominant risk
Gain from the 12 March low	+133%	+135%	The re-rating remains substantially intact

The 2027 earnings estimate is built by this analysis from company guidance and is not a company forecast. Scenario fair values are carried forward unchanged; the weighted value moves because the probabilities were revised, as set out in section 8. Percentages recomputed in code from $477.57.

The macro variables that matter here. Two, and neither is the consumer. The first is the long end of the Treasury curve, because essentially all of AMD's value sits in earnings expected in 2027 and beyond and is therefore unusually sensitive to the rate those earnings are discounted at. The ten-year yield stands at 4.78% and the thirty-year at 5.24%, both close to the levels that drove the August de-rating, and the Federal Reserve under Kevin Warsh is openly weighing a quarter-point increase at the 15-16 September meeting, with futures putting the odds near 60% after August payrolls came in at 162,000 against a 58,000 forecast. Core PCE inflation held at 3.3% in July and the ISM services prices-paid index reached 72.6 in August, its highest since 2022, so the case for policy relief is not being made by the data. A company whose multiple rests on 2027 has more at stake in that meeting than in anything on its own calendar over the same period.

The second is the AI infrastructure capital expenditure cycle itself, which is demand rather than discount rate, and which Nvidia's October-quarter guide has just marked higher. A third variable sits behind the client segment: memory and component costs, which management has already cited in planning for a softer personal computer market, and which are visibly tightening elsewhere in the supply chain. That pressure is contained within a segment whose margin has already compressed from 21% to 15%, so it is a drag on the mix rather than a threat to the thesis.

4. Technicals

The chart has improved, from a weak base. Price closed 4 September at $477.57 after rising 4.7% on the day, its strongest session since the August retracement began, on volume of 19.7m against a twenty-day average of 17.5m. That move recovered the twenty-day average at $475.20 and left price 2.4% above the hundred-day average at $466.56. The fifty-day average at $499.27 remains overhead and unbroken, as does the fifty-day exponential average at $479.66, which sits barely $2 above the close and is the first thing the price has to clear.

The momentum picture has turned at the margin. MACD is still negative at -8.21 against a signal of -8.35, but the histogram has crossed to +0.14 from -0.79 in August, which is the first positive reading of this retracement. Relative strength at 49.7 is neutral. Average true range has fallen to $22.51, or 4.7% of the share price, from 6.0% in August, so the stock is moving in a materially narrower daily range than it was. The two-hundred-day average is computable for the first time in this coverage, at $341.00, and price sits 40.1% above it. That figure is not a trading level. It is a reminder of how much of the current price is a re-rating that has already happened.

Indicator	24 Aug note	Now	Read
Close	$473.25	$477.57	Confirmed close, 4 September
SMA 20	$481.12	$475.20	Price above by 0.5%; recovered on 4 Sep
SMA 50	$510.23	$499.27	Price below by 4.3%; unbroken resistance
SMA 100	$442.64	$466.56	**Recomputed**, not carried forward; price above by 2.4%
SMA 200	not computed	$341.00	Now computable; price above by 40.1%
EMA 20 / EMA 50	$487.91 / $485.44	$474.91 / $479.66	EMA50 is the first resistance, $2 overhead
RSI (14)	45.8	49.7	Neutral
MACD (12,26,9)	-7.67 / -6.88	-8.21 / -8.35	Negative, but histogram +0.14 versus -0.79
ATR (14)	$28.40 (6.0%)	$22.51 (4.7%)	Volatility compressed further
Support	$460 / $442.64 / $424.03	$466.56 / $440.50 / $424.03	SMA100, 3 Sep low, 29 July low
Resistance	$481 / $510 / $530	$479.66 / $499.27 / $517.35	EMA50, SMA50, 17 August high

Computed in code from a 300-session daily OHLCV series, 27 June 2025 to 4 September 2026, with all averages taken off that single series. Distances are measured against the $477.57 quoted price. Technicals inform entry timing only and do not override the fundamental and valuation view.

5. Sentiment and Positioning

Input	Reading	Interpretation
Analyst targets	$641 to $700 among recent raisers; $550 at JP Morgan (Neutral)	Broadly raised since the last note; the range now brackets this report's bull case
Estimate revisions	Wells Fargo $40.6bn 2027 data centre GPU revenue; RBC +$10bn to 2027 and 2028	Street estimates have converged on this report's build rather than sitting below it
Insider activity	Director Form 144 for $64.11m; officer sales of $13.6m, $7.94m and $7.11m, 21 to 27 August	A genuine negative, weighted modestly. Diversification after a tripling is ordinary
Options	Open interest steady near 3.2m contracts; 608k contracts traded 4 September against a recent run near 350k	Activity concentrated on the up day rather than a persistent positioning shift
Sector read-through	Nvidia guided the October quarter to $108.0bn, up roughly 12% sequentially	Direct evidence against the AI-digestion bear case

Compiled from the moomoo news, notice and research feeds and the interpreted digest over the same source, cross-checked against published broker actions, for the period 21 August to 5 September 2026.

6. What Has Not Changed

The second quarter stands as reported: revenue of $11.5bn up 50%, gross margin at 56%, operating income of $3.1bn at a 27% margin, and a data centre segment that more than doubled to $6.7bn at a 31% segment margin. Third-quarter revenue is still guided to approximately $13.0bn at a 56% gross margin, implying earnings near $1.93 per share, and the raised multi-year framework has not been amended. Helios remains in full production with shipments beginning at the end of the third quarter, MI450 demand is described as running above plan, and the commitment of more than $10bn to advanced packaging capacity in Taiwan with TSMC stands. The named gigawatt-scale customers, Anthropic at up to 2 gigawatts, Microsoft on Azure and the existing OpenAI and Meta deployments, are intact.

The weaknesses are equally unchanged. Gaming fell 31% year over year, client and gaming segment margin compressed from 21% to 15%, management is planning for a softer personal computer market on higher memory and component costs, and the server CPU supply chain remains tight into 2027. Elon Musk's declaration that his companies will build exclusively on Nvidia has not been revisited and continues to cost the competitive advantage score a point.

7. Scorecard

Factor	Score	Weight	Basis
Business Quality	**9**/10	14%	Unchanged. 56% gross margin, 27% operating margin, three profitable segments
Financial Strength	**8**/10	10%	Unchanged. $13.1bn cash and short-term investments; $1.6bn quarterly free cash flow
Competitive Advantage	**7**/10	12%	Unchanged. Customer map firmer, but Nvidia's $89bn data centre quarter restates the gap
Management	**9**/10	10%	Unchanged. Raised the multi-year model, not merely the quarter
Growth Potential	**9**/10	16%	Unchanged. Data centre guided to more than double in 2027; street estimates now converged
Valuation	**6**/10	18%	Unchanged. 39.8x the 2027 estimate; 10.4% margin to weighted fair value
Risk (10 = lowest risk)	**5**/10	15%	Unchanged. Bear case still loses 37.8%; a policy meeting falls inside the window

Factor	Score	Weight	Basis
Technical Setup	**5**/10	5%	Raised from 4. Back above the 20- and 100-day averages; MACD histogram positive
Investment Score	**73 / 100**	**100%**	**Weighted sum of the factor scores above; was 73 on 24 August**

Scored 1-10, where 10 is always best, including Risk. A long bar is always the favourable outcome. The 24 August scorecard used this same scale and direction, so its scores are directly comparable and no restatement was required. One score moved. The composite was computed in code and matches the figure printed here.

8. Recommendation and Trade Plan

Verdict: Buy, reaffirmed. The 24 August upgrade rested on a price trigger firing at $473.25 with the execution conditions intact. Twelve sessions later the price is 0.9% higher, the execution conditions are still intact, and the largest single risk to the 2027 case has been tested by the sector bellwether and found wanting. That is a stronger position than the one the upgrade was made from, even though the entry price is fractionally worse.

Two qualifications go with it. The margin to weighted fair value is 10.4%, which is not wide, and the improvement over August comes from revised probabilities rather than from a lower price, so a reader who disagrees with the probability shift is looking at 8.6% instead. And the Federal Open Market Committee meets on 15 and 16 September with a rate increase better than an even chance, which for a stock whose value sits in 2027 earnings is a live event nine days out. Scaling in remains the correct response to both.

Parameter	Level	Rationale
Recommended entry	$445 - $478	Scale across the band; do not take the position in a single fill
Ideal buy range	$450 - $468	At or below the recomputed 100-day average of $466.56, down toward the 3 September low of $440.50
Cut-loss	$420	Unchanged. Below the 29 July intraday low of $424.03; 2.6 ATR of clearance at the narrower current range
Take-profit 1	$540	Base-case fair value on the 2027 estimate at ~45x
Take-profit 2	$672	Bull case; requires the Helios ramp to run ahead of plan and margin above 57%
Expected upside	+13.1% / +40.7%	To target 1 and target 2 from $477.57
Expected downside	-12.1%	To the $420 cut-loss
Risk / reward	1.1 : 1 / 3.4 : 1	Thin at target 1; the case rests on target 2 and the 2027 ramp
Holding horizon	12 - 24 months	Spans the Helios ramp and the 2027 data centre doubling
Position size	Small to moderate	Below a normal core weight, given a 37.8% bear case
Suggested allocation	2% - 3%	Sized for the bear case, not the base case

Levels are anchored to the confirmed close of $477.57 on 4 September 2026. The allocation stays below the 3% to 4% this blog applies to its higher-conviction Buy ratings, reflecting a first target whose risk and reward are close to balanced.

What would change the view

Development	Direction	Why it matters
Third-quarter gross margin printing below the low fifties	Downgrade	Would mean share is being bought rather than won, against a guide of approximately 56%
A slip in the Helios shipment or MI450 ramp schedule	Downgrade	The load-bearing assumption behind every 2027 estimate in this report

Development	Direction	Why it matters
A named gigawatt customer moving to a competitor	Downgrade	Would turn the Musk datapoint from a sentiment event into a structural one
A close below $424.03	Exit	Breaks the July low and ends the case on price alone; the stop sits below it
A sustained further rise in long-end Treasury yields alongside a Federal Reserve that follows through on tightening	Downgrade	Compresses the multiple on 2027 earnings independently of anything the company executes
A retreat into the low $400s with the ramp intact, or a third quarter confirming the fourth-quarter data centre step-up	Upgrade	Either would widen a margin that is currently the thinnest part of the case

9. Scenario Analysis

The three fair values are carried forward unchanged, because no estimate in this report has been revised. The probabilities have been adjusted, and the adjustment should be visible rather than buried. Three points of weight move out of the bear case and into the base and bull cases, because the bear case is specifically an AI-digestion scenario and Nvidia has just guided its October quarter to $108.0bn, roughly 12% above a September quarter that was itself 106% larger than the year before. That is not proof that 2027 spending holds, and the bear case retains more than a fifth of the weight, but it is the most direct evidence available and it points one way.

Case	2027E EPS	Conditions	Fair value	vs $477.57	Prob.
Bull	~$14.00	Helios ramps ahead of plan, Anthropic and Microsoft volumes land early, margin above 57%; ~48x	$672	+40.7%	31%
Base	~$12.00	Data centre roughly doubles as guided, PC softness contained, gaming stabilises; ~45x	$540	+13.1%	47%
Bear	~$9.00	AI digestion or a Helios slip, memory costs compress margin, PC and gaming weakness deepens; ~33x	$297	-37.8%	22%

Probability-weighted fair value: $527.46 = 0.31 x $672 + 0.47 x $540 + 0.22 x $297, which is +10.4% against $477.57. On the previous 30/45/25 weighting the same fair values give $518.85, or +8.6%. Probabilities sum to 100%. Earnings figures are non-GAAP and are estimates built by this analysis from company guidance, not company forecasts. Computed in code; the stated weighted value matches its inputs.

10. Investment Memo

Would an investor commit their own money to AMD today? Yes, on the same terms as a fortnight ago: small size, scaled in, with a stop below $424. The price has barely moved, so the arithmetic of the case is almost identical, and the honest way to present a review of this kind is to say that rather than to manufacture a new angle for it.

What has genuinely improved is the standing of the bear case. The August note identified AI digestion in 2027 as the scenario that produces a 37% loss, and treated it as a quarter of the probability distribution. Since then the company that sells most of the world's AI compute has guided its next quarter to $108bn and described the buildout as running at full steam, and the analysts who cover AMD have raised their 2027 data centre estimates to the point where this report's build is no longer at the optimistic end of the range. Neither settles 2027. Both make the digestion scenario a slightly smaller share of the possible futures, and that is what the revised probabilities record.

The concerns are unchanged and one is new. Unchanged: the entire case rests on a ramp that has not yet been reported, the bear case still costs 37.8%, and the first target offers barely more than one to one. New: a director and three officers have sold meaningful stock in the last fortnight, which is the sort of thing that means very little most of the time and matters a great deal occasionally, and there is no way to tell which from the filings alone. Add to that a Federal Reserve meeting on 15 and 16 September at which a rate increase is better than an even chance, and the argument for scaling rather than committing in one fill is stronger now than it was in August.

What invalidates the thesis is unchanged. Gross margin below the low fifties in the third quarter. Any slip in the Helios schedule. A named gigawatt customer following Musk to Nvidia. And technically, a close below $424.03, which is where the stop sits and where the case ends on price alone.