

Broadcom Inc.

NASDAQ: AVGO | Semiconductors and infrastructure software | Coverage update | 27 September 2026

Last close (25 Sep 2026)	\$352.81	Recommendation	WATCHLIST (from Buy)
Previous report (15 Sep)	\$344.72, Buy	Investment score	77.0 / 100 (prior 77.5)
Published stop	\$342, closed below on 15 and 16 Sep	Weighted fair value	\$406 (prior \$430)
10-year Treasury	5.17% (4.999% on 14 Sep)	Re-entry level	Close above \$369, the 200-day average
FY2027E P/E (adj.)	19.1x	Buy range, stop, targets	Withdrawn
FY2028 P/E on mgmt floor	11.8x	Next results	Expected mid-December, date not yet announced

The Stop Did Its Job

The rating moves from Buy to Watchlist. Nothing about Broadcom's business has deteriorated since 15 September, and the change is not a verdict on the company. It is the execution of an instruction this coverage published in advance. The 15 September report set the cut-loss at \$342, declined to lower it a third time, and stated that a close beneath it would exit the position and move the rating to Watchlist. The shares closed at \$339.27 on 15 September and \$339.51 on 16 September, trading as low as \$335.81. The stop triggered on a closing basis on the day that report was published.

Since then the stock has recovered to \$352.81, 5.1% above the low, and it would be easy to argue that the exit was noise and the Buy should simply be reinstated with a fresh stop underneath \$335.81. That is exactly the pattern the previous report warned against: a stop that is re-set lower every time the price breaks it is not risk control. The level moved from \$350 to \$342 in August; moving it again to the low \$330s after it has already been hit would turn a written rule into a suggestion. A name comes back onto the Buy list on evidence that the trend has repaired, not on a bounce.

The discount rate is the second reason for patience, and it has moved decisively the wrong way. The Federal Reserve raised its target range by a quarter point to 3.75% to 4.00% on 16 September, its first increase since 2023, and a Philadelphia Fed president said further modest tightening may be needed. The 10-year Treasury yield closed at 5.18% on 24 September, its highest since 2007, and 5.17% on 25 September. The previous report named a retreat in long yields alongside a Fed pause as the condition that would reopen the buy band sooner. The opposite occurred.

The fundamental case is intact. Management's approximately \$115bn fiscal 2027 and \$230bn fiscal 2028 artificial intelligence revenue lines and the stated ambition to exceed \$30 of earnings per share in fiscal 2028 have not been qualified. At \$352.81 the shares trade at 19.1 times the fiscal 2027 base-case estimate and 11.8 times that fiscal 2028 figure. What has grown is the one risk this coverage has flagged in every edition: press reports from 20 and 21 August describe a second customer-financing package of \$60bn to \$70bn of senior debt, with Broadcom guaranteeing a portion. Management declined on the 2 September call to discuss further tranches. That item is analysed below; on this report's sizing it lowers the Risk score but does not by itself change the verdict.

What Changed Since 15 September

Development	Date	Effect on the case
The \$342 cut-loss triggered: closes of \$339.27 and \$339.51, intraday low \$335.81	15-16 Sep	Decisive for the rating. The published rule moves the name to Watchlist

Development	Date	Effect on the case
Federal Reserve raises rates 25bp to 3.75%-4.00%; 10-year reaches 5.18%, the highest since 2007	16-24 Sep	Negative. Raises the cost of the capital that funds the 2027 and 2028 deployments and compresses long-duration multiples
Reported second financing package of \$60bn-\$70bn senior debt, part guaranteed by Broadcom (Bloomberg 20 Aug; CNBC 21 Aug)	Aug, not confirmed	Negative for risk. Enlarges an exposure the company has never sized
China's state-assets regulator reported to be surveying Broadcom switch use in state-backed data centres (FT, relayed by Reuters)	23 Sep	Negative at the margin. Reported only; no Broadcom comment
Anthropic, the prospective largest customer, reported in talks to lease up to 1GW of further capacity; its IPO reported for October-November	5-23 Sep	Supportive. More capacity and public equity would strengthen the balance sheet behind the largest order book
Director Henry Samueli's entities sold 702,190 shares (~\$250m) at \$354.10-\$362.27 under a 10b5-1 plan adopted in December 2025	23 Sep (Form 4 25 Sep)	Neutral. Pre-arranged; about 52.7m shares retained
Bernstein maintains its Buy rating and \$575 target; consensus mean target \$531.85 across 50 analysts	21-22 Sep	Supportive but not a timing signal

Price data from the Twelve Data daily series and Alpha Vantage. Filings from SEC EDGAR. Macro figures from this publication's economic coverage of 11 to 25 September 2026.

Company developments

Items from 16 August to 27 September 2026 that bear on what Broadcom earns or how it competes. Market commentary and rating changes are excluded here and appear under Sentiment.

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Second customer-financing package via a special-purpose vehicle	Reported, 20-21 Aug; not confirmed by the company	Bloomberg: \$60bn-\$70bn senior secured plus about \$30bn junior, Broadcom to guarantee a portion of the senior tranche; Blackstone and Apollo negotiating. CNBC: upwards of \$70bn. On 2 Sep the CFO said there were no announcements on further tranches	Size of Broadcom's share of the guarantee is undisclosed. Our estimate of the range is in the subsection below	High
China SASAC survey of Broadcom switches in state-backed data centres	Reported, 23 Sep	FT, relayed by Reuters: the regulator has surveyed usage, with Broadcom reportedly up to 90% of switch equipment at some state-owned firms. Part of a domestic-substitution drive; Huawei, H3C and Ruijie named as beneficiaries	No guidance has been issued. The revenue at stake is not disclosed in Broadcom's filings	Medium
Anthropic IPO and capacity expansion	Confidential draft S-1 submitted 1 Jun (company); IPO timing reported mid-Oct to Nov; 1GW lease talks reported 23 Sep	Anthropic said it confidentially submitted a draft registration statement. Broadcom said on 2 Sep that Anthropic is on track to be its largest XPU customer in fiscal 2027	Timing and valuation are reported, not announced. The lease talks are described as early	Medium

Development	Status and date	What is known	What is forecast (and by whom)	Impact
European Commission inquiry into VMware licensing	Preliminary, questionnaires since July; no formal case as of late Sep	Broadcom confirmed it is aware the Commission is gathering information. The cloud trade body CISPE, the complainant, rated the situation red in its September report	A formal investigation or interim measures remain possible; no date is set	Medium
VMware Explore launches: VMware AI Factory, Private AI Cloud, AgentMinder and related products	Announced 31 Aug	Company releases describe private-cloud AI and agent-governance products within VMware Cloud Foundation	No revenue guidance attached	Low
Registered exchange offer for \$654m of 4.926% notes due 2037	Prospectus 18 Sep; expires 19 Oct	Swaps privately placed notes for registered ones; the prospectus states it does not increase indebtedness. The 10 Sep S-4 belongs to this exchange programme and is not an acquisition	None	Low
Quarterly dividend of \$0.65	Record 21 Sep, payable 30 Sep	Declared with third-quarter results	Management has indicated capital allocation is reviewed with the board in December	Low

Sources: company releases and SEC filings first, then Bloomberg, CNBC, Reuters and the FT as relayed by Reuters. Reported items are unconfirmed by the company.

The second financing package: what it adds and what it does not

What is known. Broadcom closed a first \$35bn tranche in June to fund Anthropic's 1GW deployment and has confirmed a contractual cap of \$29bn on its guarantee for that tranche. On 20 August Bloomberg reported that Broadcom was seeking more than \$60bn of senior secured debt, with about \$30bn of junior debt alongside, through a special-purpose vehicle benefiting Anthropic and others, and that Broadcom would guarantee a portion of the senior tranche. CNBC reported on 21 August that the deal could exceed \$70bn. Neither report has been confirmed, and on the 2 September call the chief financial officer said the company had no announcements on further tranches and would evaluate financing deal by deal, describing any residual value guarantees as modest and low risk.

Why it matters here. The artificial intelligence semiconductor line was 56% of third-quarter revenue and is the entire basis of the fiscal 2027 and 2028 targets. A material share of those shipments is now funded by vehicles Broadcom partly backstops. The guarantee does not change what Broadcom books as revenue; it changes what Broadcom owes if a customer's economics fail, and it ties the equity to credit conditions at the moment the 10-year sits at a 2007 high.

What success and failure look like. Success is the deployments completing on schedule, the vehicles refinancing in the market, and Broadcom disclosing a cap on each tranche. Failure would appear first as wider spreads on the vehicle debt, a delayed close, or a guarantee larger than the first tranche's. The first hard evidence is any 8-K or the fiscal 2026 10-K, due in December, which must describe material guarantees.

Economics and sizing (our calculation). The first tranche carried a \$29bn cap on \$35bn of debt. If a second package of \$65bn (the midpoint of the reported range) carried the same ratio, the added cap would be about \$54bn; the company's own description of guarantees as modest argues for less. This report takes half of that, about \$27bn, and the 25% loss rate used for the first tranche in the bear case. That adds \$1.41 a share of modelled loss to the bear case on 4.76bn shares, on top of \$1.52 for the first tranche.

Input	Value	Basis
Shares outstanding	4.76bn	As used in prior reports; diluted count 4.887bn per the Q3 release
First-tranche guarantee cap	\$29bn	Company-confirmed, reaffirmed on the 2 Sep call
Second package, senior tranche	\$60bn-\$70bn	Reported by Bloomberg and CNBC; unconfirmed

Input	Value	Basis
Assumed added guarantee	~\$27bn	Our assumption: half the first tranche's ratio applied to \$65bn
Loss rate in the bear case	25%	Unchanged from the previous report
Bear-case loss per share	\$2.94	\$1.52 existing plus \$1.41 added

What the price already assumes, and the effect. With the item the probability-weighted fair value is \$406.18; without it, \$406.52. The difference, about \$0.34 a share, is small because a 25% loss on even a doubled guarantee is small relative to a \$1.7tn company. The risk sits in the tail and in the multiple rather than in expected earnings: a full default across a much larger platform is the scenario that matters, and a market that begins pricing Broadcom partly as a credit exposure will pay a lower multiple for the same earnings. How much of the 29% drawdown from the \$495 high this item explains cannot be shown from the available sources.

Precedent and what is unknown. Vendor financing of customers has a poor record in prior technology cycles, and the distinction here is that the borrowers are large, growing and increasingly publicly funded. Unknown: whether the package closed, Broadcom's share of it, and the aggregate cap across all tranches. A company disclosure of that aggregate number would settle it, and remains the single most useful thing management could publish.

Effect on this report. The item lowers the Risk score from 4 to 3 and adds to the bear case. It does not decide the verdict: without it the rating would still be Watchlist, because the stop triggered and the discount rate rose.

Growth drivers

Driver	Status and date	Fact versus forecast	Likelihood / impact
Anthropic TPU deployments: 1GW in 2026, about 5GW in 2027	Announced; 1GW under way	Deployment plan per Broadcom, 2 Sep. Gigawatt figures are management's	High / High
OpenAI Jalapeño: 1.3GW planned for 2027, line of sight to over 5GW in 2028	Announced 24 Jun; on track per 2 Sep call	Chip is fact; volumes are management forecasts	Medium-high / High
Google TPU long-term agreement and Meta MTIA through 2029	Announced (Meta 14 Apr)	Agreements are fact; annual values are management characterisations	High / High
Fourth-quarter guidance: revenue ~\$34.8bn, AI revenue \$21.7bn	Guided 2 Sep; results expected mid-December	Management guidance	High / Medium
Singapore substrate fab from fiscal 2027	Announced on the Q3 call	Supply relief is a management expectation	Medium / Medium

The Variables That Decide It

Broadcom runs two engines. Infrastructure software built on CA, Symantec and VMware produced \$8.75bn of third-quarter revenue at roughly 94% gross margin and funds the semiconductor franchise, which produced \$20.84bn, of which \$16.7bn was artificial intelligence silicon, up 221%. Fiscal third-quarter revenue was \$29.59bn, non-GAAP earnings per share \$3.32 and free cash flow \$13.67bn, 46% of revenue. The qualification remains gross margin: 75.0% in the quarter, guided to about 73% in the fourth as memory-heavy custom accelerators dominate the mix.

Variable	Why it decides the outcome	Where it stands on 27 September
Conversion of the \$115bn and \$230bn lines	They are the valuation. At 11.8 times the fiscal 2028 figure the price assumes material slippage	Unchanged. Not qualified since 2 Sep; Anthropic is seeking more capacity, not less
Gross margin through the mix shift	The fiscal 2028 figure assumes dilution stabilises	Unchanged. Next evidence at fourth-quarter results
The financing backstop	The largest unmeasured item; now reportedly growing	Worse. Reported second package; still no aggregate cap

Variable	Why it decides the outcome	Where it stands on 27 September
Software pricing and its regulators	Software funds the growth engine	Unchanged. Commission inquiry still preliminary
The discount rate	Value concentrated in 2027 and 2028 is discounted harder as the long end rises	Worse. Fed hiked; 10-year 5.17%, near a 2007 high

Valuation

Measure	At \$352.81	At \$344.72 (14 Sep)	Comment
P/E on FY2026E consensus EPS of \$11.66	30.3x	29.6x	Consensus per S&P; Global, 50 analysts
P/E on FY2027E base EPS of \$18.45	19.1x	18.7x	Base-case estimate unchanged
P/E on management's fiscal 2028 figure of \$30	11.8x	11.5x	Management expects to exceed \$30; not a sell-side estimate
Market capitalisation	\$1.68tn	\$1.64tn	4.76bn shares
Net debt	\$35.4bn	\$35.4bn	\$59.4bn debt less \$24.0bn cash at the third quarter
Consensus mean target	\$531.85	\$525.97	50 analysts; range \$216 to \$715
Probability-weighted fair value	\$406	\$430	Lower exit multiples and a heavier bear case
Implied upside	+15.1%	+24.8%	Narrowed by both price and fair value

Multiples are this report's calculations from the stated inputs. The fiscal 2028 figure is management's stated expectation.

The macro variables that actually matter here

Two, and they are the same two as in the previous report. The first is the cost of long-dated capital, because Broadcom's largest customers increasingly fund deployment through debt and because Broadcom stands partly behind that debt. It has moved sharply against the thesis. The Federal Reserve raised rates on 16 September to 3.75% to 4.00% after August core consumer prices rose 0.3% against a 0.2% forecast and retail sales jumped 1.2%. Initial jobless claims fell to 197,000, the S&P; Global composite index reached 58.4 and core capital goods orders rose 1.6%, all readings of an economy running hot. The 10-year yield rose from 4.999% at the previous report to 5.18% on 24 September and closed the week at 5.17%. None of that slows Broadcom's shipments this quarter. It raises the cost of the vehicles that underwrite 2027 and 2028 and compresses the multiple on earnings that far out.

The second is physical rather than monetary: power, grid interconnection, permitting and construction capacity, which management itself named as the binding limit on its targets. It is largely insensitive to the policy rate on a two-year view. Anthropic's reported search for another gigawatt of leased capacity is evidence that demand is chasing that capacity, not the reverse.

Sentiment and Positioning

Input	Reading	Interpretation
Analyst consensus	Strong Buy; 40 Strong Buy, 7 Buy, 3 Hold across 50 analysts; mean target \$531.85	Has not been a useful timing signal through the de-rating
Recent actions	Bernstein maintained its Buy rating and \$575 target on 21-22 Sep; no downgrades in the period	Supportive, no new information
Insiders	Director Henry Samueli's entities sold about \$250m on 23 Sep under a December 2025 10b5-1 plan; officers O'Toole and Brazeal filed Form 4s on 17 Sep	Pre-arranged selling; not read as a signal
Options	282,290 contracts on 25 Sep against 2.3m open interest	Active but unremarkable versus mid-September

Input	Reading	Interpretation
Institutional positioning	Mixed, moderate confidence. As of 30 June 2026, filings through 19 August 2026	Leans cautious; see note below
News flow	Dominated by the rate move, the China report and insider filings; digest tone neutral	No company disclosure has altered the targets

Institutional positioning reads Mixed, leaning cautious, as of 30 June 2026 with filings through 19 August 2026. Reported holdings show a net reduction of about 1.7% of reported shares over four quarters and 0.3% in the latest quarter, with 36 managers adding and 51 cutting; the four-quarter reduction is concentrated in a single large holder, and five of the last six quarters were slightly negative. 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.

Technicals

Indicator	Value	Reading	Versus 15 Sep report
Price of record (25 Sep)	\$352.81	Up 2.3% since the previous report; 5.1% above the 16 Sep low	\$344.72
SMA 20 / EMA 20	\$358.03 / \$359.12	Price 1.5% and 1.8% below	\$365.08; the \$365 reclaim level was anchored here
SMA 50 / EMA 50	\$376.63 / \$370.76	Price 6.3% and 4.8% below	\$382.77 / \$378.64
SMA 100 / EMA 100	\$390.35 / \$375.60	Price 9.6% and 6.1% below	\$396.10 / \$380.19
SMA 200 / EMA 200	\$368.35 / \$368.45	Price 4.2% below both	\$370.04 / \$370.29
RSI (14)	43.7	Recovered from the low 30s; neutral	34.3
MACD (12,26,9)	-6.44, signal -7.58, histogram +1.15	Line still negative, histogram turned positive	Histogram -0.81
ATR (14)	\$10.95, 3.1% of price	Volatility easing	\$12.46, 3.6%
Structural low	\$335.81 (16 Sep)	Superseded \$342.33; the lower-low pattern continues	\$342.33
100-session range	\$335.81 - \$495.00	Close 5.1% above the low, 28.7% below the high	\$342.33 - \$495.00
Volume, 20-day vs 50-day	27.4m vs 22.5m, +21.5%	Heavy participation through the break and rebound	+16.9%

Computed in code from a 300-session Twelve Data daily series to 25 September 2026, all averages from that one series; distances measured against the \$352.81 price of record.

The chart has improved in momentum and deteriorated in structure. The MACD histogram crossed positive and RSI recovered from 34 to 44, but the price broke the September low to make a new one at \$335.81 and the 22 September rebound failed at \$366.55 intraday, beneath the 200-day average and the \$370 cluster of 50-day and 200-day exponential averages. The twenty-day average that anchored the previous report's \$365 re-entry level has fallen to \$358.03, so that level is retired rather than carried forward. The level that matters now is the 200-day simple average at \$368.35: a close above it would put the price back over the long-term trend line for the first time since August.

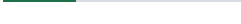
Risk Register

Risk	Probability	Severity	Assessment
Financing backstop exposure	Medium	Severe	Raised from Low probability. A \$29bn cap on the first tranche; a reported second package of \$60bn-\$70bn with a Broadcom guarantee of unknown size. Aggregate exposure never disclosed

Risk	Probability	Severity	Assessment
Discount rate	High	Moderate	Fed hiking, 10-year at a 2007 high. Mechanical compression of a multiple anchored on 2027-2028
Deployment delay rather than demand loss	Medium	Severe	Power, grid, permitting and construction push revenue right; fatal to a 2028-anchored multiple even if the eventual total arrives
Customer concentration in frontier labs	Medium	Severe	A handful of labs, one becoming the largest customer in fiscal 2027. A pending IPO would ease, not remove, the risk
Gross margin dilution	High	Moderate	Guided to about 73% from 75.0%; structural, driven by memory content
European Commission action on VMware	Medium	Moderate	Still preliminary; interim measures available to the Commission
China substitution of networking silicon	Medium	Low-moderate	Reported survey of state-backed data centres; exposure not disclosed and likely small relative to AI custom silicon

Probability and severity are this report's assessments. The Risk score of 3/10 below denotes a high-risk profile, consistent with this register.

Scorecard

Factor	Score	Rationale and change since the previous report
Business Quality weight 15%	 9/10	Unchanged. Software at roughly 94% gross margin funds the semiconductor franchise; free cash flow 46% of revenue
Financial Strength weight 15%	 9/10	Unchanged on the balance sheet: net debt \$35.4bn against \$13.67bn of quarterly free cash flow. Contingent exposure is scored under Risk
Competitive Advantage weight 15%	 9/10	Unchanged. Four frontier-lab and hyperscaler programmes; the China report touches a small merchant-switch pocket
Management weight 10%	 8/10	Unchanged. Targets held, but the company declined to discuss further financing tranches while a large one was being reported
Growth Potential weight 15%	 9/10	Unchanged. The fiscal 2027 and 2028 lines stand; the largest customer is seeking more capacity
Valuation weight 15%	 7/10	Unchanged. 19.1x fiscal 2027 and 11.8x the fiscal 2028 figure are undemanding, offset by a 5.17% 10-year
Risk (10 = lowest risk) weight 10%	 3/10	Cut from 4. The reported second financing package enlarges an unsized guarantee, and the rate regime raises the cost of the structures behind it
Technical Setup weight 5%	 3/10	Raised from 2. Momentum has turned (MACD histogram positive, RSI 44) but the price broke to a new low and sits below the 200-day
Investment Score	77.0 / 100	Weighted sum of the eight factors, computed in code. The previous report scored 77.5 / 100 on the same weights and direction convention.

Scored 1-10, where 10 is always best, including Risk. A Risk score of 3 therefore denotes a high-risk profile, consistent with the risk register. The 15 September report used the same direction convention, so the totals are directly comparable and no restatement was required. Weights: Business Quality 15, Financial Strength 15, Competitive Advantage 15, Growth Potential 15, Valuation 15, Management 10, Risk 10, Technical Setup 5.

Recommendation: WATCHLIST

Changed from Buy. The driver is the published cut-loss, which triggered on 15 September, reinforced by a discount-rate move that went the opposite way to the condition the previous report named for reopening the band. The investment score of 77.0 says the business and its valuation remain attractive, and that is why the rating is Watchlist rather than Hold or Avoid: this is a name to own again on the right evidence, not one to abandon.

The level that turns this back into a Buy is a close above \$369, the 200-day simple average of \$368.35 rounded up. That is 4.6% above the market. It is a trend test, not a valuation call: at that price the shares would still trade near 20 times the fiscal 2027 base case and about 12 times management's fiscal 2028 figure, and the weighted fair value of \$406 would still sit about 10% higher. A fresh Buy at that point would carry a new stop set beneath the \$335.81 structural low, with the distance judged against the average true range at that time, and new targets. None are published now, because no position is held.

Holders who did not act on the stop should understand that the published plan exited on 15 September. The instruction is not to average down beneath \$342 on the strength of the rebound.

Level	This report	15 Sep report	Basis
Rating	Watchlist	Buy	The stop at \$342 closed through on 15 and 16 Sep
Re-entry / watch price	Close above \$369	Reclaim of \$365	Recomputed: the 20-day anchor fell to \$358.03; the 200-day at \$368.35 is now the trend test
Ideal buy range	Withdrawn	\$352 - \$372	No Buy rating; re-set on re-entry
Cut-loss	Withdrawn	\$342	Triggered. Not re-set lower
Take-profit 1 / 2	Withdrawn	\$500 / \$560	Weighted fair value now \$406; targets re-derived on re-entry
Holding horizon	12 - 24 months if re-entered	12 - 24 months	Long enough to see fiscal 2027 reported

What would change the view

Condition	Direction	Why it changes the view
A close above \$369, the 200-day average	Back to Buy	Repairs the long-term trend that broke with the stop
Fourth-quarter results, expected mid-December (not yet announced; last two years 11-12 Dec), confirm AI revenue near \$21.7bn with gross margin at or above ~73%	Toward Buy	Completes the margin test the September quarter only half-met
Broadcom discloses its aggregate guarantee exposure across financing tranches	Toward Buy	Converts the largest unmeasured risk into a measured one
A second financing package closes with a Broadcom guarantee larger than the first tranche's \$29bn and no aggregate cap	Toward Avoid	Makes the equity partly a credit instrument on its customers
The fiscal 2027 or 2028 AI lines are trimmed, or the \$30 fiscal 2028 figure is withdrawn	Toward Avoid	Those figures are the valuation case
The Commission opens a formal VMware case or imposes interim measures	Toward Avoid	Attacks the software cash engine
Evidence of customer deployments slipping on power, grid or permitting	Toward Avoid	Pushes revenue right, which breaks a 2028-anchored multiple
Long-dated yields retreat as the Fed signals a pause in hikes	Toward Buy	The compression has been mechanical and can reverse mechanically

Macro rows are directional. The numeric levels stated are computed averages, company figures and company guidance.

Scenario Analysis

Scenario	Prob.	FY2027E revenue	FY2027E adj. EPS	Multiple	Fair value	vs \$352.81
Bull	26%	~\$178bn	~\$19.60	27x	\$529	+50.0%
Base	50%	~\$168.5bn	~\$18.45	23x	\$424	+20.3%

Scenario	Prob.	FY2027E revenue	FY2027E adj. EPS	Multiple	Fair value	vs \$352.81
Bear	24%	~\$138bn	~\$14.00	17x	\$235	-33.4%
Weighted	100%				\$406	+15.1%

Probabilities sum to 100%. Revenue and earnings cases are unchanged; each exit multiple is one turn lower than on 15 September to reflect the Fed increase and a 10-year yield about 17 basis points higher. The bear value is 17 times \$14.00 less \$2.94 a share of modelled guarantee loss (\$1.52 on the first tranche, \$1.41 on the reported second package), giving \$235.06. The weighted value of \$406.18 was computed in code; without the second package it would be \$406.52. Two points of probability move from bull to bear on the rate regime and the financing report.

Bull: demand converts above secured supply, margin holds near 73%, and the financing vehicles refinance at tightening spreads. **Base:** the guided path is delivered, no guarantee is called, and the second financing, if it closes, carries a disclosed cap. **Bear:** power and construction delays push deployment right, or a frontier lab's financing fails to clear, with gross margin falling toward 62% and part of the guarantees called.

Final Verdict

Would this report's author own Broadcom today? Not at this moment, and the reason is discipline rather than doubt about the business. The previous report wrote down a stop and the consequence of breaching it, and the market breached it the same day. Reinstating the Buy five percent higher on a bounce, with a third lower stop, would make every future stop in this coverage negotiable.

The case for owning it again is strong and specific: 19 times fiscal 2027 base earnings and under 12 times a fiscal 2028 figure management expects to exceed, \$13.67bn of free cash flow in a single quarter, and a largest prospective customer that is raising public equity and seeking more capacity. The case for waiting is equally specific: a 10-year yield at a 2007 high with a Fed that has just resumed hiking, and a customer-financing structure that is reportedly growing faster than the company's willingness to size it. The single biggest concern is that second item, and it has now been the biggest concern for four consecutive editions.

The instruction is simple. Watch for a close above \$369. If it comes, the rating returns to Buy with fresh levels. If instead the company discloses its aggregate guarantee exposure at a manageable figure, that alone would be enough to revisit the rating at the December results.

Sources and basis

Price of record: Alpha Vantage GLOBAL_QUOTE for 25 September 2026. Daily series and all indicators: Twelve Data, 300 completed sessions to 25 September 2026, computed in code. Results, guidance and dividend: Broadcom fiscal third-quarter 2026 release of 2 September 2026 (investors.broadcom.com). Earnings call: transcript of 2 September 2026 via MarketBeat and The Motley Fool. Exchange offer: Broadcom 424B3 prospectus of 18 September 2026 (sec.gov). Insider sales: Form 4 filed 25 September 2026 and Form 144 notices of 23 September 2026. VMware product launches: Broadcom releases of 31 August 2026. Financing package: Bloomberg, 20 August 2026, and CNBC, 21 August 2026. China review: Financial Times as relayed by Reuters, 23 September 2026. Anthropic: company announcement of its confidential draft S-1 (1 June 2026), Reuters via CNBC (5 September 2026) and The Information as relayed in the press (23 September 2026). European Commission inquiry: Bloomberg as relayed by PYMNTS, and CISPE's September 2026 observatory report. Analyst consensus: S&P; Global via StockAnalysis.com. Market news, notices and research: moomoo news, notice and research feeds and the moomoo digest as at 27 September 2026. Macroeconomic figures: this publication's economic coverage of 11 to 25 September 2026 and the Federal Reserve statement of 16 September 2026.

This report is informational only and is not financial advice. It reflects the author's assessment as at 27 September 2026 and may change without notice.