Broadcom Inc. (NASDAQ: AVGO)

Equity research report | 6 November 2026 | Last close $291.53 on 5 November 2026 | Semiconductors and infrastructure software

Verdict: Buy (from Watchlist), from fundamentals, at half size and in tranches. Buy range $265-$300. Cut-loss $240. Targets $376 and $480. Probability-weighted value $348, 19.4% above the price. Investment Score 72.0 / 100, previously 71.0.
Technical read (chart only): Conflicts. The stock is in a breakdown, below its 200-day average at its lowest close in 300 sessions, so hold to the first tranche until the $290 area has held for ten sessions with a higher low, or the stock closes back above the 50-day average near $349. The tag reflects technical analysis only and does not change the verdict.

Summary

The price reached the range the last report named. Broadcom fell 10.4% on 5 November to $291.53, its lowest close in 300 sessions and 41% below the June high of $495. The Philadelphia Semiconductor Index lost 12.3% that day and the Nasdaq-100 6.4%, after midterm results raised the prospect of tighter limits on data-centre construction and hedge funds and retail investors sold heavily. No Broadcom-specific cause has been shown, and nothing the company has said since the last report changes its guide. The stock is 10.6% below the $326.08 of 30 October, inside the $285-$300 band the last report named.

The rating moves to Buy, at half size, because of the price and not because the risk has fallen. At $291.53 the stock trades at 15.0 times consensus fiscal 2027 EPS of $19.43 and 16.8 times our lower $17.33. Our base case of $376 is 29.0% above the price, and it assumes fiscal 2028 AI revenue of $180bn against management's $230bn. At 16 times, the price needs fiscal 2028 EPS of about $18.22, against $23.49 in the base case and management's target of above $30. The weighted value of $348 pays 19.4%. The bear case of $186 costs 36.2%, and at 32% it is not remote.

The risk is one customer's funding. Broadcom stands behind up to $72bn of Anthropic's lease obligations, undiscounted, and has agreed to take up to $42bn of its convertible notes. On 6 November press reports said some prospective investors doubt that Anthropic's roadshow can start next week at the valuation discussed. The company has not changed its timetable. This is a High item, and it is the reason for half size and staged entry. It lowers the weighted value by about $18 a share in our numbers, does not change the verdict, and would matter more if the delay ran long.

What changed in the numbers. The weighted value is $348 against $339.41 and the base case $376 against $342, because fiscal 2026 has closed and the valuation now looks to fiscal 2028 at a lower multiple, with EPS well below management's target. On the last report's method, 19 times fiscal 2027, the base case would be about $329, so the upside depends on 2028 being delivered. The bear case falls to $186 from $228.97, because it now allows for purchase commitments that would exceed needs in a slowdown. Valuation rises one point on the lower price and Risk falls one point on the funding reports.

What drives returns here

Broadcom designs custom AI accelerators and Ethernet networking for a handful of very large buyers, sells a broad base of other chips, and owns VMware and other infrastructure software. Five variables decide the next two years: whether AI revenue reaches management's $115bn in fiscal 2027 and $230bn in fiscal 2028; whether customers can pay for it, since two of the largest are loss-making or newly profitable AI labs; how far margins fall as accelerators with heavy memory content and full racks grow in the mix; whether software keeps funding the balance sheet; and how much Broadcom's own balance sheet ends up standing behind customers. The test for the financing is whether the support runs down with lease payments and is never drawn. The test for the multiple is whether the market will pay more than about 15 times earnings that depend on a small group of buyers.

Financials

Metric ($m)	FQ3-26	FQ2-26	FQ3-25	9M FY26	9M FY25
Revenue	29,591	22,187	15,952	71,089	45,872
Gross margin, GAAP	20,456	15,415	10,703	49,028	31,045
Gross margin %, non-GAAP	75.0%	77.1%	78.4%	76.2%	78.9%
Operating income, GAAP	15,955	n/a	5,887	35,306	17,976
Operating income, non-GAAP	20,095	14,928	10,455	47,849	30,076
Net income, GAAP	13,088	n/a	4,140	29,747	14,608
Diluted EPS, GAAP	$2.68	n/a	$0.85	$6.09	$3.02
Net income, non-GAAP	16,372	12,074	8,404	38,631	24,014
Operating cash flow	14,197	n/a	7,166	32,950	19,834

Company earnings release, 2 September 2026, and Form 10-Q for the quarter ended 2 August 2026, filed 10 September 2026. Non-GAAP measures as defined by the company. Percentages are our calculation. Cells marked n/a were not used.

Revenue rose 86% in the third quarter, with AI semiconductor revenue of $16.7bn up 221%, and free cash flow was $13.7bn, or 46% of revenue. The fourth-quarter guide, for the quarter that ended on 1 November, is about $34.8bn of revenue, $21.7bn of AI revenue, about 73% gross margin against 78% a year earlier, and about 66% non-GAAP operating margin. On a 16% tax rate and 4.94bn shares that points to EPS of about $3.80 (our calculation). The gross margin decline is the cost of the mix. Management told investors to watch operating margin instead, which has held up so far: the semiconductor segment earned 61% in the third quarter and software 84%.

Cash flow is being absorbed by the ramp. Receivables rose $6.5bn and inventory $2.3bn over nine months, against operating cash flow of $33.0bn. Capital spending is small, at $1.0bn over nine months, though management guided $1.4bn for the fourth quarter alone as it adds substrate capacity in Singapore. The balance sheet held $24.0bn of cash against $59.4bn of debt, or net debt of $35bn, about 0.4 times annualised non-GAAP operating income (our calculation). No principal falls due in fiscal 2027 after $2.25bn in the fourth quarter of fiscal 2026. Capital returned over nine months was $9.3bn of dividends and $8.45bn of buybacks, with $10.1bn authorised through 31 December 2026.

Three obligations sit outside these figures. Firm remaining performance obligations were $179.2bn at 2 August, with about 25% expected within 12 months, or about $45bn: a large figure but well short of the $115bn AI target, so most of next year's AI revenue sits outside this firm measure. Unconditional purchase commitments were $127bn, of which $126bn falls in fiscal 2027 and 2028, mostly inventory. And the contingent exposure described below was up to $72bn at last disclosure. Direct sales to one distributor were 50% of third-quarter revenue, and the top five end customers about 55%, up from about 40% a year earlier.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Residual value support, $63bn Anthropic financing	Closed 26 Oct; 8-K 27 Oct	Company: partners took a portion of rack purchase and lease agreements; maximum liability about $43bn undiscounted; pays any gap between 72.5% of amounts owed and rack sale value after a default. Reported: $63bn package, Bank of America, Citi and Morgan Stanley first lien, Blackstone second	Company: low probability of payment, based on the customer's expected profitability and asset value	High
Earlier backstop and notes	10-Q 10 Sep; prospectus 2 Nov	Backstop up to about $29bn at 85% of amounts owed less rack value; none paid. Notes up to $42bn, 9% paid in kind, 13% if revenue conditions are missed, convertible at 90% of market price; none issued	Anthropic: expects no notes to be issued before the offering completes	High

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Anthropic listing	Filed 26 Oct; amended 2 Nov. Reported 6 Nov: doubts on timing	Prospectus: rent of about $161.2bn over five-year leases, non-cancellable by either party except by the lessor on default; total commitments about $895.4bn, about $69.8bn in the next 12 months. Nine-month operating loss $1.26bn. Reported: roadshow planned from 9 Nov; some investors question timing and a $1.5tn valuation. Company has announced no change	Investors, reported: valuation nearer $1tn, a smaller raise or a postponement	High
OpenAI chip financing	Reported 7 Oct; company has not confirmed	Reported: Broadcom arranging more than $50bn, early talks, close expected before year-end. Support terms unknown	Management, 2 Sep: OpenAI to deploy 1.3GW of Jalapeno in 2027 and over 5GW in 2028	High
Marvell to acquire Lumentum	Definitive agreement 2 Nov	All stock, 4.5 Marvell shares per Lumentum share, enterprise value about $115bn.	Companies: tighter electrical and optical design	Medium
Data-centre limits and AI buyers' plans	Midterm votes 3 Nov; results late Oct	Ballot measures restricting data centres passed in several states; Alphabet and Amazon held 2026 capital plans, and Alphabet expects a significant increase in 2027	Analysts, reported: projects may move rather than cancel	Medium
VMware licensing in the EU	Letter 10 Jul; requests reported 11 Sep	Five trade groups asked for interim measures; the Commission has asked providers for information; no formal case announced. Broadcom disputes the claims	None	Medium
Fourth-quarter results	Pending; expected about 9-10 Dec, not yet announced	Guide as above	Management: fiscal 2027 AI about $115bn, fiscal 2028 about $230bn, EPS above $30 in fiscal 2028	Medium
Networking at OCP Summit	Announced 8 Oct	Tomahawk 6, Tomahawk Ultra, Jericho 4, Thor Ultra, third-generation co-packaged optics shown	None	Low

Broadcom Form 8-K of 27 October 2026 and Form 10-Q of 10 September 2026; Anthropic Form S-1/A of 2 November 2026; Marvell and Lumentum announcement via Light Reading; press reports labelled reported and not confirmed by the companies named.

The Anthropic financing and listing

What is known. Broadcom's own filings cap the support at about $43bn and the earlier backstop at about $29bn, undiscounted, once all racks are deployed. Both grow with deliveries and shrink with lease payments. Anthropic's prospectus shows about $161.2bn of rent over the lives of five-year leases, guaranteed by the parent and secured by the equipment, with rent generally starting once equipment is ready for service at the data centre. Anthropic's nine-month operating loss was $1.26bn after $3.26bn of stock compensation and $2.09bn of non-cash charitable contributions, and its total commitments of about $895.4bn are large against any current revenue. On 6 November it was reported that some prospective investors want a lower valuation or a later date; the company has announced no change.

Why it matters here. Management said on 2 September that Anthropic should be the largest custom accelerator customer in 2027 and 2028. It does not disclose the share of revenue. As a rough guide, $161.2bn over five years is about $32bn a year in rent (our calculation), against the $115bn AI target. The maximum contingent exposure is about $14.49 a share, or 5.2% of the market value, before any recovery from the racks (our calculation). Management described the guarantees as modest on 2 September and declined to give a maximum; the 8-K put the new one at $43bn eight weeks later. That gap is the reason Management is not scored higher.

What success and failure look like. Success is a completed listing, rent paid from 2027, the support falling each quarter, and no notes issued. Failure begins with a long postponement, draws on the notes before listing, or racks arriving at sites that are not ready. The first hard data are the IPO decision, expected within days to weeks, the fourth-quarter results about 9-10 December, and the annual report in December, which should show how the support is recorded.

Economics and precedent. Revenue from racks arrives on delivery and carries a lower gross margin, while financing partners carry the balance sheet until a default. The closest precedent is vendor financing in telecom equipment around 2000, when support for weak buyers led to large write-offs at suppliers. The difference today is that the support is a shortfall cover against hardware that is in short supply, and Broadcom has not lent cash so far. Hardware values would fall most in the same conditions that cause a default, so the two risks are linked. Marvell's optical deal and its custom chip work with Google show competitors also moving to win this spending.

Outcome (our calculation)	Assumption	FY28 AI revenue	FY28 EPS	Value
Success	Lists on time; deployments meet the plan; supply is the only limit	$230bn	$29.97	$540
Base	Lists by mid-2027, possibly at a lower valuation; deployments paced by sites and financing	$180bn	$23.49	$376
Slip	Long delay; about $50bn of FY28 AI revenue moves out, at a 50% incremental margin; no default	$130bn	$19.29	$309
Failure	Funding fails, a third of the $72bn is drawn, and purchase commitments exceed needs by about $21bn	$100bn	$13.92	$186

Our estimates. Inputs: 16% tax, about $2.4bn net interest, 5.0bn shares; multiples 18, 16, 16 and 14 times. Commitment excess assumes costs of 50% of AI revenue and 35% of other chip revenue, which the company does not disclose. Consensus FY28 EPS was $30.38 on 23 October.

What the price already assumes. At 16 times, $291.53 needs fiscal 2028 EPS of about $18.22, which is below our Slip outcome and about 39% below management's target (our calculation). So the market is already pricing a long delay and part of the failure risk. The fall since 30 October is explained by the sector more than by this item: the stock lost less than the semiconductor index on 5 November. If the item fails outright, the earnings effect is about 40% against the base case and the lower multiple adds to that. What remains unknown is the timing of the listing, Anthropic's October revenue, which it left blank in the amended filing, the accounting for the support, and whether the OpenAI package needs similar terms.

Medium items. The Marvell and Lumentum agreement moves from reported talks to a signed deal. It gives a custom-silicon rival in-house lasers and transceivers, while Broadcom sells co-packaged optics of its own. This is a multi-year effect on competitive standing and it does not change our earnings. The data-centre votes and the capital plans bear on the timing of site readiness. They are one of the reasons our base case sits below management's targets, by about $50bn of fiscal 2028 AI revenue. The VMware matter affects a segment earning 84% margins, with information requests still far from a formal case.

Growth drivers

Driver	Status and date	Fact or forecast	Likelihood	Impact
AI revenue about $115bn in FY27	Pending; supply secured	Forecast (management, 2 Sep). Our base $110bn	High	High
AI revenue about $230bn in FY28	Pending	Forecast (management). Our base $180bn	Medium	High
Google TPU long-term agreement	Announced Apr 2026, through 2031	Fact; multi tens of billions a year (management)	High	High
OpenAI Jalapeno, 1.3GW in 2027	Pending; first deployments due	Forecast (management)	Medium	Medium
Tomahawk 6 and scale-up Ethernet	Shipping; scale-up due in FY27	Fact on shipping; management expects FY27 scale	High	Medium
VMware Cloud Foundation	Shipping; ARR up 15% in Q3	Fact; software $8.7bn guided for Q4	High	Medium

Company earnings call, 2 September 2026, and press releases. Likelihood and impact are our judgement.

Competition

Rival	Position	What it means for Broadcom
NVIDIA	Dominant merchant GPU and networking supplier	Sets the price and performance bar. Custom chips win where a buyer has the volume and models to justify them
Marvell	Custom silicon rival with a Google deal disclosed 19 Aug; buying Lumentum	Now a real second source at a key customer; Broadcom's shares fell on the news in August
MediaTek	Reported partner on a Google TPU design	Reported only; pressure at the lower end of TPU work
Customers' own teams	Labs and cloud providers may take more design in-house	The quarterly filing names customer-owned tooling as a risk to demand
Public cloud and open virtualisation	Alternatives to VMware after the price rises	Software grew in the quarter, but complaints show the cost of pricing power

Company filings and earnings call; press reports of the MediaTek design and the Google and Marvell agreement.

The advantage is real but narrower than the growth implies. Broadcom's lead rests on packaging and SerDes know-how, networking and scale in supply. Its bargaining power over the largest buyers is less clear: its own risk factors say top customers increasingly seek to lease rather than buy and press for better terms, which is how the support came about.

Management

Hock Tan's record on delivery is strong: the third quarter beat the gross margin guide and the fiscal 2026 AI estimate rose to $58bn from $56bn. His record on disclosure of financing is weaker. On the 2 September call management declined to give a maximum exposure when asked. The chief financial officer adopted a pre-arranged plan on 2 July to sell half the net shares from vesting awards through September 2027, which is routine in structure. Since 1 September three Form 4 filings and three Rule 144 notices have appeared, the notices on 23 September.

Risks

Risk	Probability	Severity	Comment
Customer financing exposure	Medium	High	Up to $72bn of support and backstop on Anthropic's leases, plus up to $42bn of notes
Anthropic listing delayed or repriced	Medium	High	Reported 6 Nov; company has made no change. Notes are not expected before it completes
Customer concentration	High	High	Top five end customers about 55% of revenue; one distributor 50%
Purchase commitments in a slowdown	Low to medium	High	$126bn over fiscal 2027 and 2028; about $21bn excess in our bear case
AI spending or site readiness slows	Medium	High	State and local limits, power and shell timelines; large buyers' capital plans under scrutiny
Margin mix	High	Medium	Gross margin guided to 73%; management guides one quarter at a time
Competition in custom silicon and optics	Medium	Medium	Marvell and Lumentum; Google's second sources; customer-owned tooling
VMware regulation	Low	Medium	A formal EU case would hit the software cash engine
Gap through the stop	High	Medium	ATR is 4.9% of the price and the sector fell 12% in a session

Risk scores 3/10: this is a high-risk setup for a high-quality business. Financial Strength stays at 7 because the debt itself is modest and well spaced. The danger is contingent and concentrated.

Valuation

Measure	Value	Reading
Market value, enterprise value	$1.39tn, $1.43tn	4.774bn shares at 28 August; net debt $35bn at 2 August
P/E on consensus FY27, FY28	15.0x, 9.6x	EPS $19.43 and $30.38 (normalised, 23 Oct)
P/E on our base FY27, FY28	16.8x, 12.4x	EPS $17.33 and $23.49, our estimates
Base case at 16x FY28	$376	29.0% above the price; a level one year out
Base discounted one year at 12%	$336	15.3% above the price; our calculation
Last report's method: 19x our FY27	$329	12.9% above the price; the most cautious reading
Dividend yield	0.9%	$0.65 a quarter

Our calculations from Form 10-Q share and debt figures; consensus normalised EPS via Yahoo Finance as of 24 October 2026. Other published consensus for FY27 is $17.45 (30 October) and forward EPS $18.44 (4 November), on different bases.

Price to earnings on a forward year is the right measure, because trailing earnings understate a business whose largest segment is guided to double, and because amortisation from VMware distorts the GAAP figure. Sixteen times is below the 16.6 times the stock carried on fiscal 2027 consensus two weeks ago and is applied one year further out; it allows for concentration, the contingent exposure and a group that has just been re-rated. Software alone at about 80% margins on about $36bn of revenue, taxed at 16% and valued at 18 times, would be worth about $88 a share before unallocated costs (our calculation), so the market is paying about 16 times our fiscal 2027 EPS for the chip business. The stock looks undervalued on estimates and fair on the cautious reading, which is why the position is small.

The macro drivers are not the usual ones. The first is the availability and price of long-dated credit for AI compute. Broadcom's own debt is fixed and has no fiscal 2027 maturity, but its customers' leases rely on this market, and Anthropic's fallback notes carry 9%. Long yields are high, with the 10-year near 4.84% after 4.98% a week earlier, and the Fed held at 3.75% to 4.00% in October with two votes for a rise, with futures putting a December rise near two in three. The second is the local politics of data centres, which set how quickly racks reach a ready site. Consumer demand matters little: core PCE at 3.1%, third-quarter GDP growth of 3.4% and claims of 189,000 bear on the multiple rather than on demand.

Sentiment

Analysts remain positive, with a mean target of about $530 and ratings overwhelmingly at Buy on the latest count. These targets predate the fall of 5 November. Actions since September include DA Davidson's upgrade to Buy with a $400 target on 27 October, and Barclays at $500, KeyBanc and Bernstein at $575, and Rosenblatt and Tigress at $600. No broker action after 5 November has been seen yet, so targets may lag. Options turnover roughly doubled to about 533,000 contracts on 5 November, without a clear direction. News flow over the period is mostly market-driven and leans negative in the near term, with analyst support on the other side.

Institutional positioning reads Mixed, with moderate confidence and a cautious lean, as of 30 June 2026, filings through 19 August 2026. Active managers showed a net reduction of 1.73% of reported shares over four quarters and 0.31% in the latest quarter, with 36 adding and 51 cutting. One large holder accounts for all of the net figure. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure. It predates the recent fall.

Scorecard

Criterion	Score		Weight	Change	Basis
Business Quality		8/10	15%	0	Leading custom silicon and networking plus high-margin software; growing share of AI revenue is sold into structures Broadcom supports.
Financial Strength		7/10	15%	0	Net debt $35bn, $13.7bn of quarterly free cash flow, no FY27 maturities; up to $72bn contingent and $127bn of purchase commitments.
Competitive Advantage		8/10	15%	0	Strong franchise; Marvell's Lumentum deal and second sources at Google narrow it, and customers extract financing.
Management		7/10	10%	0	Delivery strong; described guarantees as modest and declined to size them eight weeks before a $43bn filing.
Growth Potential		9/10	15%	0	AI revenue up 221%, guided up 236%, supply secured for about $115bn in FY27 and $179.2bn of firm obligations.
Valuation		7/10	20%	+1	15.0x FY27 consensus and 16.8x our lower EPS, 19.4% below weighted value.
Risk (10 = lowest risk)		3/10	10%	-1	One customer's funding, reported listing doubts, 55% in five customers, and large fixed commitments.
Investment Score	**72.0 / 100**		**100%**	**+1.0**	Previous 71.0

Scored 1–10, where 10 is always best, including Risk. Weights are the default 15/15/15/10/15/20/10. Technicals are not scored.

Two scores moved. Valuation rises to 7 from 6 because the price is 10.6% lower while our earnings base is below consensus. Risk falls to 3 from 4 because a listing that would strengthen the borrower is now reported to be in question, and the prospectus shows the scale of its commitments. The High item moved Risk, and it held Management and Financial Strength where they are. Business Quality, Financial Strength, Competitive Advantage, Management and Growth Potential are unchanged, because the guide, the $179.2bn of obligations, the $72bn exposure, the debt and the competitive picture are unchanged since the last report, apart from Marvell's signing of a deal already allowed for.

Recommendation and trade plan

Buy, from Watchlist. The last report said the case improved at $285-$300, and the price is now there. The thesis is unchanged and has not been invalidated; what changed is the price paid for it, and the reasons for caution have grown. Without the listing doubts the weighted value would be about $366 and the rating would still be Buy, at a larger size, so the High item drives the size and the staging rather than the verdict. The base case pays 29.0% and the stop costs 17.7%. Because the listing decision and the results both fall in the next five weeks and a gap through the stop is possible, buy one third now, one third once the listing outcome is known, and the rest after the December results if the guide holds, in each case subject to the chart condition in the Technical read.

Item	Level	Basis
Recommended entry	$291.53, first tranche only	Inside the range; 16.8 times our FY27 EPS
Ideal buy range	$265-$300	At $300, 17.3 times our FY27 EPS and the base case pays 25.3%; at $265, 15.3 times and 41.9%
Cut-loss	$240, on a close	13.8 times our FY27 EPS, or about 3.6 average ranges below the price; at that level the market is pricing the bear path
Target 1	$376	Base case, 29.0% above the price; 16 times our FY28 EPS
Target 2	$480	16 times management's $30 FY28 EPS target, 64.6% above the price
Expected upside and downside	29.0% and 17.7%	1.6:1 to Target 1, 3.6:1 to Target 2
Holding horizon	12-24 months	Through the fiscal 2027 ramp and the first rent payments

Item	Level	Basis
Position size	Half a standard position, three tranches	Sector moves of 12% in a day and a dated binary ahead allow for a gap through the stop
Suggested allocation	2.0% of a portfolio	Up from none while on Watchlist

Our levels. The last report named $285-$300 as the range of interest and carried no stop or targets. These levels assume Anthropic has not defaulted and are meant for use both before and after the listing decision, at the stated tranches.

What would change the view

Condition	Direction
Anthropic completes its listing and the support starts to run down with lease payments	Up
The annual report shows a small recorded value for the support	Up
Fourth-quarter results show AI revenue near the guided $21.7bn, operating margin near 66% and the fiscal 2027 target intact	Up
Large AI buyers raise 2027 capital plans despite state-level limits	Up
Anthropic postpones its listing without a new date, or notes are issued before it lists	Down
Broadcom gives similar or larger support on the OpenAI package	Down
The support or backstop is drawn	Down
Fiscal 2027 AI target is cut, or racks are delayed because sites are not ready	Down
A formal European Commission case on VMware licensing	Down
Further tightening of credit for AI compute while long-dated yields rise	Down
A close below $240, the cut-loss	Down

Technical read

Chart as of the 5 November 2026 close

Verdict: Buy, from fundamentals. Technical read (chart only): Conflicts. The stock is in a breakdown, below its 200-day average at its lowest close in 300 sessions, so hold to the first tranche until the $290 area has held for ten sessions with a higher low, or the stock closes back above the 50-day average near $349. The classification rests on three facts: the 50-day average is falling, the stock closed at a new 60-day low within the past five sessions, and it closed below its 200-day average within the past ten. This section looks only at the price chart. It does not change the verdict or the Investment Score and only guides entry timing.

Indicator	Value	Reading
Price of record	$291.53	5 November close; session low $290.12, high $314.00
20-day average	SMA $335.52; EMA $333.76	Price 13.1% and 12.7% below
50-day average	SMA $349.44; EMA $348.51	Price 16.6% and 16.3% below; SMA falling
100-day average	SMA $368.07; EMA $360.35	Price 20.8% and 19.1% below
200-day average	SMA $367.25; EMA $361.03	Price 20.6% and 19.3% below
RSI(14)	31.4	Close to oversold, which can persist
MACD	Line -10.01; signal -7.40; histogram -2.61	Negative and below signal
ATR(14)	$14.21	4.9% of the price
Volume	53.6m on the day; 20-day average 23.1m; 50-day 24.8m	2.3 times the 20-day average; heavy selling
Range	52-week $289.96-$495.00; high set 3 June	41% below the high

Indicator	Value	Reading
Support and resistance	Support $290, with no lower close in the past 300 sessions. Resistance $325-$335, then $349 and $367	52-week low of $289.96 is close by; prior closes and the 20-day average overhead
Chart state	Breakdown	Fixed-rule classification; alignment with Buy: Conflicts

Computed from daily closes and ranges, not dividend-adjusted (Twelve Data); price of record from Alpha Vantage GLOBAL_QUOTE.

Scenarios

Case	Prob.	Outcome assumed, including the High item	FY28 revenue, EPS, multiple	Value	Vs price
Bull	20%	Anthropic lists on time and deploys to plan; OpenAI's package closes without new support; AI revenue hits $120bn then $230bn.	$287bn, $29.97, 18x	$540	+85.2%
Base	48%	Anthropic lists by mid-2027, perhaps lower; support undrawn; sites and financing pace AI revenue to $110bn then $180bn; margin 64% then 60%.	$237bn, $23.49, 16x	$376	+29.0%
Bear	32%	Funding falters and deployments slip; AI revenue $85bn then $100bn; a third of the $72bn drawn and about $21bn of excess commitments, about $9 a share.	$155bn, $13.92, 14x	$186	-36.2%

Our estimates. Probability-weighted value: 0.20 x $540 + 0.48 x $376 + 0.32 x $186 = $348. FY27 EPS: bull $18.71, base $17.33, bear $13.59. Without the listing doubts (24/50/26): $366. Last report: bull $467.28 (25%), base $342 (45%), bear $228.97 (30%).

The bull probability is lower than in the last report because the financing it needs is now in question, even though management's targets stand. The bear probability is slightly higher on the same evidence and on the capital plans of large buyers; it is not higher still, because the leases are non-cancellable, the first financing has closed and supply is secured. Base-case fiscal 2028 EPS sits about 23% below consensus because it assumes sites and funding, not demand, set the pace.

Final view

Would this be worth owning at $291.53? Yes, in a small position built in stages. Why now: a business with strong software cash flow and guided AI growth has been sold with the whole sector to about 15 times next year's consensus earnings, with no change in its guide. Why at this valuation: our base case pays 29.0% on earnings more than a fifth below management's target. What invalidates it: a draw on the support, a cut to the fiscal 2027 AI target, or a long postponement of Anthropic's listing with notes issued before it. The single largest concern is that Broadcom's growth depends on a customer whose funding it is now helping to underwrite, and the Anthropic item shaped the size of the position rather than the rating.

Sources

Company: Broadcom Form 8-K, 27 October 2026 (accession 0001193125-26-434271); Form 10-Q for the quarter ended 2 August 2026, filed 10 September 2026 (accession 0001730168-26-000080); earnings release, 2 September 2026 (8-K accession 0001730168-26-000076); OCP Summit release, 8 October 2026. Anthropic Form S-1/A, 2 November 2026 (accession 0001628280-26-068676)

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