

NVIDIA Corporation

NASDAQ: NVDA | Semiconductors & AI Compute Platforms | Equity Research | 20 August 2026

Same rating. Different reasoning.

BUY	\$217.56	\$291	+34%
RECOMMENDATION	LAST CLOSE (19 AUG)	12-MO FAIR VALUE	IMPLIED UPSIDE
80 / 100	\$5.27T	~22x	6
Investment score	Market cap	Fwd P/E (NTM)	Days to Q2 print

1. What Has Changed Since 8 August

This report exists because published price levels age, not because the company has reported. The most recent results remain those for the April quarter, the first of fiscal 2027; the next print, for the July quarter, lands on 26 August after the close. No earnings call has taken place in the interval and no new transcript exists to review.

The share price has done very little, falling 2.9% from \$223.96 to \$217.56 after being rejected at \$227.92 on 17 August. The substance sits elsewhere. Twelve days ago this coverage introduced a fifth driver to the framework, demand independence, and described the associated risk as real but unquantified, adding that the discipline worth watching was whether NVIDIA's ecosystem stakes remained minority, strategic and separable or drifted toward underwriting customers who could not otherwise buy. That test has now been run, and rather faster than expected.

On 17 August a securities filing disclosed that NVIDIA will back up to \$105 billion of financing for OpenAI's data centre at the PORTS-Pike Technology Campus in Pike County, Ohio. The credit supports an initial 4.25 gigawatts of capacity with an option on a further 3.75, under a twenty-year lease to OpenAI, with SB Energy building and operating the site and NVIDIA separately investing \$1.5 billion in SB Energy, in which OpenAI also holds a stake. Two days later The Information reported NVIDIA considering a further investment in Mercor at a \$20 billion valuation. Separately, a Jefferies note on AMD's Advancing AI 2026 event reported that Anthropic and OpenAI plan rapid adoption of AMD's Helios systems and ROCm software, and Third Point's second-quarter filing showed a full exit from the position.

Item	8 August 2026	19 August 2026	Read-through
Share price	\$223.96	\$217.56	-2.9%; rejected at \$227.92 on 17 August.
Market cap	~\$5.42T	~\$5.27T	Still the largest listed company.
Forward P / E (NTM)	~23x	~22x	Cheaper on an unchanged estimate base.
Demand-independence question	Real but unquantified	\$105bn Ohio guarantee	The single largest instance yet, disclosed in a filing rather than inferred.
Competitive signal	AMD buys Taalas	Anthropic and OpenAI reported as rapid AMD adopters	Moves from a capability story to a named-customer story.
Institutional positioning	Deep and stable	Third Point exited in full in Q2	One high-profile de-risking, not a trend.
Fresh analyst targets	\$302 - \$317 average	Citi \$300, Oppenheimer \$265; Jefferies expects a beat and raise	Still constructive, with the newest marks below the prior average.
RSI (14)	64.4	54.2	Momentum has bled out of the early-August breakout.

Item	8 August 2026	19 August 2026	Read-through
MACD histogram	+2.50	+0.59	Bullish configuration narrowing toward a crossover.

2. Do the Published Levels Still Hold?

Mostly, yes, and that is the more useful answer than a wholesale reset. The accumulation zone of \$205 to \$215, raised only twelve days ago from \$195 to \$205, is now 1.2% below the last close rather than 8 to 13% below it. It is live, reachable, and sits directly on the moving-average cluster at \$205.66 to \$212.38. It stands. The \$186 stop sits 14.5% below spot, or 4.8 average true ranges, which is wide enough to survive normal volatility in a stock with a 3.0% daily range and tight enough to function as risk control. It stands. The first take-profit at \$255 is 17.2% above the current price and untouched. It stands.

The second take-profit does not. It was raised from \$300 to \$310 on 8 August specifically to track the migration of consensus targets, and the freshest marks on the street have since come in below that level rather than above it: Citi at \$300 and Oppenheimer at \$265, both reiterating Buy. The refreshed probability-weighted fair value is \$291 against \$308 previously, for reasons set out in Section 6. Publishing a \$310 target above a \$291 fair value would be internally inconsistent, so the second target is cut to \$295.

Published level	Previous	Now	Status
Ideal buy range	\$205 - \$215	\$205 - \$215	Holds. Now 1.2% below spot and sitting on the 20/50/100-day cluster.
Cut-loss (stop)	\$186	\$186	Holds. 14.5% below spot, 4.8 ATRs, below the 29 July swing low of \$190.01.
Take-profit target 1	\$255	\$255	Holds. +17.2% from spot.
Take-profit target 2	\$310	\$295	Cut. Tracks a fair value revised from \$308 to \$291 and fresh targets of \$265-300.
Fair value (prob-weighted)	\$308	\$291	Cut 5.4%. Bear probability raised from 20% to 25%.
Rating	Buy	Buy	Reaffirmed, on materially changed reasoning.

3. The Ohio Guarantee, Examined Properly

This deserves more than a line in a risk table, because it is the one genuinely new fact in the period and because it is easy to mis-size in either direction.

The case for treating it as sound industrial strategy is strong. Power and land, not wafers, are the binding constraint on GPU deployment, and an accelerator that cannot be energised generates revenue for nobody. NVIDIA is backing financing rather than writing a cheque, which is a contingent obligation against a balance sheet carrying roughly \$40 billion of net cash, a 0.07 debt-to-equity ratio and approximately \$97 billion of annual free cash flow. The counterparty is under a twenty-year lease and the capacity phases in from 2028. On any reasonable base case this is a guarantee that is never drawn.

The case for treating it as a genuine change in the investment proposition is also strong, and it is not primarily about credit. It is about what the number does to the reader's ability to verify the demand signal. \$105 billion is slightly more than NVIDIA's entire annual free cash flow, committed to underwriting the deployment capacity of a single customer, inside a reported programme of roughly \$750 billion of ecosystem investments and commitments. Each transaction has a defensible rationale. The aggregate makes it progressively harder to read the order book independently of NVIDIA's own balance sheet, and a \$5.3 trillion capitalisation expresses that kind of doubt through the multiple long before it appears in revenue.

The honest conclusion is that this changes the risk profile without changing the twelve-to-twenty-four-month earnings trajectory. Ohio contributes nothing to revenue inside this report's horizon. What it does is raise the probability, and

therefore the weight, of the bear scenario in which vendor-financed demand is re-examined and the multiple compresses. That is exactly how it is treated below: Risk moves down, Management moves down, the bear probability moves up, and the rating survives because the underlying earnings power is not in question.

4. Drivers and Competitive Position

#	Driver	Status since 8 August
1	AI data-centre demand and hyperscaler capex	Unchanged and favourable. 2026 estimates hold at \$775-800bn with 2027 above \$1 trillion. The Ohio project adds 4.25GW, optionally 8GW, of committed deployment capacity from 2028.
2	Gross-margin durability	Untested until 26 August. Guided to hold near 75%. New US tariffs of 10-12.5% across 60 countries add a small, indirect supply-chain cost question.
3	Product-cycle execution and supply	Unchanged. Vera Rubin enters full production in the second half of 2026; the first rack is live at Azure and SpaceX is committed as an exclusive user. CoWoS-L packaging still binds, and power and land bind alongside it.
4	Competitive share retention	Deteriorated. Jefferies reports Anthropic and OpenAI planning rapid adoption of AMD's Helios and ROCm. Both are flagship references for the CUDA lock-in argument.
5	Demand independence and financing structure	Deteriorated and now quantified. \$105bn Ohio guarantee, \$1.5bn into SB Energy, a considered Mercor stake at a \$20bn valuation, inside a ~\$750bn programme.

Driver four warrants a caveat that the market has not applied. The Anthropic and OpenAI adoption reports come from a sell-side note on a competitor's product event, not from a disclosed contract or a filing, and both firms already run multi-vendor infrastructure. Diversification of some inference workloads is not the same as migration off CUDA, and the two named companies are also among NVIDIA's deepest commercial partners, one of them the counterparty to the Ohio guarantee. The signal is real and the score reflects it. It is not yet evidence of displacement.

Player	Position	Threat level and note
NVIDIA	80-85% share	Incumbent. CUDA, NVLink and rack-scale systems moat; one-to-two generation lead; Groq assets cover inference ASICs.
AMD (Instinct, Helios, Taalas)	~10% share	High, raised from moderate-to-high. MI400 with HBM4 arrives end-2026; Helios and ROCm now reportedly on the roadmap at two flagship AI labs.
Google TPU	Captive / cloud-only	High and structural. Ironwood v7 at gigawatt scale caps NVIDIA's share of Google spend.
Amazon Trainium	Captive	Moderate. Cost arbitrage on internal AWS workloads; AWS capex still rising in absolute terms.
Microsoft Maia	Captive	Moderate. Early stage; Azure is running the first Vera Rubin rack in parallel.

5. Financial Position and Valuation

The financial profile is unchanged because no new results have been published. Fiscal 2026 delivered revenue of \$215.9 billion, up 65%, and the April quarter opened fiscal 2027 at \$81.6 billion, up 85% year over year and 20% sequentially, with Data Center compute at a record \$60.4 billion and networking at \$14.8 billion. Gross margin was 75%, free cash flow for fiscal 2026 was approximately \$96.6 billion, return on equity 114% and return on invested capital near 105%. Net cash stands at roughly \$40.4 billion against an \$80 billion buyback authorisation and an order backlog near \$1 trillion through 2027.

The July quarter is guided to approximately \$91 billion plus or minus 2%, with consensus drifting above the guide to roughly \$91.8 to \$93.6 billion of revenue and \$2.08 to \$2.13 of earnings per share. That gap is the practical definition of the event risk attaching to 26 August: management's own number is not the bar. Jefferies has published expecting a beat and a raise.

Method	Basis	Implied value	Verdict
Forward P / E	~22x NTM EPS, down from ~23x	\$285 - \$315	Undemanding versus growth; cheaper than twelve days ago.
Trailing P / E	~34.5x TTM EPS	~\$218 (spot)	Full but not extreme.
FCF yield	~1.8% on TTM free cash flow	Rising rapidly	Comfortably funds the \$80bn buyback.
Sector-relative	~22x versus a ~30x semiconductor median	~27% discount	An odd discount for the sector's fastest-growing and most profitable constituent.
Analyst consensus	Roughly 59 covering analysts; Strong Buy	\$265 - \$300 on the newest marks	Still constructive; the freshest targets sit below the prior \$302-317 average.
PEG	Forward P / E divided by growth	Below 1	Attractive if the growth holds.

The tension is unchanged and should not be understated; those forward estimates themselves assume the capital-spending cycle holds, and in a bear scenario the multiple and the estimates compress together. The shares screen fairly valued to modestly undervalued against the base case, with an unusually wide distribution of outcomes. Prices are from Alpha Vantage at the 19 August 2026 close; the market capitalisation assumes approximately 24.22 billion shares. NVIDIA's fiscal year ends in late January, so fiscal 2027 covers calendar 2026.

6. Risk Assessment

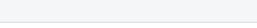
Risk	Probability	Severity	Note
Demand quality and vendor financing	Medium-High	High	Raised from Medium. The \$105bn Ohio guarantee quantifies what was an abstract concern twelve days ago. A multiple risk before it is an earnings risk.
Competitive share erosion	Medium-High	High	Custom silicon, MI400, fixed-function inference ASICs, and now Helios and ROCm reportedly on the roadmap at two flagship labs.
AI capex digestion or air pocket	Medium-Low	Very High	Still the dominant tail, but probability remains reduced: hyperscalers raised rather than trimmed plans in the July season.
Event risk at the 26 August print	Medium	Medium	Consensus sits above the company guide, six days out, in a stock that has already faded a breakout.
Valuation and de-rating	Medium	High	The multiple embeds continued execution; sentiment shifts are swift and beta is 2.21.
Customer concentration	Medium	High	A few correlated buyers who are also would-be competitors and, increasingly, investees and guarantee counterparties.
Gross-margin normalisation	Medium-High	Medium	75% margins are unlikely to be a permanent ceiling as inference competition scales.
Supply and CoWoS-L packaging	Medium	Medium	The advanced-packaging bottleneck can cap shipments near term; power and land now bind as well.
Tariffs and trade friction	Medium	Low-Medium	New US tariffs of 10-12.5% across 60 countries. No direct disclosed exposure; indirect supply-chain cost only.
China and export controls	High	Low-Medium	The H200 channel is open but capped, volumes described as trivial, with a security-review step in the shipping path.

7. Technical Position

Indicators are computed in code from the daily price series through the close of 19 August 2026. The early-August breakout has faded without breaking. Price remains above the 20-, 50- and 100-day averages, which stay stacked in bullish order, but the momentum that carried the move has largely dissipated: RSI has fallen from 64.4 to 54.2 and the MACD histogram from +2.50 to +0.59, a configuration narrowing toward a crossover rather than widening away from one. The 17 August rejection at \$227.92 established a lower high against the 52-week peak of \$236.54.

Indicator	Value	Signal	Comment
Close, 19 Aug 2026	\$217.56	-	8.0% below the 52-week high of \$236.54.
SMA 20 / 50	\$212.38 / \$207.12	Bullish	Price above both; averages rising and converged.
SMA 100 / 200	\$205.66 / not computed	Bullish	Only 100 sessions available; the 200-day is not estimated.
EMA 20 / 50	\$215.39 / \$209.83	Bullish	Stack intact; the breakout structure has not broken.
RSI (14)	54.2	Neutral	Down from 64.4. Mid-range, with room in either direction.
MACD (12,26,9)	+4.73 vs signal +4.14	Weakening	Histogram +0.59 against +2.50 on 8 August.
ATR (14)	\$6.59 (3.0%)	Caution	A \$13 two-way day is normal. Stops set inside that band get taken out by noise.
Volume, 20d vs 50d	118.2m vs 132.4m	Neutral	The whole August move has come on below-average volume.
Support / resistance	\$205 - \$213, \$190 / \$227.92, \$236.54	-	The moving-average cluster is the buy zone and the first support.

8. Investment Scorecard

Component	Score	Weight	Change	Comment
Business Quality	 10/10	15%	-	Best-in-class franchise, 75% gross margin, ~90% Data Center mix.
Financial Strength	 10/10	12%	-	\$40bn net cash, 114% ROE, ~\$97bn free cash flow, \$80bn buyback.
Competitive Advantage	 8/10	15%	-1	CUDA and systems moat intact, but Anthropic and OpenAI reported as rapid AMD adopters.
Management	 8/10	10%	-1	Elite execution; the \$105bn guarantee is the drift the previous report named as the thing to watch.
Growth Potential	 9/10	15%	-	\$1tn backlog, capex holding at \$775-800bn, Rubin ramp. Law of large numbers caps the score.
Valuation	 6/10	15%	-	~22x forward, down from ~23x on a lower price; ~34.5x trailing still full.
Risk (10 = lowest risk)	 5/10	12%	-1	Demand-quality risk moved from unquantified to \$105bn in a single filing.
Technical Setup	 7/10	6%	-1	Breakout faded: RSI 64 to 54, MACD histogram +2.5 to +0.6, lower high at \$227.92.

Scored 1-10, where 10 is always best, including Risk. A high Risk score denotes a safer profile, so the bar on the Risk row reads in the same direction as every other row. The previous report used the same direction, so its scores are directly comparable and no restatement was required. Weights are unchanged: Business Quality 15%, Competitive Advantage 15%, Growth 15%, Valuation 15%, Financial Strength 12%, Risk 12%, Management 10%, Technicals 6%.

BUY	80 / 100	84 / 100	-4
RECOMMENDATION	INVESTMENT SCORE	PREVIOUS SCORE	CHANGE

Four scores moved and all four moved down, which is the clearest statement this report can make about the period. Competitive Advantage and Risk fell on the two genuinely new facts: named flagship customers on a competitor's roadmap, and a demand-independence question that has gone from abstract to \$105 billion in a single filing. Management fell because the previous report set an explicit test for this exact behaviour and the answer arrived within twelve days. Technical Setup gave back the point it gained on 8 August, when the breakout was fresh and the momentum readings

were strong. Business Quality, Financial Strength, Growth and Valuation are untouched, because nothing in the operating record or the balance sheet has changed and the shares are, if anything, marginally cheaper.

A score of 80 is still firmly Buy territory, and the composite has more room to fall before the rating is in question. But a four-point move in twelve days on no reported results is worth stating plainly rather than burying in a table.

9. Recommendation and Trade Plan

Rating: Buy, reaffirmed. The reasoning behind it has changed more than the rating has.

The case for owning NVIDIA over one to two years still rests on the same load-bearing facts: a company compounding revenue at 85% year over year with 75% gross margins, 114% return on equity and roughly \$97 billion of annual free cash flow, carrying a \$1 trillion backlog, trading at approximately 22 times forward earnings, a discount to its own sector's median. Hyperscaler capital spending, the variable that matters most, was tested in the July reporting season and held. None of that has been disturbed in the past twelve days.

What has been disturbed is the confidence with which an outside investor can verify that demand. The Ohio guarantee does not impair the balance sheet and does not touch earnings inside this horizon, but it does mean the bear case now has a concrete number attached to it where twelve days ago it had a theme. Combined with two flagship AI labs appearing on a competitor's adoption roadmap, that justifies a lower fair value, a heavier bear weighting and a four-point cut to the composite. It does not justify abandoning a position in the defining company of the AI cycle at 22 times forward earnings.

Trade parameter	Level / guidance
Recommended entry	Stage in. One third near \$217, the balance on a pullback into \$205-215 or after the 26 August print.
Ideal buy range	\$205 - \$215 (unchanged; now 1.2% below spot)
Cut-loss (stop)	\$186, approximately -14.5% from spot (unchanged); 4.8 ATRs, below the 29 July low of \$190.01
Take-profit target 1	\$255, approximately +17.2% (unchanged)
Take-profit target 2	\$295, approximately +35.6% (cut from \$310)
Expected upside (base to bull)	+33% to +82%
Expected downside (bear)	-17% to -31%
Risk / reward at spot	~2.0 : 1 to the second target; ~1.2 : 1 to the first
Risk / reward at \$210	~3.5 : 1 to the second target; ~1.9 : 1 to the first
Holding horizon	12 - 24 months
Position sizing	Core position, volatility-adjusted for a 3.0% daily ATR and a 2.21 beta
Suggested portfolio allocation	4 - 6% of the equity sleeve

Entry, stop and target levels are informed by average true range (about \$6.59 per day), the moving-average support cluster and identified resistance. They are risk-management guides, not price predictions. Note the difference between the two risk/reward lines: waiting for the buy zone rather than chasing spot nearly doubles the ratio, which is the practical argument for staging rather than committing ahead of a print where consensus already sits above the company's own guide.

10. Scenario Analysis

Scenario	Prob.	Revenue and earnings outlook	Fair value
Bull	25% (was 30%)	Capital-spending cycle sustains above \$1 trillion into 2027, Vera Rubin ramps cleanly with SpaceX-class anchor customers, China volumes scale beyond token levels, and the vendor-financing question fades as guarantees go undrawn. Growth holds above 60% with margins near 75%.	\$375 - \$415

Scenario	Prob.	Revenue and earnings outlook	Fair value
Base	50% (unchanged)	Strong growth decelerates gradually, margins hold in the low 70s, China contributes modestly, backlog converts on schedule, and the July print lands in line to slightly ahead. Ecosystem commitments remain contingent and unexercised.	\$290 - \$315
Bear	25% (was 20%)	Hyperscaler digestion, or a demand-quality shock as vendor-financed and vendor-guaranteed orders are re-examined and a portion of backlog is judged non-independent. Margin compression and share loss to inference ASICs and to Helios at flagship accounts. Estimates cut and the multiple compresses with them.	\$150 - \$180

Probabilities sum to 100%. Computed from scenario midpoints: $0.25 \times \$395 + 0.50 \times \$302.50 + 0.25 \times \$165 = \$291.25$, rounded to \$291, against the 19 August close of \$217.56 for an implied 34% upside. The equivalent figure in the previous report was approximately \$308 against \$223.96. The 5.4% reduction is driven entirely by moving five percentage points of probability from the bull case to the bear case and trimming each band, not by any change to the earnings model.

11. Final Verdict

Would an investor commit personal capital to NVIDIA today? Yes, as a core, volatility-adjusted holding, staged in rather than committed in full ahead of the 26 August print, and with rather less comfort than twelve days ago.

Why still yes. The numbers that earned the Buy rating are entirely intact. Revenue grew 85% in the last reported quarter, gross margin sits at 75%, return on equity is 114%, free cash flow runs near \$97 billion a year, the balance sheet carries \$40 billion of net cash, and the backlog stands near \$1 trillion through 2027. The forward multiple is roughly 22 times, a discount of about 27% to the semiconductor median, which remains an odd place for the sector's fastest-growing and most profitable constituent to trade. The largest identified risk, a hyperscaler spending pause, was tested in the July reporting season and the four largest buyers raised their commitments instead. Nothing in the past twelve days touched any of that.

What changed, and why it matters less than the headlines suggest. The Ohio guarantee is a contingent obligation against a balance sheet that can carry it, supporting deployment capacity that does not exist yet and revenue that falls outside this report's horizon. On any base case it is never drawn. The Anthropic and OpenAI adoption reports come from a sell-side note on a rival's product event rather than from a filing, and both firms already run multi-vendor infrastructure while remaining among NVIDIA's deepest partners. Third Point's exit is one manager's decision disclosed with a quarter's lag. Individually, none of these is a thesis-breaking fact.

What changed, and why it matters more than the price action suggests. The share price fell 2.9%, which implies the market treated the fortnight as roughly neutral. It was not neutral. A question this coverage introduced as unquantifiable twelve days ago now has \$105 billion attached to it, disclosed in a securities filing, on top of a reported \$750 billion programme. The specific discipline the previous report said it would watch, whether the stakes stayed minority, strategic and separable, has moved in the wrong direction faster than anticipated. At a \$5.3 trillion capitalisation, doubts about the independence of the demand signal are resolved through the multiple, and they are resolved quickly.

What would invalidate the thesis. Unchanged in kind and sharpened in emphasis. The clearest invalidator remains evidence of hyperscaler digestion, because estimates and multiple would compress together, which is why the bear case still carries a \$150 to \$180 fair value despite the quality of the business. Next to it, and now weighted more heavily: disclosure that vendor-financed or vendor-guaranteed arrangements represent a material share of backlog, or a guarantee actually being drawn, or an investee failing in a way that impairs both a stake and the associated orders. Secondary invalidators are a step-change in gross-margin erosion as inference competition scales, or a confirmed production migration off CUDA at a named hyperscaler or frontier lab rather than a reported intention to adopt an alternative.

The single biggest concern. It is no longer whether demand is durable but whether it is independent, and the past twelve days made that question harder rather than easier to answer. It is a question more likely to be settled by a journalist or a footnote than by a beat. An investor who sizes for a 3.0% daily range, accumulates in the \$205 to \$215 zone rather than chasing strength into a print where consensus already sits above the company's own guidance, and respects the \$186 stop is well positioned to own the defining company of the AI era. The rating stays at Buy. The conviction behind it is four points lower than it was.

Scope note and sources

No earnings release or conference call has taken place since the previous report of 8 August 2026. The most recent reported quarter remains the April quarter (Q1 fiscal 2027) and no new transcript was available to review; the next results are scheduled for 26 August 2026 after the close. This report updates price levels, valuation, sentiment, competitive developments, risk weightings and technicals against that unchanged reporting baseline.

Alpha Vantage (quote and daily price series, 19 August 2026 close) · NVIDIA and OpenAI securities filings and press releases · CNBC · Bloomberg · Axios · UPI · South China Morning Post · The Information · Jefferies via StocksToTrade · moomoo news search · Yahoo Finance · StockAnalysis.com · TipRanks.

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