# NVIDIA Corporation

NASDAQ: NVDA | Semiconductors & AI Compute Platforms | Equity Research | 9 September 2026

## The rating holds. The entry is now doing all of the work.

| BUY | $225.73 | $304 | +34.7% |
|---|---|---|---|
| RECOMMENDATION | LAST CLOSE (8 SEP) | 12-MO FAIR VALUE | IMPLIED UPSIDE |

| 85 / 100 | ~18.8x | 0.74 : 1 | $12.93bn |
|---|---|---|---|
| INVESTMENT SCORE | FWD P/E (NTM, CALCULATED) | R/R AT SPOT TO TARGET 1 | HUGGING FACE, CONFIRMED |

## 1. What Has Actually Changed

No results have been published since the July quarter, and the next are not due until November. The estimate base this coverage published on 27 August is therefore unchanged, and so is the rating. What has changed is the price, which is 7.7% higher at $225.73, and three items of news, one of which speaks directly to the concern that has led every NVIDIA report in this coverage for a month.

| Development | Detail | Read |
|---|---|---|
| The $105bn OpenAI backstop has a disclosed off-ramp, and it is being pursued | Regulatory filings show NVIDIA's $105bn of credit support for OpenAI's Ohio data centre can end if OpenAI secures a satisfactory credit rating. On 8 September it was reported that Morgan Stanley and Goldman Sachs are working with both OpenAI and Anthropic on obtaining investment-grade ratings post-flotation, to reach the corporate bond market directly. No decisions have been taken and neither company has published a listing timetable. | The most consequential item, and the reason the Risk score moves up a point. The largest single vendor-financing exposure has a contractual termination condition, and the counterparty is now actively working toward it. |
| Hugging Face acquisition confirmed at $12.93bn | Reported as unconfirmed talks in the last report and confirmed as a definitive agreement on 3 September, with an 8-K filed the same day. Hugging Face hosts roughly 3 million models and 500,000 datasets for more than 18 million developers, on annualised revenue reported at about $150m. | Immaterial to a balance sheet earning close to $60bn a quarter, and roughly 86 times revenue. Bought for the developer distribution layer, not the earnings. |
| GPT-6 Astra, and 100,000 Grace Blackwell systems | OpenAI launched GPT-6 Astra in the first week of September, trained on more than 100,000 NVIDIA Grace Blackwell NVLink72 systems, with Jensen Huang stating that a further 400,000 GPUs are coming online. Huang declared on 8 September that artificial general intelligence had arrived. | A demand datapoint rather than a claim. The shares fell 2.0% on the day he said it, which is the market telling him the frontier build-out was already priced. |

Against those, the bear commentary sharpened rather than softened. Jim Chanos put the question directly to Huang on 9 September: if the chips are as rentable as NVIDIA says, why does NVIDIA not rent them out itself and book the economics. It is a fair challenge to the revenue-per-gigawatt framing the last report leaned on, and it has no answer in the disclosed numbers. Separately, data circulated during the week arguing that NVIDIA silicon retains resale value better than Michael Burry's depreciation thesis assumed. Both arguments remain unresolved, which is the correct state for them to be in six weeks before the next set of results.

## 2. Framework and Drivers

The variables that decide the return are unchanged: the durability of hyperscale and sovereign capital spending; the Vera Rubin ramp and the revenue-per-gigawatt uplift it carries; gross margin through the memory-cost trough; the independence and quality of demand now that NVIDIA participates in financing a growing share of it; and competitive share retention. The table records direction since 27 August, not since the quarter.

| # | Driver | Direction since the last report | Likelihood / impact |
|---|---|---|---|
| 1 | Hyperscale and sovereign capex | Improved marginally. GPT-6 Astra trained on more than 100,000 Grace Blackwell NVLink72 systems with a further 400,000 GPUs described as coming online. No new order disclosure. | High / High |
| 2 | Vera Rubin ramp and $/GW uplift | Unchanged. The August guide of roughly 20% of third-quarter Data Center revenue stands and is not testable until November. | High / High |
| 3 | Gross margin through the memory trough | Unchanged and unresolved. The guided path remains 74.0% in the third quarter, a 71% to 72% trough in the fourth, then 72% to 73%. Memory pricing has produced no new disclosure either way. | High / Medium |
| 4 | Demand independence and financing | Improved, for the first time in this coverage. The $105bn backstop's termination condition is disclosed and OpenAI is working toward it with two bulge-bracket advisers. The exposure is unchanged in size and now has a visible path to expiry. | Medium / High |
| 5 | Competitive share retention | Unchanged. No new competitive disclosure. The Hugging Face acquisition strengthens developer distribution but closes at an unstated date and delivers nothing yet. | Medium / High |

## 3. Valuation

The forward estimate base is the one published on 27 August, built from management's guided third-quarter revenue and gross margin, a modelled fourth quarter at 12% sequential growth and a 71.5% gross margin, a 17% effective tax rate and approximately 24.2 billion diluted shares. No results have been released since, so nothing in that model has been revised. Every multiple below therefore moved for one reason only, which is that the shares rose 7.7%.

| Method | Basis | Now | 27 Aug | Verdict |
|---|---|---|---|---|
| Forward P/E (NTM) | Calculated next-twelve-month non-GAAP EPS of about $12.00 | ~18.8x | ~17.5x | The de-rating by delivery described last month has given back about a third of itself, on price alone. |
| Forward P/E (FY27) | Calculated fiscal 2027 non-GAAP EPS of about $9.15 | ~24.7x | ~22.9x | A backward-leaning measure at this growth rate, shown for continuity. |
| FY28 P/E at guided growth | Management's approximate 70% fiscal 2028 growth, 72.5% gross margin, 17% tax | ~14.0x | ~13x | The bull case stated as a multiple. Still cheap in absolute terms if the guide holds. |
| FY28 P/E at 50% growth | A deliberately conservative haircut to the supply-constrained guide | ~16.1x | ~15x | A substantial miss against the guide still leaves the shares near 16 times. |
| Scenario-weighted | Section 9, bear probability cut from 25% to 23% | $304 | $301 | Up $3 on the backstop off-ramp. The price rose $16.07 over the same period. |

The conclusion is narrower than it was and it is still favourable. At roughly 18.8 times calculated next-twelve-month earnings against a weighted fair value of $304, the shares offer 34.7% of expected return over twelve months. That is a wide margin by any normal standard and it is 8.9 percentage points narrower than the last report's. Valuation holds at 7 out of 10 rather than giving back the point it gained in August, and that is a stated conclusion rather than an oversight: the point was awarded for a multiple falling from about 22 times to about 17.5 times, and a move back to 18.8 times is roughly a third of that distance, which does not earn a full point in either direction.

**Macro drivers.** Two variables matter here and neither is the consumer. The first is the cost and availability of third-party capital for data centre construction, because a growing share of NVIDIA's order book is financed rather than funded from customer cash flow, and the financing platforms disclosed in August target more than $500bn of it. That market has tightened. The ten-year Treasury yield touched 4.814% on 2 September, its highest since November 2023, and finished the week near 4.78%, with Chair Kevin Warsh having argued at Jackson Hole on 28 August that underlying inflation has not meaningfully improved, citing a 3.7% twelve-month change in the PCE price index, and that financial conditions cannot be described as restrictive. Futures put the odds of a quarter-point increase at the 15 and 16 September meeting near 60%. Dearer capital does not reduce hyperscaler demand, which is funded from operating cash flow at Microsoft, Alphabet, Amazon and Meta, but it raises the hurdle for the NeoCloud and sovereign projects at the margin of the order book, which is precisely where the demand-quality question already sits. The second variable is input cost, specifically memory, where management has said pricing conditions are extreme and costs have exceeded its own expectations. That one is idiosyncratic to the supply chain rather than to the macro cycle, and it is already in the guided margin path.

*Every forward figure above is this analysis's own calculation from disclosed guidance, not a company measure. Sensitivity is material: a fiscal 2028 that grows 50% rather than 70% moves next-twelve-month earnings by roughly 13%.*

## 4. Risks

| Risk | Probability | Severity | Comment |
|---|---|---|---|
| Demand quality and vendor-adjacent financing | Medium | High | About $50bn invested in frontier laboratories, financing platforms targeting more than $500bn of third-party capital, take-or-pay commitments to NeoClouds and $279bn of supply and capacity commitments. The $105bn OpenAI backstop now has a disclosed termination condition that the counterparty is working toward, which is the first genuine reduction in this risk rather than a better description of it. The rest of the exposure is untouched. |
| Memory cost and margin compression | High | Medium | Guided from 75.0% delivered to a 71% to 72% trough in the fourth quarter before settling at 72% to 73%. Management has said costs exceeded its earlier expectations, which is candid and also an admission that the trough could deepen. Nothing has been disclosed since August to narrow it. |
| Supply and capacity commitments | Medium | High | $279bn of supply and capacity commitments, $32bn of inventory and 60-day receivables. Correct decisions if the cycle holds, expensive ones if it does not. |
| Customer concentration | High | Medium | Hyperscale revenue sits with a handful of buyers and OpenAI alone accounts for approximately 12GW of committed compute through 2030. GPT-6 Astra deepens the relationship and the concentration in the same movement. |
| Asset-life and rental economics | Medium | Medium | Jim Chanos asked on 9 September why NVIDIA does not rent out its own chips if they are as rentable as it claims, and Michael Burry's depreciation thesis remains in circulation. Resale data cited during the week argues the other way. Unresolved, and it bears on the residual value assumed across the customer base. |
| China exclusion | High | Low-Medium | The outlook assumes no China Data Center compute at all. That caps a source of upside and has already removed the corresponding downside. |
| Competitive erosion | Medium | High | Custom silicon, AMD's MI400 and Helios, and fixed-function inference circuits. Nothing in the reported numbers shows erosion; this is a fiscal 2028 question. |
| Valuation and de-rating | Medium | High | At roughly 18.8 times next-twelve-month earnings the multiple embeds continued execution, and sentiment in this name moves quickly, as a 2.0% fall on the day the chief executive declared artificial general intelligence had arrived demonstrated. |

## 5. Sentiment

Sell-side positioning is uniformly constructive and unusually wide. Rosenblatt maintained Buy at $390, BofA Securities Buy at $350, J.P. Morgan Buy at $320, and Needham and Phillip Securities both Buy at $300, with Phillip having raised from $285 on 31 August. Barclays initiated coverage on 1 September with a Buy and a $275 target, and Raymond

James and William Blair both maintained Buy without published targets. A $115 spread between the highest and lowest published target on a $5.5 trillion company is not disagreement about the business; it is disagreement about what multiple a supply-constrained 70% growth guide deserves, which is the same question this report has been working on since August.

Insider activity was heavy and one-directional. A Form 4 filed on 8 September disclosed a director disposal of approximately $235.6m of common stock, following Rule 144 notices on 31 August and 2 September and further Form 4 filings on 2 and 4 September. Sales of that size at this company are routine, scheduled and widely spread, and they are recorded here rather than weighted. Options activity was very heavy at 2.44 million contracts on 8 September against open interest of 16.65 million. The shares go ex-dividend on 10 September for $0.25.

## 6. Technicals

Readings are computed from a 300-session daily series through the 8 September close, with percentage distances measured against the $225.73 price of record. The last report could compute only a 100-day average because the available history stopped there; a full series is now available and the 200-day and 40-week averages are stated for the first time in this coverage. The picture has reversed completely from the pre-print deterioration described in August.

| Indicator | Reading (8 Sep) | Signal | Comment |
|---|---|---|---|
| Close | $225.73 | Bullish | Up 7.7% from the $209.66 reference in the 27 August report. Above the prior report's $205-220 accumulation zone. |
| SMA 20 / 50 | $220.49 / $211.23 | Bullish | Price above both, having been below the 20-day at the last report. The support cluster has risen from $207-208 to $210-211. |
| SMA 100 / 200 | $210.66 / $196.90 | Bullish | Price 7.2% and 14.6% above. The 200-day is computable for the first time in this coverage. |
| EMA 20 / 50 | $219.91 / $214.30 | Bullish | Price above both. The stack that had broken on 26 August has been restored. |
| 40-week SMA | $198.18 | Bullish | Computed from 63 weekly closes. Price 13.9% above. |
| RSI (14) | 56.1 | Neutral | Up from 46.3. Constructive without being stretched, and with room in both directions. |
| MACD (12,26,9) | 3.87 / signal 3.17 / hist +0.70 | Bullish | The histogram has crossed back positive from -1.53 at the last report. Momentum turned with the print. |
| ATR (14) | $7.49 (3.3% of price) | - | Wider than the $6.25 at the last report but still contained for a name of this size. |
| Volume | 20d avg 129.1m vs 50d avg 130.1m | Neutral | The 8 September session traded 119.0m on a 2.0% fall. No distribution signature. |
| Range | 20-day $207.25-$234.76; 100-day $189.80-$236.54 | - | Support at the $210-211 average cluster, then the 60-day low of $189.80. Resistance at $234.76, then the 100-day high of $236.54, which is unchanged. |

Two levels published in August were anchored to computed values and both have been rechecked rather than assumed. The first target of $255 was set just above the 100-day high of $236.54; that high is unchanged, so the target stands. The stop at $186 was set below the 29 July swing low of $190.01; the 60-day low is $189.80 and that structure is intact, so the stop stands at $186 as well. It is worth stating that the standoff between price and stop has widened from 3.8 average true ranges to 5.3 simply because the price rose. That is a reason to enter lower, not a reason to move the stop.

## 7. Investment Scorecard

| Factor | Score | Wt | Chg | Basis |
|---|---|---|---|---|
| Business Quality | **10**/10 | 15% | - | Unchanged. 75% gross margin, a record quarter across every reported line, and a systems and software moat no competitor has replicated at scale. |
| Financial Strength | **9**/10 | 12% | - | Unchanged. The $12.93bn Hugging Face agreement is immaterial against roughly $60bn of quarterly net income, and no new balance sheet disclosure has landed. |
| Competitive Advantage | **9**/10 | 15% | - | Unchanged. Hugging Face adds a developer distribution layer of 18 million users, but the agreement has not closed and delivers nothing yet. |
| Management | **8**/10 | 10% | - | Unchanged. Paying roughly 86 times revenue for Hugging Face is a defensible ecosystem purchase at an indefensible multiple, and it is too small to move the score either way. |
| Growth Potential | **10**/10 | 15% | - | Unchanged at the top of the range. GPT-6 Astra trained on more than 100,000 Grace Blackwell systems with 400,000 GPUs described as coming online. |
| Valuation | **7**/10 | 15% | - | Held rather than cut. About 18.8 times calculated next-twelve-month earnings against about 17.5 times, which is roughly a third of the move that earned the point in August. |
| Risk (10 = lowest risk) | **6**/10 | 12% | +1 | The $105bn OpenAI backstop has a disclosed termination condition and the counterparty is working toward it with Goldman Sachs and Morgan Stanley. The first substantive reduction in the demand-financing exposure. |
| Technical Setup | **8**/10 | 6% | +2 | Price above the 20-, 50-, 100- and 200-day averages and both exponential averages, MACD histogram positive at +0.70 against -1.53, RSI 56.1 against 46.3. |

*Scored 1-10, where 10 is always best, including Risk. Bar length follows the score, so a longer bar is always the better outcome. Weights are unchanged from the 20 and 27 August reports for comparability: Business Quality 15%, Competitive Advantage 15%, Growth 15%, Valuation 15%, Financial Strength 12%, Risk 12%, Management 10%, Technical Setup 6%. The 27 August report used this same direction convention, so no prior score required restatement. Deltas are against that report.*

| BUY | 85 / 100 | 82 / 100 | +3 |
|---|---|---|---|
| RECOMMENDATION | INVESTMENT SCORE | PREVIOUS SCORE | CHANGE |

Six of the eight factors are unchanged, which is the correct outcome for a fortnight containing no results. The three points come from two places: a Risk score that improves because the largest single financing exposure acquired a visible exit, and a Technical Setup score that improves because the tape reversed. Neither is an earnings fact, and the report should not pretend otherwise. Valuation holding at 7 while the multiple moved against the investor is the one judgement in the table that a reader might reasonably contest.

## 8. Recommendation and Trade Plan

The rating is unchanged at Buy. What has changed is that the entry now carries the whole argument, because the shares sit at the top of the accumulation range this coverage published in August and the risk and reward measured from here is poor even though the twelve-month expected return is not.

The arithmetic deserves to be stated rather than buried. Bought at $225.73 against the $186 stop, the risk is $39.73 and the reward to the $255 first target is $29.27, a ratio of 0.74 to one. Bought at $215 the same stop and target produce 1.38 to one, and at $210, on the rising moving-average cluster, 1.88 to one. The fair value of $304 does not change across those three entries; only the loss taken if the thesis fails does. That is the entire case for staging rather than chasing, and it is a stronger case now than it was in August because the price has moved and the stop has not.

| Parameter | Level | Basis |
|---|---|---|
| Recommended entry | Stage on weakness; do not add at spot | The August plan is complete for anyone who followed it. New money should wait for the $210-215 cluster rather than pay the top of the range. |
| Ideal buy range | $210 - $225 | Raised at the floor from $205 as the 50-day and 100-day averages rose to $211.23 and $210.66. The ceiling holds because the guided fourth-quarter gross-margin trough of 71% to 72% has not yet been reported. |
| Cut-loss (stop) | $186 | Unchanged, and deliberately so. Set below the 29 July swing low of $190.01, which is intact at a 60-day low of $189.80. It is 17.6% below spot and 5.3 average true ranges, and it is not being moved to flatter the ratio. |
| Take-profit target 1 | $255 | Unchanged. +13.0% from $225.73, just above the 100-day high of $236.54, which has not moved. |
| Take-profit target 2 | $300 | Unchanged, and still below the $304 weighted fair value. +32.9% from spot. |
| Expected upside | +34.7% weighted; +81.6% at the bull midpoint | Section 9. |
| Expected downside | -17.6% to the stop; -22.5% at the bear midpoint | Section 9. |
| Risk / reward | 0.74 : 1 at spot; 1.38 : 1 at $215; 1.88 : 1 at $210, to target 1 | Measured against the $186 stop. The spot figure is poor and is presented as such. |
| Holding horizon | 12 to 24 months | Long enough for the Vera Rubin ramp and the fiscal 2028 growth outlook to be tested. |
| Position size | Core, volatility-adjusted | A 3.3% daily range and a supply-constrained growth guide belong in a position sized for drawdown. |
| Suggested allocation | 4% to 6% of an equity portfolio | Unchanged. Concentration warranted by the franchise and capped by the demand-quality question. |

What would change this view: a fourth-quarter gross margin below 71%; evidence that the take-or-pay commitments or the NeoCloud revenue-sharing arrangements are being drawn rather than remaining contingent; a fiscal 2028 growth outlook revised materially below 50%; the OpenAI ratings process stalling or being abandoned, which would put the $105bn backstop back where it was; or a break of $186 on volume. On the other side, a sustained easing in long-end Treasury yields would lower the hurdle for the financed portion of the order book, which is the part of demand this coverage trusts least.

## 9. Scenario Analysis

| Scenario | Prob. | Revenue and earnings outlook | Fair value |
|---|---|---|---|
| Bull | 25% (unchanged) | The capital-spending cycle sustains, Vera Rubin ramps to and beyond the guided 20% of third-quarter Data Center revenue, the roughly 70% fiscal 2028 growth guide proves to be the floor it was described as, memory costs pass through cleanly, and the financing guarantees run off undrawn. Fiscal 2028 non-GAAP earnings near $16 at 25 to 27 times. | $390 - $430 |
| Base | 52% (was 50%) | Fiscal 2028 grows 50% to 60% rather than 70%, gross margin troughs at 71% to 72% and recovers to 72% to 73%, China stays at zero, backlog converts on schedule, and the financing commitments remain contingent. Fiscal 2028 non-GAAP earnings of $14.00 to $15.00 at 20 to 22 times. | $295 - $325 |

| Scenario | Prob. | Revenue and earnings outlook | Fair value |
|---|---|---|---|
| Bear | 23% (was 25%) | Hyperscaler digestion, or a demand-quality shock as the $279bn of supply commitments and the third-party financing programme are re-examined and part of the order book is judged non-independent. Growth halves, margin compresses below the guided trough, and the multiple compresses with the estimates to 13 to 15 times. | $160 - $190 |

*Probabilities sum to 100%. Computed from scenario midpoints: 0.25 x $410 + 0.52 x $310 + 0.23 x $175 = $303.95, rounded to $304, against the 8 September close of $225.73 for an implied 34.7% upside. The equivalent figure in the 27 August report was $301 against $209.66, an implied 43.6%. The bands are unchanged because no results have been reported. Two points of probability move from the bear case to the base case, and the reason is narrow and specific: the bear case rests substantially on vendor-adjacent financing being drawn, the largest single instance of that exposure is contractually extinguished if OpenAI obtains a satisfactory credit rating, and OpenAI is now working toward exactly that with two bulge-bracket advisers. The shift is deliberately small because no decision has been taken, no listing timetable has been published, and the remaining $279bn of supply commitments and the wider financing programme are untouched by it.*

## 10. Final Verdict

Would an investor commit new capital to NVIDIA at $225.73? Yes, but not at this price in one movement, and the distinction is not a hedge. The twelve-month case is intact and wide: a company growing revenue 106% on a $96 billion quarterly base, guiding the next quarter to $108 billion, and describing a 70% growth outlook for the following year as limited by what it can manufacture rather than by what customers will buy, trades at roughly 18.8 times this analysis's calculated next-twelve-month earnings against a weighted fair value of $304. Nothing in the last fortnight weakened that, and one thing strengthened it.

That one thing is worth being precise about, because it is the first favourable movement in the concern that has dominated this coverage since August. NVIDIA's $105 billion of credit support for OpenAI's Ohio campus is disclosed as terminable if OpenAI obtains a satisfactory credit rating, and OpenAI is now pursuing an investment-grade rating with Morgan Stanley and Goldman Sachs so that it can borrow in the corporate bond market on its own name. If that completes, the largest single instance of NVIDIA financing its own demand simply expires. It has not completed, no timetable exists, and the surrounding $279 billion of supply and capacity commitments and the wider $500 billion financing programme are entirely unaffected. It moves two points of probability, not the thesis.

The honest weakness of buying here is arithmetic rather than fundamental. The stop stays at $186 because the swing low it protects has not moved, and holding the stop while the price rises 7.7% leaves the ratio of risk to the first target at 0.74 to one. An investor paying $225.73 is accepting a 17.6% loss to be wrong in exchange for 13.0% to be right at the first target, and is relying on the $304 fair value to make the trade work over a longer horizon than the first target implies. Waiting for the $210 to $215 cluster restores the ratio to between 1.4 and 1.9 to one against the same fair value, and the guided fourth-quarter gross-margin trough of 71% to 72%, which reports in November, is a plausible reason such a pullback arrives.

The single biggest concern is unchanged in kind. NVIDIA still sits inside the financing of a meaningful portion of its own demand, and better disclosure of a large exposure is not a smaller exposure. What changed this month is that one large piece of it acquired a written way out. The thesis is invalidated if the guarantees begin to be drawn, if fourth-quarter gross margin undershoots the guided 71% floor, if fiscal 2028 growth is revised materially below 50%, or if $186 breaks on volume. Absent those, this remains a Buy, staged into $210 to $225, with a $186 stop and a fair value of $304.

## Sources and Scope

*Price of record $225.73, the 8 September 2026 close, via Alpha Vantage. Daily price series of 300 sessions via Twelve Data; all technical indicators, including the 200-day and 40-week averages, are computed from that single series rather than read from any third-party summary. Reported results, guidance and call commentary for the July quarter per NVIDIA's Q2 fiscal 2027 release and SEC Form 8-K of 26 August 2026 and the Beating The Bull NVDA reports of 20 and 27 August 2026; no company results have been released since. The Hugging Face agreement per NVIDIA's announcement and Form 8-K of 3 September 2026 and TechCrunch coverage of the same date. The OpenAI and Anthropic investment-grade ratings process, and the disclosed termination condition on the $105bn OpenAI backstop, per Benzinga's report of 8 September 2026 citing regulatory filings. GPT-6 Astra and the Grace Blackwell deployment figures per Investing.com coverage of NVIDIA's chief executive's remarks. Analyst actions, ratings, insider Form 4 and Rule 144 filings and options activity via the moomoo news search and stock digest for 31 August to 9 September 2026. Macroeconomic figures per the Beating The Bull economic coverage of 28 August and 1 to 4 September 2026. All forward earnings figures, multiples and scenario values are this analysis's own calculations from disclosed guidance and are not company measures. Informational use only. Not financial advice.*