Nu Holdings Ltd. (NYSE: NU)

Equity research note · Interim review of published levels · Prepared 7 September 2026 · Prices as at the close of 4 September 2026 · All figures in US dollars unless stated

Rating	**WATCHLIST**	Last close	**$15.37 (4 Sep 2026)**
Investment score	**68 / 100**	Market capitalisation	**$74.2bn**
Weighted fair value	**$17.66 (+14.9%)**	P/E trailing · forward	**20.9x · 15.9x**
Accumulation zone	**$13.40 - $14.20**	Price / book	**5.6x on 30 Jun BVPS of $2.74**
Horizon	**12 - 24 months**	Year to date	**-8.2% from the 2025 close of $16.74**

The rating is unchanged and the reasoning behind it has strengthened rather than shifted. Every condition set out in August for an upgrade remains unmet, the shares are 4.3% dearer, and two new headwinds have appeared: the Brazilian election now looks near-certain to run to a second round on 25 October, and futures price better than even odds of a US rate rise on 16 September.

1. What has moved since 18 August

The August note rated Nu Holdings Watchlist at $14.74 on two grounds. Reported second-quarter earnings inverted from a beat to a miss once the effective tax rate was normalised, and management had not explained why that rate halved to 14.2%. Separately, a Brazilian general election on 4 October sat seven weeks ahead of a company with roughly 85% of its customers in one country. Neither question has been answered. The share price, meanwhile, has risen 4.3% to $15.37.

Nothing in the intervening three weeks tested the operating thesis, because no quarter was reported. Third-quarter results are estimated for 12 November and are not yet confirmed by the company. What did change is the setting around the stock, and in four places it changed enough to matter.

Development	What it was in August	Where it stands now	Direction
Brazilian election	A single binary on 4 October, seven weeks out	Real Time Big Data polling of 27-31 August has Lula at 38% and Flavio Bolsonaro at 30% in the first round, short of the majority needed to avoid a second round, with the head-to-head deadlocked at 44% each. Resolution most likely falls on 25 October.	Worse. The uncertainty window is three weeks longer than the August note assumed, and the run-off is a coin toss rather than a lean.
US policy rate	A hawkish Federal Reserve, no imminent move priced	Chair Kevin Warsh used Jackson Hole on 28 August to argue that underlying inflation has not improved and that financial conditions are not restrictive. Futures now price roughly 60% odds of a quarter-point rise on 16 September. The ten-year Treasury yield sits at 4.78%.	Worse. A rising US risk-free rate lifts the discount rate on a long-duration emerging-market earnings stream and pressures the currency those earnings are translated from.
Brazilian assets	Not a factor in the August note	The Ibovespa ran eleven consecutive sessions to 185,188 before pausing on 4 September, and the real firmed to 5.1045 per dollar. The leadership was Petrobras and Vale on crude near $90, with banks joining late.	Mixed. The rally that carried NU higher was commodity-led, and a deposit-funded consumer lender is not a beneficiary of higher oil.

Development	What it was in August	Where it stands now	Direction
Analyst estimates	Consensus mean $18.45 across 22 analysts	Needham to $19 from $17 on 14 August, UBS to $18.20 from $16.90 on 20 August, Wolfe Research to $17 on 25 August. The consensus mean is now $18.78 across 22 analysts. Bank of America holds Sell at $10 and Scotiabank Sector Perform at $13.	Better, marginally. Implied full-year 2026 earnings drifted from $0.83 to $0.86.

Sources: Real Time Big Data via AS/COA poll tracker; blog economic coverage of 28 August and 4 September; Rio Times Brazil market reports of 2 and 4 September; moomoo research feed and StockAnalysis.com as at 4 September 2026.

2. Do the published levels still hold?

This is the question the note exists to answer. The August levels were an accumulation zone of $12.80 to $13.60, an invalidation below $11.80, and objectives at $17.50 and $20.50. None was breached. The shares traded no lower than $14.14 intraday over the period and no higher than $15.84, so the entire structure remained intact and untested. What has aged is the accumulation zone, and it has aged for an arithmetic reason rather than a directional one.

Published level	August basis	Recomputed now	Verdict
Accumulation $12.80 - $13.60	Roughly 16x full-year 2026 consensus of $0.83, plus the pre-results shelf and the late-June base	Consensus has moved to $0.86, so the same 15.5x to 16.5x band now spans $13.35 to $14.20. The pre-results consolidation floor recomputes to $13.37 intraday, and the lowest close since the August note is $14.21, a whisker under the 50-day average at $14.22.	Reset to $13.40 - $14.20. Two independent anchors, the earnings multiple and the price structure, land on the same band.
Invalidation below $11.80	The June low	The June low is unchanged at $11.20 intraday and $11.60 on a closing basis. The level is now 23% below the market.	Held. It still marks where the higher-low structure breaks, but it no longer describes anything the tape is close to doing.
First objective $17.50	18x an estimated 2027 EPS of $0.97	Carrying the 3.6% lift in the 2026 consensus base through to the same normalised 2027 estimate gives $1.00. At 18x that is $18.00.	Raised to $18.00. The change is the estimate base moving, not a change of view.
Second objective $20.50	21x the same estimate	21x $1.00	Raised to $21.00, on the same arithmetic.

The reset of the accumulation zone deserves one caveat. Raising the band because consensus earnings drifted higher is legitimate only while those earnings are trusted, and this note's central reservation is precisely that the 2026 base is flattered by a tax rate nobody has explained. On the normalised estimate the August note derived, about $0.79 for 2026 after carrying the same adjustment through, the band would sit nearer $12.30 to $13.00. Both figures are shown because the gap between them is the open question, and it is worth roughly a dollar and a half of entry price.

3. The variables that decide the next two years

Nu is a deposit-funded consumer lender with a technology cost structure. Roughly 41% of gross profit comes from credit spread, 34% from float earned on deposits and 25% from fees, which makes the business far more sensitive to Brazilian credit conditions and the Selic policy rate than a payments or software comparison would imply. The five drivers below framed the August work and still frame this one. Only the readings have been refreshed; none of the underlying data has been re-reported.

Driver	Why it decides returns	Reading as at 7 September
Risk-adjusted net interest margin	The largest single swing factor. A 100bp move on a $39bn book is roughly $390m of annual gross profit, close to a tenth of pre-tax profit.	Record 12.4% at the second quarter, recovered 290bp from the first. Management said it should hold around current levels while declining to call it a floor. Untested until 12 November.
Brazilian credit cycle	Around 85% of customers and the bulk of the loan book sit in Brazil, in unsecured consumer credit, the first line item to break in a downturn.	Ninety-day-plus non-performing loans stood at 6.9% at the half, up 35bp on a deliberate mix shift up the risk curve. No monthly disclosure exists between quarters, so this is unobservable until November.
Monetisation per customer	Revenue per active customer of about $17 against Brazilian incumbents at $40 to $45 is the clearest quantified upside, and growth here is close to pure margin.	Unchanged since the half. The Croma premium tier is in market; mature cohorts already sit in the mid-$20s.
Mexico and Colombia scaling	The credible second engine. The full banking licence unlocks payroll deposits, the anchor product that made Brazil work.	Licence effective 6 August, 16 million customers, $5.7bn of deposits and a 35% loan-to-deposit ratio. The first evidence of payroll traction is a November event.
Operating leverage	The efficiency ratio is the proof that a technology cost base converts into shareholder value rather than being reinvested away.	19.5% at the second quarter against 17.6% in the first, with a full-year target of approximately 20% reiterated. Filed operating expenses grew faster than gross profit.

The pattern across the column on the right is the point. Four of the five drivers are unobservable between reporting dates, and the fifth is a company disclosure rather than a market price. A refresh conducted three weeks after a results note can therefore say a great deal about price and sentiment and almost nothing new about operations, which is why the weight in this note sits on valuation, positioning and the calendar.

4. Business and competitive position

Nu serves 139 million customers across Brazil, Mexico and Colombia at a monthly activity rate of 83.5%. That activity figure is the metric that separates it from most fintech comparisons, because it describes primary banking relationships rather than dormant app downloads. Roughly 118 million Brazilian customers represent close to two-thirds of the adult population, and in Brazil monthly activity passed 86% for the first time at the half.

The structural advantage is cost. Nu reports a cost to serve of about $1.2 in Mexico against $1.7 in Brazil's early years, set against incumbents carrying branch networks, legacy core systems and unionised staff. That gap funds pricing the incumbents cannot match while still earning a 33% return on equity, and it compounds: the nuFormer artificial-intelligence platform now handles more than 60% of Brazilian customer-support conversations. Where a traditional bank's cost base grows with its customer count, Nu's is increasingly decoupled from it. None of this has changed since August, and none of it is what the market is currently pricing.

Competitive intensity in Mexico continues to rise, with Mercado Pago, Banorte's digital operation and a cohort of licensed neobanks pursuing the same underbanked population. Only 36% of Mexican adults hold a payroll account and roughly 90% of those sit with a handful of large banks, which is the concentration Nu's new licence attacks. The first hard evidence either way arrives with the third quarter.

5. Financial position

The balance sheet as last reported was strong and broadly funded. The credit portfolio reached $39.4bn, up 37% year on year on a currency-neutral basis, split $26.0bn credit cards, $10.3bn unsecured lending and $3.1bn secured. Deposits of $45.3bn grew 18% at a cost of 88% of the interbank rate, three percentage points cheaper than a year earlier. A loan-to-deposit ratio in the high fifties leaves substantial room to convert cheap funding into higher-yielding assets without recourse to wholesale markets, and management has identified this as an explicit margin lever.

Trailing twelve-month revenue stands at $8.44bn and trailing earnings per share at $0.73, which puts the shares on 20.9 times trailing and 15.9 times forward earnings at $15.37. The company pays no dividend and runs no buyback, so the entire return case rests on compounding book value at a 30%-plus return on equity. Book value per share was $2.74 at 30 June; on that figure the shares trade at 5.6 times book, against 5.4 times when the August note was written. The multiple has expanded because the price rose, not because anything in the balance sheet deteriorated.

One caution on the trailing figures. Trailing earnings include the second quarter's 14.2% effective tax rate, so the 20.9 times trailing multiple is calculated on a base this note does not fully trust. Normalising that quarter to the 29.1% rate of the first quarter lowers trailing earnings per share to roughly $0.69 and lifts the trailing multiple to about 22.3 times. That adjustment is this note's calculation from the disclosed pre-tax profit and tax expense, and it is not a company-reported measure.

6. News flow, filings and research revisions since the August note

Three weeks produced one genuine corporate development, one visible governance signal and a run of broker revisions. Taken together they are constructive on sentiment and neutral on fundamentals.

Date	Item	Read
2 Sep	Nu announced its first ever Investor Day, to be held on 8 December 2026 in New York, in person and by webcast. David Velez and senior management will present long-term strategy, growth opportunities and drivers of value creation. Filed on Form 6-K the same day.	The most useful item of the period. For a company that publishes no formal quantitative guidance, a first investor day is the natural venue for a long-term financial framework, and it lands four weeks after third-quarter results. It does not answer the tax question, but it creates a second scheduled opportunity for management to.
24-27 Aug	Two Rule 144 notices of proposed sale and five Form 4 filings inside three sessions. Insiders sold 361,707 shares worth $5.63m over ninety days, including 65,000 shares by co-founder Cristina Junqueira at $14.71 on 25 August.	The August note already flagged net insider selling under Management. This is a continuation at greater scale and with a more senior name attached. The shares fell 4.1% on 28 August, with coverage attributing the move to the insider notices alongside general caution on Brazil.
25 Aug	Wolfe Research target to $17, Outperform maintained.	The moomoo feed carried two write-ups of this action, one describing the target as raised and one as lowered. The primary Investing.com item records a raise, and that is what is used here.
20 Aug	UBS target to $18.20 from $16.90, Buy maintained.	Constructive, and made after the results were digested.
14 Aug	Needham target to $19 from $17. Susquehanna Neutral maintained. SIG Hold, target to $16. Bank of America Sell maintained at $10.	The dispersion the August note identified as the most honest statement of the uncertainty has not narrowed. Targets still span $10 to $23.
Through 4 Sep	Options open interest built from 1.68m to 1.79m contracts, with 168,610 traded on 3 September. Daily sentiment reads from Cboe data were mixed rather than directional.	Positioning is being added on both sides into the election window. Nothing here is a directional signal.

Both moomoo research steps were run for this note. The raw news search returned the notices and broker research items above, several of which the interpreted digest did not carry, which is the reason both are run.

7. Risks

Risk	Probability	Severity	Comment
The 14.2% effective tax rate proves to be a single-quarter benefit	Unresolved; the August note put no probability on it and none can be added without disclosure	High	Worth roughly 20% of forward earnings. Answerable on 12 November, and again on 8 December.

Risk	Probability	Severity	Comment
The election goes to a second round on 25 October and the outcome unsettles Brazilian assets	High that it goes to a run-off on current polling; the run-off itself is a coin toss	High	Roughly 85% of customers are Brazilian and reported dollar growth is flattered by a firm real. The currency is the first thing to move on the result.
A US rate rise on 16 September lifts the discount rate and pressures the real	Moderate; futures price about 60%	Moderate	Not company-specific, but it acts on the multiple and the translation rate simultaneously, which is why it is listed separately from the election.
Credit deteriorates as the book is steered up the risk curve	Moderate	High	Ninety-day-plus non-performing loans rose to 6.9% at the half by management's own design. The strategy earns more in a benign scenario and loses considerably more in a poor one, and nothing observable tests it before November.
Insider selling reflects a view rather than diversification	Low to moderate	Moderate	Scheduled plans and personal diversification are the ordinary explanation, and no filing suggests otherwise. The clustering and the seniority are worth noting rather than concluding from.
Competitive erosion in Mexico	Moderate	Moderate	Mercado Pago and licensed neobanks are pursuing the same customer. The licence advantage is real but not exclusive.
Multiple compression toward emerging-market bank levels	Moderate	High	At 5.6 times book the shares carry roughly triple Itau's multiple. That premium is defensible on a 33% return on equity and indefensible without it.

8. Valuation

Method	Input	Implied value	Comment
Forward P/E, 2026	Consensus $0.86 at 18-22x	$15.48 - $18.92	Consensus embeds the second quarter's low tax rate. On this note's normalised estimate of about $0.79 the same multiples give $14.22 to $17.38.
Forward P/E, 2027	This note's estimate $1.00 at 16-21x	$16.00 - $21.00	The primary anchor. 18x is the base case, between emerging-market banks and US fintech. Published street 2027 estimates sit higher at about $1.17, which at 18x would imply $21.06.
Price to book	$2.74 book value per share at 4.5-6.5x	$12.33 - $17.81	Sustaining a 30%-plus return on equity justifies a high multiple. Sensitivity to the cost of equity is severe for a Brazilian issuer, and a US rate rise acts directly on that input.
Peer relative	Itau at roughly 9.4x earnings and 1.9x book	Premium warranted	Nu trades at roughly double on earnings and triple on book, against a return on equity half again as high and far faster growth.
Analyst consensus	22 analysts, mean $18.78, range $10 to $23	$10.00 - $23.00	The mean rose from $18.45 in August. The 2.3 times spread between low and high is unchanged and remains the most honest statement of the uncertainty here.

Conclusion: modestly undervalued, with less margin of safety than in August. At $15.37 the shares sit close to the middle of every method above, as they did at $14.74. What changed is that the price rose 4.3% while the underlying estimates rose 3.6% and the fair value 1.1%, so the gap narrowed. A business earning better than a 30% return on equity at 15.9 times forward consensus is not expensive by any conventional standard. The reason the market is not paying more is legible and unchanged: single-country concentration into an election that now probably runs to late October, an earnings figure whose durability depends on an unexplained tax line, and a loan book deliberately moving up the risk curve.

Macro drivers. Two variables genuinely drive this business, and neither is the US consumer. The first is the Brazilian policy rate, which acts on Nu in two directions at once: the Selic sits at 14.00% after a quarter-point cut on 5 August, the fourth consecutive reduction, and further easing supports loan demand and borrower affordability while compressing the float income that supplies about a third of gross profit. Brazilian inflation expectations near 5.0% for 2026 limit how far that easing can run, and the next Copom meeting falls in mid-September. The second is Brazilian consumer credit quality, which is the transmission channel from a slowing domestic economy into the largest cost line Nu carries. A third variable sits behind both. The US risk-free rate, at 4.78% on the ten-year with a rise priced at roughly 60% for 16 September, sets the cost of equity applied to a Brazilian earnings stream and moves the currency those earnings are translated from. That is why an otherwise domestic story is currently taking direction from Washington.

9. Sentiment and positioning

Indicator	Reading	Interpretation
Analyst consensus	Buy; mean target $18.78 across 22 analysts, range $10.00 to $23.00	Constructive and still unusually dispersed. The mean has drifted up roughly 1.8% since August on three target raises.
Recent revisions	Needham $17 to $19, UBS $16.90 to $18.20, Wolfe to $17. Bank of America unchanged at Sell, $10	Revisions run positive but modest. No upgrade of rating accompanied any of them.
Institutional ownership	Roughly 84% of shares held by institutions	Ownership is professional, which tends to sharpen rather than dampen reactions to disclosure events.
Insider transactions	361,707 shares worth $5.63m sold over ninety days, including 65,000 by a co-founder at $14.71 on 25 August	The clearest negative signal of the period, and the only one attributable to people who can see the third quarter forming.
Options positioning	Open interest from 1.68m to 1.79m contracts; mixed daily sentiment reads	Both sides are adding into the election. Not directional.
moomoo digest	Neutral overall. Positive research revisions and a first investor day set against insider selling and caution on Brazil	The interpreted read agrees with the raw feed once the notices are included, which is the reason both sources are run rather than one.

10. Technical picture

Indicators are computed in code from 300 completed daily sessions through 4 September 2026, from a single split-adjusted series. Every distance is measured against the $15.37 quoted price. The August note could not compute a 200-day average because only 100 sessions were available; that limitation no longer applies, and the 200-day figure below is new information rather than a restatement.

Indicator	Value	Signal	Reading
Close (4 Sep 2026)	$15.37	-	Up 4.3% since the August note, after an eleven-session Ibovespa run
SMA 20	$14.62	Bullish	Price 5.1% above the short-term mean
SMA 50	$14.22	Bullish	Price 8.1% above; the lowest close of the period, $14.21, sat exactly here
SMA 100	$13.75	Bullish	Price 11.8% above
SMA 200	$14.97	Bullish, newly reclaimed	Price 2.7% above. Computed for the first time; the August note reported it as not computable
EMA 20 / EMA 50	$14.74 / $14.30	Bullish	Correct ordering and a wider gap than in August

Indicator	Value	Signal	Reading
RSI (14)	58.7	Neutral	Room in both directions; no overbought condition after the run
MACD (12,26,9)	0.312 / signal 0.248 / histogram +0.064	Improving	Positive and expanding, against a converging +0.01 in August
ATR (14)	$0.61, 4.0% of price	Elevated	Daily range near 4% of price; size positions accordingly
Volume, 20d vs 50d	72.9m vs 81.9m	Neutral	Turnover normalising after the results-week spike
Support	$14.97 the 200-day, then $14.14 - $14.21	-	The reclaimed average, then the August base
Resistance	$15.84, then $16.22	-	The 3 September intraday high, then the results-day spike high

The chart has improved and the improvement is narrower than it looks. Price sits above all four moving averages, which is a better configuration than August, and MACD has expanded rather than converged. But the 200-day average at $14.97 sits *above* the 20, 50 and 100-day averages, and that ordering is the signature of a stock recovering from a downtrend rather than one in an established advance. The shares remain 19% below the twelve-month high of $18.98. A reclaimed 200-day is worth having; it is not the same as a trend. A sustained close back below $14.97, followed by a break of the $14.14 base, would say the early-September move was Brazilian commodity beta passing through rather than a re-rating of this company.

11. Scorecard

Factor	Aug	Now	Wt	Basis
Business Quality	8	**8**/10	15	139m customers at 83.5% activity and the lowest cost to serve in the region. No new operating data since August.
Financial Strength	7	**7**/10	12	33% return on equity and cheap deposit funding, no dividend or buyback, capital adequate rather than abundant. Unchanged.
Competitive Advantage	8	**8**/10	15	Durable cost moat in Brazil, still being established in Mexico against Mercado Pago. Unchanged.
Management	7	**7**/10	10	Held. The first ever investor day on 8 December is a genuine improvement in disclosure practice; $5.63m of insider selling including a co-founder cuts the other way. The two offset.
Growth Potential	8	**8**/10	15	Mexico licence, revenue per customer at $17 against incumbents at $40-45, balance-sheet capacity, US optionality. Unchanged.
Valuation	6	**5**/10	15	Lowered one notch. Price up 4.3%, fair value up 1.1%, upside compressed from 18.5% to 14.9%. Still not expensive; the margin of safety is measurably thinner.
Risk (10 = lowest risk)	4	**4**/10	13	Held at 4. The election window extending to 25 October and a live US rate rise are both new negatives, offset by a stable Selic and an added December disclosure event.
Technical Setup	6	**7**/10	5	Raised one notch. Price above a newly computable 200-day average at $14.97 and MACD expanding, tempered by an average ordering that reads as recovery rather than trend.
Investment Score	69	**68** out of 100	100	Weighted sum of the eight factors above, computed in code

Scored 1-10, where 10 is always best, including Risk. A longer bar is therefore always better: on the Risk row a long bar means a safer business. Weights sum to 100 and the total is a plain weighted sum. The August report used this same scale and labelled it the same way, so its scores are directly comparable and no restatement was required. Two factors moved, in opposite directions, and the composite fell one point.

12. Recommendation

Rating: Watchlist, reaffirmed. The August note set out three developments that would move this to Buy. None has occurred. Management has not disclosed anything about the effective tax rate. The election has not produced a market-friendly outcome, and on current polling it will not produce any outcome until 25 October. And the price did not fall into the accumulation zone; it went the other way. A rating held for reasons that are individually unchanged but collectively a little worse is a reaffirmation, and it should be stated as one rather than left implicit.

What is genuinely different is the balance. In August the case for waiting rested on two unresolved questions against 18.5% of modelled upside. Today the same two questions are unresolved, two further headwinds have appeared in the form of an extended election timetable and a probable US rate rise, and the modelled upside has narrowed to 14.9% because the shares rose while fair value barely moved. The offsetting positives, a reclaimed 200-day average, three target raises and a first investor day, are real but they are sentiment and calendar rather than evidence.

Level	Price	What it represents
Accumulation zone	$13.40 - $14.20	Reset upward from $12.80-$13.60. 15.6 to 16.5 times 2026 consensus of $0.86, coinciding with the pre-results consolidation floor at $13.37 and the 50-day average at $14.22. On this note's normalised earnings the equivalent band is $12.30 to $13.00, and the gap between the two is the tax question priced.
Structural warning	A sustained close below $14.97, then $14.14	The newly reclaimed 200-day average, then the base built since the August note. Losing both would identify the early-September rally as commodity beta rather than a re-rating.

Level	Price	What it represents
Thesis invalidation	Below $11.80	Unchanged, and anchored on a June low that recomputes to $11.20 intraday and $11.60 on a closing basis. A close beneath it would break the higher-low structure and signal that Brazilian macro or credit is repricing rather than wobbling.
First objective	$18.00	18 times this note's normalised 2027 estimate of $1.00, raised from $17.50 solely because the 2026 consensus base moved 3.6% higher.
Second objective	$21.00	21 times the same estimate, consistent with the upper half of the sell-side range if Mexico compounds and the margin holds.

What would move this to Buy. Management quantifying the lower effective tax rate as structural, at the third-quarter results on an estimated 12 November or at the 8 December investor day. A concluded election, including the probable second round, that leaves the real stable with the shares still under $16. Or the price reaching $13.40 to $14.20 without a corresponding deterioration in credit metrics. **What would move this to Avoid.** A third-quarter effective tax rate back near 29% with no explanation. Ninety-day-plus non-performing loans above 7.3%. Risk-adjusted margin below 11%. A sustained weakening of the real alongside a stalling Brazilian consumer, which would compress reported dollar earnings and credit quality together. Or a close under $11.80.

At $15.37 against the $18.00 first objective, with the thesis invalidation at $11.80, the ratio is roughly 0.74 to one. In August the same calculation gave about 1.3 to one. That deterioration is the whole argument, and it is arithmetic rather than opinion. A starter position of no more than 1% of portfolio value is the most this supports, with the balance of an intended 3% to 4% allocation held for the accumulation zone or for post-election clarity.

13. Scenario analysis

Scenario	Prob.	Revenue and earnings outlook	2027 EPS	Multiple	Fair value
Bull	28%	Risk-adjusted margin holds above 12%, the lower tax rate proves structural and is quantified at the November results or the December investor day, Mexico's payroll launch drives deposits and lending together, revenue per customer reaches the low $20s, and the election concludes without disrupting the real. Revenue compounds in the mid-20s and the multiple re-rates toward the growth rate.	$1.15	21x	$24.15
Base	50%	Margin settles between 11.5% and 12.5%, the tax rate part-normalises toward the low 20s, Brazil grows at a high-teens rate with contained credit costs, and Mexico scales steadily while absorbing investment. Revenue compounds near 20% and the multiple holds around current levels.	$1.00	18x	$18.00
Bear	22%	A second round on 25 October unsettles Brazilian assets and the real, the deliberate move up the risk curve meets a weakening consumer, ninety-day-plus non-performing loans pass 7.5%, cost of credit re-accelerates and the tax rate returns to 29%. A US rate rise compounds the multiple pressure. Growth decelerates to the low teens.	$0.72	12x	$8.64
Weighted	100%	Probability-weighted across the three cases against the $15.37 close of 4 September			$17.66

Probabilities sum to 100%. The weighted fair value of $17.66 implies 14.9% upside from $15.37 and was computed in code from the inputs shown. The 2027 earnings figures are this note's estimates rather than company guidance or published consensus; the published street estimate is higher at about $1.17. Two changes were made to the August distribution: the earnings estimates were lifted about 3% to carry through the higher 2026 consensus base, and four points of probability moved from the bull case to the bear case to reflect an election that now most likely runs to a second round and a US rate decision priced at roughly 60% for a rise. The asymmetry is the point. The bear case is a 44% drawdown against a 57% gain in the bull case, on probabilities that make the downside a real rather than a theoretical consideration.

14. Final verdict

Would an investor put their own money into Nu Holdings at $15.37 today? Not yet, and for slightly better reasons than three weeks ago.

The company remains one of the few genuinely differentiated financial businesses anywhere. It serves 139 million people, 83.5% of them monthly, at a cost per customer no incumbent in Latin America can approach, and it earns better than a 30% return on equity while funding itself with retail deposits at 88% of the interbank rate. Revenue per customer at $17 against incumbents at $40 to $45 is the clearest quantified growth runway in the sector. At 15.9 times forward consensus the market is not charging much for any of it, and three brokers raised their targets during the period.

But the two things that argued for patience in August are both still there, and both got marginally worse. The record second quarter still rests on an effective tax rate that halved to 14.2% for reasons the company has not explained; normalise it and the quarter missed consensus rather than beating it, and nothing between 18 August and today has touched that question. The Brazilian election, which the August note treated as a 4 October event, now looks near-certain to run to a second round on 25 October, with the head-to-head polling deadlocked at 44% each. The uncertainty window did not close over these three weeks. It got three weeks longer.

Two new factors arrived. The Federal Reserve under Kevin Warsh is now priced at roughly 60% to raise on 16 September, which lifts the discount rate on a long-duration emerging-market earnings stream and pressures the currency those earnings are translated from. And insiders sold $5.63m of stock over ninety days, including a co-founder at $14.71, in a cluster of filings that preceded a 4.1% fall. Neither is decisive. Both point the same way as the wait.

It is worth being precise about why the shares rose. The move came inside an eleven-session Ibovespa run led by Petrobras and Vale on crude near $90. A deposit-funded consumer lender does not benefit from higher oil, so the most likely explanation for the 4.3% gain is Brazilian index beta passing through rather than anything the market learned about Nu. Paying 4.3% more for a company about which nothing new is known is the definition of a worse entry.

The single biggest concern is unchanged, and it is the tax line. If management confirms at the third quarter or the December investor day that the lower rate is structural, forward earnings are roughly 20% higher than a sceptical analyst would assume, the shares are cheap on any reading, and the rating moves to Buy without further argument. If the rate returns to 29% and the explanation is a one-off, fair value shifts toward the mid-teens and today's price offers nothing. That question is answerable, it now has two scheduled venues rather than one, and the option to wait costs a holder only the risk of a re-rating in the meantime.

The accumulation zone has been reset upward to $13.40 to $14.20, which is where this becomes straightforwardly attractive: roughly sixteen times current-year consensus for a business of this quality, with the election risk paid for rather than assumed away. The zone moved because the earnings base moved, not because conviction changed. Patience here is not a lack of belief in Nu Holdings. It is a refusal to pay a higher price for a quarter that still has not been explained, three weeks closer to a vote that will now take three weeks longer to resolve.

15. Sources and basis of preparation

The closing price of record, $15.37 as at 4 September 2026, is from Alpha Vantage. The daily price series used for the technical section is 300 completed sessions from Twelve Data through the same date, split-adjusted, from a single source so that the distances between averages remain comparable; all indicators were computed in code from that series rather than read from third-party summaries. Market capitalisation, trailing and forward multiples, trailing revenue and earnings, and analyst consensus are from StockAnalysis.com as at 4 September 2026. Second-quarter operating figures, balance-sheet data and management commentary are carried forward from Nu Holdings' second-quarter 2026 earnings release of 13 August 2026 and the managerial income statements in its Form 6-K filings, as analysed in the August note. News flow, company notices and broker research revisions were retrieved through both the moomoo news search and the moomoo stock digest, and cross-checked against Investing.com and MarketBeat. The investor day announcement is from Nu Holdings' own release of 2 September 2026 and the accompanying Form 6-K. Brazilian polling is Real Time Big Data, surveyed 27 to 31 August 2026, via the AS/COA poll tracker. Brazilian policy rate and inflation-expectation data are from the Copom decision of 5 August 2026. Brazilian index and currency levels are from Rio Times market reports of 2 and 4 September 2026. United States macroeconomic figures are from this publication's own economic coverage of 28 August and 1 to 4 September 2026.

Figures identified in the text as this note's calculations, namely the normalised 2026 and 2027 earnings estimates, the normalised trailing multiple, the recomputed accumulation band and the probability-weighted fair value, are derived from the disclosed inputs shown alongside them and are not company-reported measures. No third-quarter results have been published; nothing in this note should be read as describing a quarter that has not yet been reported.

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