

Credo Technology Group Holding Ltd

NASDAQ: CRDO | Semiconductors, AI data-centre interconnect | Coverage update | 15 September 2026

Last close (14 Sep 2026)	\$150.09 (-7.89%)	Recommendation	WATCHLIST (was Buy)
Previous report (2 Sep)	\$206.63, Buy	Investment score	69.5 / 100 (prior 70)
Market capitalisation	\$28.0bn	Weighted fair value	\$195
Enterprise value	\$27.3bn	Published cut-loss	\$168, breached 2 September
FY2027E EPS (this report)	\$6.17, unchanged	Level that re-opens the case	\$176, the 200-day average
Forward P/E on FY2027E	24.3x (33.5x on 2 Sep)	Decline since last report	-27.4% in nine sessions

The Rating Falls Because the Stop Was Reached

Credo is downgraded from Buy to Watchlist. Nothing the company has said or filed since 2 September supports that change, and this report will not pretend otherwise. The fiscal 2027 guidance is intact, the optical target is intact, and the earnings estimate used below is the same \$6.17 the previous report derived. What has changed is the price, the discount rate being applied to it, and the fact that the trade plan published two weeks ago failed on its own stated terms within a single trading session.

The previous report was written between Credo's post-market release on 1 September and the following open. It said so explicitly, struck every figure against the pre-announcement close of \$206.63, and noted that extended-hours indications sat roughly 5% to 10% below that level. It then recommended a buy range of \$185 to \$200 and a cut-loss at \$168. The actual reaction was four times the indicated one. Credo opened on 2 September at \$188.63, inside the recommended range, traded as high as \$190.57, and closed the same session at \$165.22, below the stop. A reader following that report would have been filled near the top of the band and stopped out before the close on day one.

That is the central fact of this update and it deserves to be stated plainly rather than buried in a technical section. The stop has not been revisited since: the shares have closed below \$168 in every one of the nine sessions that followed, and at \$150.09 they sit 10.7% beneath it. A report that reaffirmed Buy here would be asking readers to re-enter a position its own discipline told them to exit, on no new company information, into a Federal Reserve decision landing tomorrow.

Session	Open	High	Low	Close	Note
1 Sep	\$220.00	\$221.74	\$206.12	\$206.63	The price every figure in the previous report was struck against
2 Sep	\$188.63	\$190.57	\$161.95	\$165.22	Opened inside the \$185-\$200 buy range, closed below the \$168 stop
3 Sep	\$168.50	\$171.13	\$164.11	\$164.17	First full session entirely beneath the stop
4 Sep	\$162.10	\$172.05	\$160.75	\$170.57	Best close of the period; still below the stop
8 Sep	\$170.55	\$178.00	\$167.22	\$167.75	Rejected at \$178
9 Sep	\$165.02	\$173.24	\$164.19	\$167.92	Insider Form 4 filed the same day

Session	Open	High	Low	Close	Note
10 Sep	\$162.35	\$165.68	\$159.20	\$160.31	Producer prices lift the 10-year to a 52-week high
11 Sep	\$162.88	\$164.80	\$160.44	\$162.95	Core CPI beats; rate-hike odds move toward 90%
14 Sep	\$153.69	\$154.11	\$149.14	\$150.09	Sector-wide semiconductor selloff; -7.89% on 10.7m shares

Daily bars from the Twelve Data split-adjusted series to 14 September 2026. The 14 September close of \$150.09 is confirmed against the Alpha Vantage quote used as this report's price of record.

Why the price fell, and why it was not Credo

Two forces, neither of them a change in the business. The first is the repricing of the quarter itself. The previous report captured the guidance raise and the fifth consecutive beat of the guided range, and those facts have not been contradicted, but the market marked the shares down 20% on the day and the sell side cut targets rather than raised them. J.P. Morgan held Overweight and took its target to \$310, Evercore ISI cut to \$292 from \$325, Bank of America cut to \$275, Barclays held at \$300 and Mizuho at \$290, while Rosenblatt stayed Neutral and raised to \$235. Every published target still sits far above the market, which is informative about where the sell side thinks value lies and equally informative about how little the market currently cares.

The second force is the rate complex, and it is the larger of the two. Between the previous report and this one, the 10-year Treasury yield rose from 4.80% to 4.999%, its highest since October 2023. August producer prices pushed the annual rate to 5.4% from 4.8%, and core consumer prices rose 0.3% against a 0.2% forecast. Futures moved from roughly 60% odds of a quarter-point increase at the 15-16 September meeting to about 85%. On 14 September the VanEck Semiconductor ETF fell more than 4%, Marvell lost 7.6% and Coherent 12.7%, a sector move that swept up the whole AI infrastructure complex. At a beta above three, Credo takes that move with a multiplier.

The previous report argued that with the forward multiple compressed from 40.6x to 33.5x, much of the de-rating had already happened. That judgement was wrong, and the way it was wrong is worth carrying forward. A multiple set by the discount rate has no floor while the discount rate is still rising, and cheapness measured against a company-guided estimate is not the same thing as support. The shares have since de-rated a further 27% without a single adverse company disclosure.

What the Business Is, and What Still Decides It

Credo sells the connections inside AI data centres. Its largest product remains the active electrical cable, a copper cable carrying the company's own SerDes silicon and firmware, which displaced passive copper on the short link between accelerators and the first switch. Around it sit optical DSPs, retimers for scale-up fabrics, the silicon photonics optical engines acquired with DustPhotonics, and ZeroFlap Optics, a complete transceiver built from Credo's own DSP and photonic integrated circuit and wrapped in PILOT telemetry software. The model is fabless, capital-light, running 68% gross margins and a very low effective tax charge from its Cayman domicile. None of that has changed in the past fortnight.

Variable	Why it decides the outcome	Where it stands today
The second-half revenue step-up	The guided year is back-half weighted beyond anything a trailing multiple captures. If the second half lands the stock is cheap; if it does not, the estimate and the multiple break together	Unchanged and unobservable until the January quarter is reported. The first half is known at roughly \$1,009m against a guided year near \$2,470m
The optical ramp	Optical is the identified vehicle for the step-up and the newest business, with the least delivery history behind it	Unchanged. The \$600m-plus target was reaffirmed on 1 September with three lines each guided above \$100m. No update since

Variable	Why it decides the outcome	Where it stands today
Customer concentration	A single order deferral at one account moves a quarter. Hyperscalers can in-source, and Broadcom and Marvell sit inside the same buildings	Unchanged and poor. The top four customers were 33%, 28%, 13% and 10% of the quarter; the top two alone are 61%
The multiple the market will pay	Between 20x and 40x forward earnings the discount rate does most of the work in the share price regardless of delivery	Deteriorated sharply. The forward multiple has fallen from 33.5x to 24.3x into a 10-year yield at 5.0% and a Federal Reserve expected to raise on 16 September

Framework carried forward from the 2 September report on this company. Three of the four variables are unchanged because no company disclosure has intervened; the fourth has moved against the holder.

The competitive position is also unchanged, which in a fortnight is the expected answer. Credo created the active electrical cable category and owns the SerDes stack beneath every product it ships, a genuine cost and integration advantage as it moves from components into complete modules. Broadcom can bundle connectivity with switching and price the segment strategically; Marvell contests the optical DSP line directly inside the same accounts; Astera Labs competes on retimers and connectivity silicon. The PILOT telemetry argument, that reliability rather than bandwidth is now the binding constraint and that per-link diagnostics are something component vendors do not offer, remains the strongest part of the moat case and remains an argument about the next two years rather than a settled fact.

One sector datapoint is worth noting because it cuts against the complacent reading. Coherent, an optical component supplier with meaningful overlap in the same data-centre build, fell 12.7% on 14 September and Marvell 7.6%. When an entire supply chain re-rates together on no company news, the market is repricing the duration of the AI capital expenditure cycle rather than any single company's share of it. That is a risk Credo cannot manage and cannot hedge, and it is the risk that has cost holders 27% in nine sessions.

The Fundamentals, and How Little They Moved

The most recent reported quarter is the one covered on 2 September and it is not re-analysed here. For continuity: fiscal first-quarter revenue of \$479.0m grew 115% and beat both the \$471.8m consensus and the company's own \$465m to \$475m guide, the fifth consecutive quarter above the guided top end. Non-GAAP earnings of \$1.20 beat \$1.17. Non-GAAP gross margin held at 68% and net margin reached 49.3%. Management guided the September quarter to \$525m to \$535m against a \$515.8m consensus and lifted the full-year framing from more than 80% revenue growth to more than 85%.

Two qualifications from that quarter still stand and are the reason the bear case below carries a 28% weight rather than a token one. Operating cash flow fell \$92.0m sequentially to \$90.2m as inventory rose \$62.2m to \$313.1m ahead of the second-half ramp, so free cash flow converted at 35% of non-GAAP net income against near-full conversion in fiscal 2026. And cash fell \$679m to \$764.3m on the DustPhotonics purchase, leaving roughly \$739m of net cash against \$25m of debt. There is no solvency question anywhere near this company, but the cushion is half what it was and the inventory is where a slipped second half would show first.

The only company-specific filings since are insider sales. A Form 4 on 9 September recorded a disposal of \$644,300 by an officer, and a Form 144 filed after the close on 14 September gives notice of a proposed further sale of roughly \$5m. Against a \$28bn market capitalisation these are small and consistent with scheduled selling rather than a signal, and they are recorded here for completeness rather than weighted heavily. The previous report already counted continuing insider sales as an offset within its Management score, and that treatment is unchanged.

Valuation

The estimate is carried over deliberately. Applying more than 85% growth to the \$1,335m fiscal 2026 base gives about \$2,470m of revenue; applying the roughly 50% non-GAAP net margin management guided to, on the approximately 200m diluted shares guided for the September quarter, gives about \$1,235m of non-GAAP net income and \$6.17 of

non-GAAP earnings per share. That is 78% earnings growth on fiscal 2026. It is this report's calculation from company guidance rather than a company figure, and it is unchanged from 2 September because nothing has been published that would change it.

Measure	At \$150.09	On 2 September	Comment
Forward P/E on FY2027E EPS of \$6.17	24.3x	33.5x	A 27% de-rating in nine sessions on an unchanged estimate
PEG on 85% revenue growth	0.29	0.39	Below 1.0 on any reading, and now well below
EV / FY2027E revenue	11.0x	15.3x	28.3x on trailing fiscal 2026 revenue
Market capitalisation	\$28.0bn	\$38.6bn	\$46.6bn on 18 August
Net cash	~\$739m	~\$739m	Unchanged; no reporting event has intervened
Probability-weighted fair value	\$195	\$225	Cut on lower exit multiples, not lower estimates
Implied upside to weighted fair value	+29.9%	+9.1%	The gap has widened, which is the tension in this report

Share count of 186.7m is carried from the previous report for market capitalisation; the guided diluted count of approximately 200m is used for earnings per share, which is the conservative treatment. Fiscal 2027 revenue and earnings figures are this report's calculations from company guidance.

The uncomfortable line is the last one. On the arithmetic this company is a third cheaper than it was when it was rated Buy, and the weighted fair value sits 30% above the market rather than 9% above it. A purely mechanical reading of those two rows argues for upgrading, not downgrading. The reason this report does not is set out in the recommendation: the same arithmetic argued for buying at \$206.63 and at \$192, and it was not wrong about the business on either occasion. It was wrong about what the market would pay while the discount rate was still moving, and that condition has got worse rather than better.

The macro variables that actually matter here

Two, and only one of them is the obvious one. The first is hyperscaler and neo-cloud AI infrastructure spending, which is Credo's entire demand function and which is largely insensitive to the policy rate on the timescale that matters. Capital budgets at this handful of buyers are set against competitive position in artificial intelligence rather than against the cost of money, and the four customers who make up 84% of Credo's revenue are among the most cash-generative companies in the world. A slowdown there would break this thesis, and it would show up in customer capital expenditure guidance long before it appeared in any macro series.

The second is the discount rate applied to long-duration earnings, and this is where the damage has been done. The 10-year Treasury yield reached 4.999% on 14 September, its highest since October 2023, having risen from 4.80% at the previous report. August producer prices lifted the annual rate to 5.4% from 4.8%, and core consumer prices rose 0.3% in August against a 0.2% forecast, taking the twelve-month core rate to 2.4%. Gasoline drove more than a third of the headline increase, with energy up 16.3% over the year. Against that, the labour market has given the Committee no reason to hesitate: August payrolls rose 162,000 against a 58,000 forecast with upward revisions of 55,000 across June and July, and initial claims for the week to 5 September printed 206,000. Futures price roughly 85% odds of a quarter-point increase at the meeting concluding on 16 September. A company earning almost all of its value in years three to ten cannot outrun that.

Sentiment and Positioning

Input	Reading	Interpretation
Published analyst targets	Stifel \$350, Barclays \$300, TD Cowen \$300, Evercore ISI \$292, Mizuho \$290, Goldman Sachs \$285, BofA \$275, Jefferies \$270, Rosenblatt \$235 (Neutral). Range \$235-\$350	Every target sits between 57% and 133% above the market, and all were set in the days after the 1 September release. The dispersion is wide and the direction of revision was downward even from bulls
Direction of revisions	J.P. Morgan cut to \$310, Evercore ISI cut to \$292 from \$325, Bank of America cut to \$275. Rosenblatt raised to \$235 while staying Neutral	A guidance raise met with target cuts is the clearest evidence that the sell side is marking the multiple down rather than the estimate
Insider activity	Form 4 on 9 September disclosing a \$644,300 officer sale; Form 144 filed 14 September giving notice of a further proposed sale of roughly \$5m	Small relative to the company and consistent with scheduled selling. No insider buying has been disclosed into a 27% decline, which is a mild negative
moomoo news feed and digest	Both ran. The raw feed returns nothing company-specific between 5 September and the 14 September Form 144; the digest reads neutral with no new stock-specific factors	This is the finding that matters. A 27% decline with an empty company news feed is a market event, not a company event
Sector tape	VanEck Semiconductor ETF down over 4% on 14 September; Coherent -12.7%, Marvell -7.6%, Teradyne -9.3%	The AI infrastructure complex re-rated together, with commentary attributing part of the move to renewed debate over the pace of frontier model development

Analyst targets, ratings and filings from the moomoo research, news and notice feeds as at 15 September 2026. Sector moves from market reporting for the 14 September session. Both moomoo research steps completed successfully for this ticker.

Technicals

The previous report could not compute a 200-day average because its price series ran to only 100 sessions. This one uses 300 completed sessions, so every window is available, and the figure that was missing turns out to be the one that matters. Every average below has been recomputed from a single series rather than carried forward.

Indicator	Value	Reading
Price of record (14 Sep)	\$150.09	Down 7.89% on the session and 27.4% since the previous report
SMA 20 / EMA 20	\$205.80 / \$193.96	Price 27.1% and 22.6% below. Both broken well before this week
SMA 50 / EMA 50	\$221.26 / \$211.71	Price 32.2% and 29.1% below
SMA 100 / EMA 100	\$219.31 / \$206.46	Price 31.6% and 27.3% below. The 100-day has barely moved from the \$218.81 in the previous report, so the breakdown has widened purely on price
SMA 200	\$175.89	Price 14.7% below. Newly computable and now the nearest meaningful overhead level
EMA 200	\$188.14	Price 20.2% below
RSI (14)	30.2	At the conventional oversold boundary. A bounce signal in kind, not a reversal
MACD (12,26,9)	-20.85, signal -14.53, histogram -6.32	Deeply negative with the histogram still widening. No sign of momentum turning
ATR (14)	\$16.20, 10.8% of price	Extreme, and wider than the 9.2% at the previous report. Any stop must respect a 10% daily range
100-session range	\$148.95 - \$308.67	The 14 September low of \$149.14 sits within a fifth of a percent of the period low

Indicator	Value	Reading
52-week range	\$86.48 - \$308.67	The shares are 51.4% below the June high and 73.5% above the 52-week low
Volume, 20-day vs 50-day	7.5m vs 6.3m, +19.3%	Participation is rising into the decline, which is the less encouraging version of heavy volume

Computed in code from a 300-session Twelve Data daily series to 14 September 2026, all four averages from the same series. Distances are measured against the \$150.09 price of record.

There is no support structure between the current price and the 52-week low that has been tested in the past year. The May consolidation around \$168 to \$172 is gone, the late-July shelf at \$177 to \$186 is gone, and the shares closed on 14 September within a quarter of a percent of their own 300-session low. Above, the first level with any claim is the 200-day average at \$175.89, then the broken 100-day near \$219. Technicals inform timing only, but when the timing question is the whole question they carry more weight than usual.

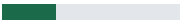
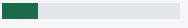
Risk Register

Risk	Probability	Severity	Assessment
Customer concentration	Medium	Severe	The top two customers are 61% of revenue and the top four are 84%. One deferral moves a quarter and one in-sourcing decision removes a fifth of the business. Unchanged and still the largest company-specific risk
The second half does not arrive	Medium	Severe	Roughly 59% of the guided year sits in the second half and requires a sharp sequential step in the January quarter. Nothing confirms or denies it until that quarter is reported
Further multiple compression	High	Severe	The dominant risk right now. The multiple has fallen from 40.6x to 24.3x since 18 August with no change to the estimate. A Federal Reserve raising into a 5% 10-year can take it lower still
Inventory and cash conversion	Medium	Moderate	A \$62.2m inventory build and 35% free cash flow conversion are defensible ahead of a ramp and become a write-down risk if the ramp slips
Competitive encroachment	Medium	Moderate	Broadcom can bundle and price strategically; Marvell contests optical DSPs directly. The PILOT telemetry differentiation is real but is a two-year argument
Realised volatility	High	Moderate	A 10.8% average true range and a beta above three mean position sizing, not conviction, determines the outcome for most holders
AI capital expenditure cycle	Low	Severe	The demand function itself. Nothing in customer guidance points to a slowdown, but the sector tape has begun to price a shorter cycle and that repricing does not wait for evidence

Probability and severity are this report's assessments. The Risk score of 3/10 in the scorecard below denotes a high-risk business, which is consistent with this register.

Scorecard

Factor	Score	Rationale and change since the previous report
Business Quality weight 12%	 9/10	Unchanged. 68% gross margin, 49.3% net margin and negligible capital intensity remain among the best models in the sector, and nothing in the past fortnight touched them
Financial Strength weight 10%	 8/10	Unchanged. Roughly \$739m of net cash against \$25m of debt, offset by 35% free cash flow conversion and a \$62.2m inventory build. No reporting event has intervened

Factor	Score	Rationale and change since the previous report
Competitive Advantage weight 14%	 7/10	Unchanged. Silicon photonics revenue recognised, two major PIC design wins and the PILOT telemetry stack, against Broadcom's ability to bundle
Management weight 10%	 8/10	Unchanged. A fifth consecutive beat of the guided range and a September quarter guided above consensus, offset by continuing insider sales already counted in the previous score
Growth Potential weight 18%	 9/10	Unchanged. The full-year framing of more than 85% growth and the \$600m-plus optical target were reaffirmed on 1 September and have not been revisited
Valuation weight 16%	 7/10	Raised from 6. The forward multiple has compressed from 33.5x to 24.3x on an unchanged estimate. Held below 8 because the estimate is company-guided and its second half is unproven
Risk (10 = lowest risk) weight 15%	 3/10	Cut from 4. The macro regime has moved to a tightening Federal Reserve, realised volatility has widened to a 10.8% average true range, and the published stop failed on the first session after publication
Technical Setup weight 5%	 2/10	Cut from 3. Price is below every moving average including the 200-day, the MACD histogram is still widening, and the close sits a quarter of a percent above the 300-session low
Investment Score	69.5 / 100	Weighted sum of the eight factors above, computed in code. The previous report scored 70 / 100 on the same weights and the same direction convention.

Scored 1-10, where 10 is always best, including Risk. A Risk score of 3 therefore denotes a high-risk business, consistent with the risk register above. The 2 September report used the same direction convention, so these comparisons are like-for-like and no restatement was required. Weights: Growth Potential 18, Valuation 16, Risk 15, Competitive Advantage 14, Business Quality 12, Financial Strength 10, Management 10, Technical Setup 5.

The composite barely moved, from 70 to 69.5, and that is not an accident of rounding. A nine-point improvement in the valuation contribution has been almost exactly offset by cuts to risk and technicals. The scorecard measures the business and the price it trades at; it does not measure whether the trade works, and on this occasion the two conclusions point in different directions. Where they diverge, this report follows the one that costs readers money.

Recommendation: WATCHLIST

The rating falls from Buy to Watchlist. The published cut-loss of \$168 was breached on the first session after the previous report and has not been recovered in the nine sessions since. The previous report argued explicitly against widening a stop to restore a volatility standoff, and that argument applies with more force now than it did then: the average true range has widened from 9.2% to 10.8% of price, so any stop wide enough to survive this tape would be wide enough to be meaningless.

The case against simply reaffirming Buy at a third off is not that the company got worse. It is that the only thing which has changed is the price, and the mechanism that changed the price has not stopped operating. A Federal Reserve widely expected to raise on 16 September, a 10-year yield at a three-year high and a semiconductor complex re-rating together are not conditions under which a 24x forward multiple on a company-guided estimate constitutes a floor. The previous report made precisely that mistake at 33.5x and this one declines to repeat it eleven turns lower.

Equally, this is not an Avoid and the distinction matters. The weighted fair value of \$195 sits 30% above the market, the guidance is intact, the balance sheet carries \$739m of net cash, and the business remains one of the better models in the sector. Credo stays under active coverage and the route back to Buy is specific rather than a vague instruction to wait. The level to watch is \$176, the 200-day average and the nearest technical structure overhead. A weekly close above it, with the September Federal Reserve decision behind the market, restores the setup the previous report

thought it had and returns the rating to Buy. Failing that, the January-quarter results in late November are the first company evidence capable of settling the second-half question on their own, and a second-half ramp visibly arriving would justify a Buy at whatever price prevails.

No cut-loss or take-profit is published with a Watchlist rating. The position is not held, so a stop has nothing to protect and a target is a valuation wearing the clothes of an instruction.

What would change the view

Condition	Direction	Why it changes the view
A weekly close above \$176, the 200-day average, with the September Federal Reserve decision behind the market	Return to Buy	It is the nearest overhead structure and the first evidence that the de-rating has found a level. The previous report's error was buying before that evidence existed
The January quarter arriving near \$687m, or optical visibly tracking above \$600m at the half-year	Return to Buy regardless of price	That is the sequential step the guided year requires. Delivering it converts the second half from an assertion into a reported fact
Fiscal 2027 growth guidance cut below 70%, or the optical target cut below \$600m	Downgrade to Avoid	Either would break the estimate and the multiple at the same time. At 24x there is no valuation floor beneath a de-rating of that kind
Loss of a top-four customer, or the top two falling materially as a share of revenue for the wrong reason	Downgrade to Avoid	84% of revenue sits with four buyers. This is the single event that could remove a fifth of the business in one quarter
A sustained deceleration in hyperscaler AI infrastructure spending, evidenced by capital expenditure guidance reductions across two or more of Credo's largest customers	Downgrade to Avoid	This is the demand function. It would not be visible in macro data before it appeared in customer guidance
Long-dated Treasury yields retreating alongside a Federal Reserve that pauses after September	Argues for re-entry sooner	The multiple compression has been mechanical rather than fundamental, so it reverses mechanically too. This is the fastest route back and the one least connected to the company
A close below the 52-week low of \$86.48 on continued guidance reaffirmation	Re-examine as deep value	At that level the shares would trade near 14x a guided estimate, which would demand a different kind of analysis than this one

Macro rows are phrased directionally rather than against invented thresholds. The one numeric level stated, \$176, is the computed 200-day average and is derived rather than chosen.

Scenario Analysis

Scenario	Prob.	FY2027E revenue	FY2027E EPS	Exit multiple	Fair value	vs \$150.09
Bull	25%	\$2.60bn (+95%)	\$6.76	42x	\$284	+89.2%
Base	50%	\$2.47bn (+85%)	\$6.17	32x	\$197	+31.5%
Bear	25%	\$2.15bn (+61%)	\$5.05	20x	\$101	-32.7%
Weighted	100%				\$195	+29.9%

Probabilities sum to 100%. The weighted fair value of \$194.95 was computed in code from the inputs shown. Revenue and earnings cases are unchanged from the 2 September report because no company disclosure has intervened; the exit multiples have each been cut by roughly four turns to reflect a 10-year Treasury yield at 4.999% against 4.80% at that report. Fiscal 2027 estimates are this report's calculations from company guidance, not company-reported figures.

The bull case assumes the second half lands above the guided path, with optical exceeding \$600m and the 1.6T transition pulling active electrical cable volumes forward, and a market willing to pay 42x for a company still compounding earnings at that rate. The base case is the guided year delivered and a multiple consistent with a high-quality semiconductor franchise in a higher-rate world. The bear case is a second half that slips a quarter, the inventory build unwinding through gross margin, and a 20x multiple that would be unremarkable for a cyclical business but is punitive for this one. Note that even the bear case fair value of \$101 sits above the 52-week low of \$86.48, which is a reminder of how far this stock has travelled inside twelve months in both directions.

Final Verdict

Would this report's author put money into Credo today? Not today, and the honest reason is narrower than the analysis above might suggest. The business is good, the guidance is intact, and at 24x a forward estimate carrying 78% earnings growth the price is the most attractive it has been in this coverage. If the only question were whether the equity is worth more than \$150 in two years, the answer would be probably yes.

The question is not that. Two weeks ago this coverage published a buy range, a stop and an argument that most of the de-rating was behind the stock. The market filled the range, broke the stop within hours and then took another 10% out on no company news at all. The single biggest concern is therefore not the customer concentration or the unproven second half, both of which were priced into a Buy at \$206. It is that the multiple on this stock is currently being set by the Treasury curve, that the curve is at a three-year high with a Federal Reserve expected to tighten into it tomorrow, and that nothing in the analysis above gives any basis for saying where that process stops.

What must change is one of two things, and both are observable rather than a matter of judgement. Either the price stabilises, for which the 200-day average at \$176 is the specific test, or the company supplies evidence that removes the estimate risk, for which the January quarter reported in late November is the specific test. Until one of those arrives, this is a good business that a reader is better off watching than owning, and saying so is the entire purpose of a Watchlist rating.

Sources and basis

Price of record and session data: Alpha Vantage GLOBAL_QUOTE for 14 September 2026. Daily price series and all computed indicators: Twelve Data time series, 300 completed sessions to 14 September 2026, computed in code. Reported results, guidance and the fiscal 2027 framing: Credo's fiscal first-quarter 2027 release and 8-K of 1 September 2026, the 10-Q filed 2 September 2026, and management commentary on the earnings call, as carried in the 2 September report on this company. Analyst targets, ratings, notices and insider filings: moomoo news, notice and research feeds as at 15 September 2026, both the raw feed and the interpreted digest. Macroeconomic figures: this publication's own economic coverage of the August consumer price, producer price, payroll and claims releases and the September rate-path pricing. Sector moves for the 14 September session: market reporting for that day.

This report is informational only and is not financial advice. It reflects the author's assessment as at 15 September 2026 and may change without notice.