

Intel Corporation (NASDAQ: INTC)

Equity research report · 13 October 2026 · Price \$101.35 (12 October 2026 close)

Verdict: Watchlist, from fundamentals (unchanged). Fair value about **\$122.60** (scenario-weighted), +21.0% from \$101.35. Investment Score **51.3 / 100** (49.3 restated prior).

Technical read (chart only): Neutral. The chart is in a pullback inside a longer uptrend; watch whether the 20-session low near \$96.50 holds and the 50-day average near \$103 is reclaimed. The tag reflects technical analysis only and does not change the verdict.

Price (12 Oct)	Fair value	Interest zone	Market cap	P/E 2026E / 2027E	Next results
\$101.35	\$122.60	\$92 - \$104	\$533bn	66.7x / 48.5x	29 Oct 2026

Market data as of the 12 October 2026 close. P/E uses consensus non-GAAP EPS of \$1.52 (2026) and \$2.09 (2027) at \$101.35; own calculation.

Summary

Intel has fallen 20% since the 25 September report, from \$127.39 to \$101.35, and now trades inside the \$92 to \$104 zone that report named as the level where the shares become interesting. Little of the fall traces to Intel itself. Consensus earnings are unchanged, at \$1.52 for 2026 and \$2.09 for 2027. The decline came from three outside pressures: a sector-wide sell-off in AI chip shares on 8 October after a report that OpenAI's revenue run rate was about \$20 billion below earlier estimates; Elon Musk's confirmation on 3 October that TSMC is in early talks with Terafab, the Texas fab project that had named Intel's 14A process; and long-dated Treasury yields at their highest levels in more than two decades, with the Federal Reserve's minutes pointing to another rate rise.

The valuation case is now better than at any point since August. At \$101.35 the stock is 17% below the scenario-weighted fair value of about \$122.60 and 12% below the \$115 midpoint of the base case. That is why Valuation rises a point and the Investment Score moves to 51.3 from a restated 49.3. It is not yet a Buy. The zone was set to be used once third-quarter results show whether the CPU price increases are reaching the margin line, and those results now arrive on 29 October, a day after the Fed decides on rates. Buying 16 days ahead of that evidence would mean paying 48 times next year's earnings for a gross-margin outcome nobody has yet seen. The verdict stays Watchlist, now resting on timing and evidence rather than on price.

No development in the period is large enough on its own to move the thesis. The two that matter most are the Terafab talks, which put a credible rival alongside Intel on its most visible foundry opportunity, and the launch of the GPU D-series inference card, which gives the data-centre business a new product line but no revenue before 2027. Both are Medium. The 14A design kit due this month is still the next hard checkpoint for the foundry.

What changed since the 25 September report

Item	25 September 2026	13 October 2026	Effect
Share price	\$127.39	\$101.35 (-20.4%)	Inside the \$92-\$104 zone
Consensus EPS 2026 / 2027	\$1.52 / about \$2.05	\$1.52 / \$2.09	Unchanged to slightly higher
P/E on 2027 consensus	62x	48.5x	Valuation +1
Weighted fair value	about \$122	\$122.60	Maintained
10-year Treasury yield	5.18%	5.22% (9 Oct)	Discount rate still rising
Q3 results date	Expected late October	29 October, after the close (announced 6 Oct)	Confirmed
Terafab	Intel 14A named by Musk in April	TSMC in early talks; Intel says it remains involved	Medium, contested
200-day average	about \$79	\$83.36, rising	Thesis-break level restated

Prices are closing prices. Consensus figures as published on 12 October 2026. The thesis-break level moves with the 200-day average, which has risen since September.

Company developments

No High-materiality development emerged in the period. The pricing development that drove the last report is still the most important open question, and its next hard evidence is the 29 October gross-margin print. The items below are listed with what is known kept apart from what is forecast.

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Terafab: TSMC talks alongside Intel	Talks confirmed 3 Oct; clarified 7 Oct	Musk confirmed early, non-binding talks between TSMC and Terafab. On 7 October he said Tesla and SpaceX will build and run the fab themselves, with TSMC at most subleasing space. Intel's chief executive said Intel remains involved in the project.	Nothing on Intel's economics (licence, supply or services) has been disclosed. Any share split between Intel and TSMC is speculation.	Medium
GPU D-series (formerly Crescent Island) and Xeon 6+ rack designs	Announced 12 Oct; customer sampling under way	Inference card on the Xe3P architecture: up to 480 GB of LPDDR5X (160 GB on Intel's own card), 1.5 TB/s, 1.3 petaflops FP8 at 350 W, air-cooled PCIe. Xeon 6+ rack designs exceed 46,000 cores per rack. Pricing not disclosed.	Management positions inference as the defining AI workload. Volume revenue timing is not stated; nothing is assumed before 2027.	Medium
Further CPU price increases	Reported; not confirmed by Intel	Intel confirmed increases on select client and Xeon parts earlier in the year. A further rise of about 10% for October was reported in September.	Trade reports on 12 October put the next round for Intel and AMD at 15-20%. Unconfirmed, carries no weight.	Medium
14A process design kit 0.9	Due October 2026; pending	Management said in August that 14A defect density is tracking better than plan and that the 0.9 kit is due in October.	Management expects external customer decisions to follow the kit. No release announced as of 13 October.	Medium
SK hynix and the Ohio site	Reported 16 Sep; no update	SK hynix is reported to be exploring US memory production that could involve Intel's Ohio site. SK hynix says nothing is finalised.	No terms. Lease or capital relief cannot be sized until an agreement exists.	Medium
Third-quarter results date	Announced 6 Oct	Results on 29 October after the close; call at 2 p.m. Pacific.	Guidance: revenue \$15.8-16.8bn, non-GAAP gross margin 42.0%, non-GAAP EPS \$0.38 (management, 23 July).	Low

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Altera listing	Confidential filing, mid-September	Altera, 49% owned by Intel, filed confidentially for a US listing.	Intel's stake is worth about \$4.3bn at the 2025 sale valuation of \$8.8bn, under 1% of Intel's market value (own calculation).	Low

Company releases, filings and established press, as listed in Sources. Own calculations are labelled.

Why Terafab is Medium rather than High. Terafab matters because it is the most visible external validation of 14A, and the bull case leans on that validation. But Intel has never disclosed what it earns from the project, so no Terafab revenue sits in consensus or in this report's base case. A TSMC role therefore removes nothing from the numbers; it lowers the odds of the upside rather than cutting the base. Musk's later statement that TSMC would at most sublease space, and Intel's confirmation that it remains involved, leave the 25% bull probability where it was. A written agreement naming TSMC's process for Terafab output would change that, and it sits in the table of triggers below. Without the Terafab news the verdict, fair value and levels would be the same.

Business and financials

Intel earns most of its money selling x86 processors for PCs (the Client Computing and Physical AI Group) and servers (Data Center and AI). It also runs Intel Foundry, which makes Intel's own chips and is trying to win outside customers. The June quarter showed the shape of the turnaround: product revenue grew 28% with server revenue up 59%, while the foundry lost \$2.1 billion on \$5.8 billion of mostly internal revenue. The GAAP loss of \$2.16 a share was driven by a \$12.5 billion non-cash mark-to-market loss on shares held in escrow for the Department of Commerce, which is why this report values the company on non-GAAP earnings.

Quarter ended 27 June 2026	Revenue	YoY	Operating income
Client Computing and Physical AI	\$8.88bn	+13%	\$2.34bn
Data Center and AI	\$6.26bn	+59%	\$2.47bn
Intel Foundry	\$5.77bn	+31%	-\$2.09bn
Total company	\$16.1bn	+25%	Non-GAAP gross margin 41.8%; non-GAAP EPS \$0.42
Cash flow	Operating \$7.0bn		Adjusted free cash flow -\$8.42bn
Balance sheet	Cash and investments \$29.7bn		Debt \$50.5bn, before \$20bn of August share sale proceeds
Q3 guidance (midpoint)	\$16.3bn		Non-GAAP gross margin 42.0%, EPS \$0.38, tax rate 11%

Company second-quarter 2026 earnings release and 8-K, 23 July 2026. Segment revenue includes intersegment sales.

The balance sheet is better than the June figures suggest. Net debt was \$20.6 billion at quarter end, and the \$20 billion of stock sold in August roughly offsets it (own calculation, before the cash Intel burns in the second half). The cost of that repair was dilution, with about 5.25 billion shares now outstanding. Capex above \$20 billion this year keeps free cash flow negative, so the company depends on its customers' willingness to pay more for chips it cannot make enough of.

Industry and competitors

Competitor	Where it competes	Position against Intel
AMD	PC and server CPUs	Strong in servers; reported to be raising CPU prices alongside Intel, which supports pricing across the market.
TSMC	Foundry	Process leader and the default supplier for AI chips; its Terafab talks show it can contest Intel's most visible foundry win.
Arm-based designs (incl. NVIDIA, Qualcomm)	PCs and data centre	Take share where Intel cannot supply; shortages help Intel on price but leave room for alternatives.
NVIDIA	AI accelerators	Dominant in training; also an Intel shareholder and partner. Intel's GPU D-series targets cheaper inference instead.

Qualitative positioning; company disclosures and established press.

The industry backdrop is a supply shortage in CPUs and memory driven by AI data-centre build-outs. That gives Intel pricing power it has not had in years, but it is cyclical, and the 8 October sell-off showed how quickly the market questions the funding behind AI spending.

Growth drivers

Driver	Status	Fact vs forecast	Likelihood	Impact
CPU pricing reaching gross margin	Q3 print 29 Oct	Price rises confirmed earlier in 2026; October round reported only	Medium	High
Server CPU demand (DCAI +59%)	Shipping	Fact for Q2; consensus 2026 revenue +19% (analyst estimate)	High	High
14A external customer	Kit due Oct; decisions expected later	Management expectation; no customer named	Medium	High
GPU D-series inference card	Sampling	Specifications announced; revenue timing not stated	Medium	Medium
Ohio site with SK hynix	Talks reported	No agreement	Low	Medium

Statuses as of 13 October 2026.

Management

Lip-Bu Tan's team has met its own guidance through 2026 and has been candid about supply limits. The test this quarter is whether the 14A design kit ships in October as promised and whether gross margin lands at or above the 42% guided. The August share sale, done at the top of a sharp rally, was well timed for the balance sheet but diluted holders. The most recent insider transaction filing dates from 14 August.

Risks

Risk	Probability	Severity	Comment
Valuation	High	High	48.5x 2027 consensus EPS even after the fall; little room for a margin miss.
Discount rate	High	High	10-year yield 5.22%, 30-year 5.60% (9 Oct); a second Fed hike is in play for 27-28 October. A beta of 2.2 magnifies it.
AI funding cycle	Medium	High	A report on OpenAI's revenue knocked the sector on 8 October; slower AI spending would hit server demand and pricing.
Pricing reversal	Medium	High	Shortage pricing is cyclical; memory costs could shrink PC volumes faster than prices rise.
Foundry customer	Medium	High	No named 14A customer; TSMC is now in Terafab talks.
Execution	Medium	High	14A volume is a 2028 event; the design kit is the next checkpoint.
Cash consumption	High	Medium	Adjusted free cash flow of -\$8.4bn in Q2; capex above \$20bn.
Competition	High	Medium	AMD and Arm-based designs take share where Intel cannot supply.

Probability and severity are this report's assessments.

Risk is scored 3 out of 10, where 10 is the lowest risk. The list above describes a high-risk equity: a long-duration valuation, a rising discount rate, negative free cash flow and a binary foundry question. The score and the list agree.

Valuation

Intel is valued on forward non-GAAP earnings, because GAAP results are distorted by the escrowed-share mark-to-market and restructuring charges, and on 2027 rather than 2026 earnings, because the pricing development and the server ramp land mostly next year. At \$101.35 the stock trades at 66.7 times 2026 and 48.5 times 2027 consensus EPS, down from 84 and 62 times at the last report. Scenario values apply a multiple range to a 2027 EPS outcome in each case, and the weighted result is about \$122.60, essentially where it was. The analyst average target is \$118.05 and the median \$115.

Measure	Value	Comment
P/E 2026E	66.7x	Consensus \$1.52
P/E 2027E	48.5x	Consensus \$2.09, +37%
EV / sales (trailing)	9.7x	Enterprise value about \$553bn
Base-case value	\$105 - \$125	50-60x 2027 consensus
Scenario-weighted fair value	\$122.60	+21.0% from \$101.35
Interest zone	\$92 - \$104	\$92 is 44x 2027 consensus

Own calculations on consensus estimates and the 12 October close; enterprise value and sales as published 13 October 2026.

Macro drivers. Two macro variables drive this stock. The first is the long-term discount rate: the 10-year Treasury yield stood at 5.22% on 9 October and the 30-year at 5.60%, after the Fed raised its target range to 3.75%-4.00% on 16 September, and its minutes show most officials expect another increase by year end. A stock priced on earnings two years out, with a beta above 2, carries more of that than almost any large-cap. The second is the pace of AI infrastructure spending, which sets demand for server CPUs and the tightness that lets Intel raise prices. Payrolls grew only 29,000 in September and core PCE inflation held at 3.0% in August, so the economy is giving mixed signals, but the 8 October sell-off shows the AI spending cycle is the more immediate swing factor for Intel.

Sentiment

Signal	Reading
Analyst ratings	49 analysts: 15 Buy or Strong Buy, 32 Hold, 2 Sell or Strong Sell. Average target \$118.05, median \$115, range \$80 to \$200.
Recent broker actions	BNP Paribas Neutral, target to \$125 from \$75 (5 Oct); Mizuho Neutral, target to \$114 from \$92 (6 Oct); SIG Hold, \$115 (12 Oct); BofA Buy maintained (12 Oct).
Short interest	About 3.3% of float.
Insider activity	Most recent insider transaction filing dated 14 August; nothing filed since.
News flow	Neutral: CPU price-rise reports and broker target increases offset by the Terafab talks and the sector sell-off.

Ratings and targets as published 12 October 2026; short interest as last published.

Institutional positioning: Supportive (moderate confidence), as of 30 June 2026, filings through 19 August 2026.

Reported holdings show six straight quarters of net addition by active managers, 2.91% of reported shares over four quarters and 0.93% in the latest quarter. Most of that rests on a single large manager, and breadth in the latest quarter was even, with 29 managers adding and 30 cutting. NVIDIA and SoftBank are new strategic holders and are left out of the flow measure. The positioning predates both the September rally and the October decline. 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.

Investment scorecard

Criterion	Score	Weight	Change	Basis
Business Quality	6/10	16%	unchanged	Pricing power in the core CPU franchise is documented; Intel Foundry still lost \$2.1bn in the June quarter.
Financial Strength	5/10	16%	unchanged	Net debt of \$20.6bn at June, largely offset by the \$20bn August share sale; adjusted free cash flow was negative \$8.4bn in the quarter.
Competitive Advantage	6/10	13%	unchanged	14A is ahead of its defect plan, but TSMC's talks with Terafab show the foundry win is contestable until it is written down.
Management	6/10	10%	unchanged	Guidance has been met; the 14A design kit due in October is still to be confirmed as shipped.
Growth Potential	7/10	16%	unchanged	Consensus revenue growth of about 19% in 2026 and 15% in 2027; GPU D-series adds an inference product line.
Valuation	3/10	19%	+1 vs last report	Raised from 2.66.7x 2026 and 48.5x 2027 consensus EPS; the price is now 17% below the weighted fair value.
Risk (10 = lowest risk)	3/10	10%	unchanged	Beta of 2.2, a Fed that may hike again, negative free cash flow and an AI-funding scare that hit the sector.
Investment Score		100%	51.3	Prior 49.3 (restated)

Scored 1-10, where 10 is always best, including Risk. Weights carry this coverage's valuation-heavy tilt, rescaled to seven factors. The prior score is restated without the former technical factor for comparability.

The Investment Score is 51.3 out of 100, up from a restated 49.3. The only change is Valuation, raised to 3 from 2 because the price fell 20% while estimates held. No development moved a score this time: Terafab's TSMC talks weigh on Competitive Advantage in principle, but with no Intel economics disclosed they do not justify a cut, and the GPU D-series is too early to lift Growth Potential.

Scenario analysis

Case	Probability	Outlook	Basis	Fair value
Bull	25%	Pricing success: shortage pricing lifts 2027 EPS to about \$2.52 (consensus \$2.09 plus the \$0.43 pricing effect from the prior analysis), gross margin moves toward the mid-40s, and a named 14A customer signs after the design kit ships.	65-78x \$2.52	\$164 - \$197
Base	50%	Consensus delivered: 2027 EPS of \$2.09, part of the October price rise sticks, foundry losses narrow slowly and capex stays above \$20bn.	50-60x \$2.09	\$105 - \$125
Bear	25%	Pricing failure: PC volumes fall faster than prices rise, 2027 EPS near \$1.60, no external 14A customer emerges and further capital is needed.	45-55x \$1.60	\$72 - \$88
Weighted	100%	Probability-weighted midpoint of the three ranges		\$122.60

Own calculations. 2027 EPS: consensus \$2.09; bull adds the pricing effect estimated in the prior analysis; bear assumes no lift from pricing.

Recommendation

Watchlist, unchanged. The shares have reached the \$92 to \$104 zone, so the question is whether to act now. The fundamentals support interest at this price: the base case is worth \$105 to \$125, and the weighted value is 21% higher. What they do not yet support is conviction, because the factor that separates the bull case from the bear case, whether higher CPU prices reach the gross margin, is 16 days from being tested. The verdict now rests on that timing rather than on price, which is a different reason from the one behind the last report's Watchlist.

The upgrade path is specific. Third-quarter results on 29 October that show a non-GAAP gross margin above the 42% guided, with a fourth-quarter guide that holds it, would make Intel a Buy at or below \$104. If the print only matches guidance, the price that becomes interesting is \$92, 44 times 2027 consensus, where the base case pays about 25% to its midpoint. A sustained close below the 200-day average, about \$83 and rising, would mean the market is pricing the bear case, and the view would turn toward Avoid. No entry, stop or target is published, because this is not a Buy.

What would change the view

Trigger	Direction
Q3 results (29 Oct) with non-GAAP gross margin above the 42% guide and a Q4 guide that holds it, with the stock at or below \$104	Upgrade to Buy
A binding, named external 14A customer, or Intel's Terafab role and economics set out in writing	Upgrade to Buy
A signed SK hynix arrangement for the Ohio site	Supportive
Gross margin at or below guidance with pricing reversing, or a 14A timeline slip beyond 2028	Downgrade toward Avoid
Terafab output committed to TSMC's process rather than Intel 14A	Lowers the bull case
A further equity raise, or a sustained close below the rising 200-day average, about \$83	Downgrade toward Avoid
A further rise in long-term yields together with a pullback in AI infrastructure funding	Pressures the multiple and server demand

Triggers are directional unless the level is derived in this report.

Technical read

Chart as of 12 October 2026 close.

The fundamental verdict is Watchlist. **Technical read (chart only): Neutral.** The stock is in a pullback within a longer uptrend: it sits below its 20- and 50-day averages after falling 20% from the late-September high, but remains 22% above a rising 200-day average and has not set a new 60-day closing low. For a Watchlist name, the things to watch are whether the 20-session low near \$96.50 holds and whether the 50-day average near \$103 is reclaimed; a close below the 200-day near \$83 would break the structure of the advance.

Indicator	Value	Price vs indicator / reading
Trend	Pullback	50-day rising; no close under the 200-day in 10 sessions
20-day SMA / EMA	\$114.03 / \$110.70	11.1% / 8.5% below
50-day SMA / EMA	\$103.30 / \$106.88	1.9% / 5.2% below
100-day SMA / EMA	\$108.06 / \$101.12	6.2% below / 0.2% above
200-day SMA / EMA	\$83.36 / \$84.50	21.6% / 19.9% above
RSI (14)	40.3	Neutral, down from overbought at the last report
MACD (12,26,9)	1.21 vs signal 3.72	Histogram -2.50, below signal
ATR (14)	\$5.76	5.7% of price
Volume	20-day 108.1m vs 50-day 102.0m	Participation rising (+6%) into the decline
Support	\$96.52; \$83.36; \$81.88	20-session low; 200-day; 60-day closing low
Resistance	\$103.30; \$114.03	50-day; 20-day

Computed from daily closing prices (split-adjusted, not dividend-adjusted) through 12 October 2026; distances measured against \$101.35.

The Technical read looks only at the price chart. It does not change the verdict or the Investment Score, and it only guides entry timing.

Final verdict

Would a disciplined investor put fresh money into Intel at \$101.35? Not yet, though the answer is closer to yes than at any point in this coverage. The business is selling everything it can make at rising prices, consensus earnings have held through a 20% fall in the share price, and the stock is now below the probability-weighted value of its own scenarios. Against that, it still costs 48 times next year's earnings, burns cash, and depends on a foundry business with no named outside customer at a time when long-term yields are at multi-decade highs.

The single biggest concern is that the margin evidence has not arrived. If the 29 October results show pricing lifting gross margin above guidance, the stock becomes a Buy in the zone it now occupies. If they do not, the right price is lower, near \$92. Waiting 16 days costs little relative to the information gained.

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Price of record: Alpha Vantage, 12 October 2026 close. Daily price history: Twelve Data, 4 August 2025 to 12 October 2026.

Institutional positioning: Beating The Bull quarterly holdings read, quarter ended 30 June 2026.

Disclaimer: This report is for informational purposes only and is not investment advice or a recommendation to buy or sell any security. Figures labelled as own calculations are estimates. Forecasts are attributed and may prove wrong. The third-quarter earnings call has not yet taken place; no call transcript for that quarter has been reviewed.