

NVIDIA Corporation

NASDAQ: NVDA | Semiconductors & AI Compute Platforms | Equity Research | 21 September 2026

The rating holds and the levels hold. The case for waiting on the entry is slightly weaker than it was.

BUY	\$222.27	\$304	+36.8%
RECOMMENDATION	LAST CLOSE (18 SEP)	12-MO FAIR VALUE	IMPLIED UPSIDE
84 / 100	~18.5x	0.90 : 1	2x units
INVESTMENT SCORE	FWD P/E (NTM, CALCULATED)	R/R AT SPOT TO TARGET 1	FY28 CHIP VOLUME, PER CEO

1. What Has Actually Changed

No results have been published since the July quarter, and the next set is due in November. The estimate base is therefore the one this coverage has used since 27 August, and nothing in it has been revised. The price is \$222.27, 1.5% below the \$225.73 of the 9 September report, after a round trip that took it to \$208.93 intraday on 14 September and back. Four items of news matter, and they pull in different directions.

Development	Detail	Read
Chip volume to double in fiscal 2028	Speaking at a UK summit on 17 September, Jensen Huang said NVIDIA expects to sell twice as many chips next year as this year. The statement refers to units, not revenue, and the company has previously disclosed shipping about 6 million Blackwell GPUs over four quarters. The shares rose 2.5% that day.	Supports the roughly 70% fiscal 2028 growth outlook rather than extending it. Units doubling with a richer Vera Rubin mix is consistent with the guide; it is a chief executive's statement, not new guidance.
Two more financing commitments	NVIDIA committed \$1bn to Nscale's \$3.1bn convertible financing ahead of its NYSE filing on 18 September, and holds more than 5% of the company. Nscale reported first-half revenue of \$140.6m, a net loss of \$1.02bn, \$103bn of contracted value and 52% of revenue from one customer. Separately, Bloomberg reported on 17 September that NVIDIA is a \$2bn anchor investor in Brookfield's \$10bn AI infrastructure fund.	The demand-quality concern grows by another \$3bn. Small against a financing programme targeting more than \$500bn, but both commitments point the wrong way for the question this coverage trusts least.
GPU rental prices rising	Nebius said it will raise NVIDIA GPU rental prices by up to 21% from 1 October, its second increase in three months.	The best available evidence on the Chanos question. Rental pricing power at a NeoCloud is the opposite of the glut that the depreciation bears describe.
AI slowdown calls	On 14 September, remarks from the chief executives of Anthropic and OpenAI about advanced systems moving beyond human control and a slower pace of development hit AI hardware names. NVIDIA fell 3.4%. Huang answered that an unsafe product should be held back and re-engineered, not the industry.	A sentiment shock, not a demand datapoint. It recovered within three sessions. It does show how quickly the narrative can move against the stock.

Nothing above changes the investment case. The unit statement makes the growth outlook more believable; the financing commitments make the demand-quality concern slightly larger; the rental pricing makes the asset-life concern slightly smaller. On balance, this is a reaffirmation.

2. Framework and Drivers

The variables that decide the return are unchanged: hyperscale and sovereign capital spending, the Vera Rubin ramp, gross margin through the memory-cost trough, the independence of demand now that NVIDIA finances part of it, and competitive share. The table records direction since 9 September.

#	Driver	Direction since the last report	Likelihood / impact
1	Hyperscale and sovereign capex	Improved slightly. Unit volume guided by the chief executive to double in fiscal 2028. No new order disclosure.	High / High
2	Vera Rubin ramp and \$/GW uplift	Unchanged. Ian Buck set out the Vera Rubin agentic-computing case publicly on 20 September; the August guide of about 20% of third-quarter Data Center revenue cannot be tested until November.	High / High
3	Gross margin through the memory trough	Unchanged. Guided at 74.0% in the third quarter, 71% to 72% in the fourth, then 72% to 73%.	High / Medium
4	Demand independence and financing	Slightly worse. \$1bn into Nscale and \$2bn into Brookfield's AI fund add to the exposure. No progress has been reported on the OpenAI credit rating that would end the \$105bn backstop.	Medium / High
5	Competitive share retention	Unchanged. Huawei set a 2027 launch for new AI chips, which bears on China only, where the outlook already assumes zero Data Center revenue.	Medium / High

3. Valuation

The forward estimate base is unchanged. It is 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 about 24.2 billion diluted shares. Every multiple moved for one reason only: the price is 1.5% lower.

Method	Basis	Now	9 Sep	Verdict
Forward P/E (NTM)	Calculated next-twelve-month non-GAAP EPS of about \$12.00	~18.5x	~18.8x	Marginally cheaper, well inside the band this coverage regards as fair for a supply-constrained grower.
Forward P/E (FY27)	Calculated fiscal 2027 non-GAAP EPS of about \$9.15	~24.3x	~24.7x	Backward-leaning at this growth rate; shown for continuity.
FY28 P/E at guided growth	About 70% fiscal 2028 growth, 72.5% gross margin, 17% tax	~13.8x	~14.0x	The bull case as a multiple. The unit comment makes this row more credible, not larger.
FY28 P/E at 50% growth	A conservative haircut to the guide	~15.9x	~16.1x	A substantial miss still leaves the shares near 16 times.
Scenario-weighted	Section 9, probabilities unchanged	\$304	\$304	Unchanged. Implied upside widens to 36.8% from 34.7% on price alone.

Valuation holds at 7 out of 10. At about 18.5 times calculated next-twelve-month earnings against a weighted fair value of \$304, the margin of safety is wide by normal standards and has moved by less than two percentage points in a fortnight.

Macro drivers. The first is the cost of third-party capital for data centre construction, because a growing share of the order book is financed rather than paid from customer cash flow. That cost rose. The Federal Reserve raised its target range by 25 basis points to 3.75% to 4.00% on 16 September, its first increase in three years, and its projections carry at least one more this year. The ten-year Treasury yield closed at 5.01% that day before easing to 4.94% on 17 September, after August producer prices ran 5.4% over twelve months and core consumer prices 2.4%. Hyperscaler demand is funded from operating cash flow and is largely insensitive to this. The NeoCloud and fund-financed projects at the edge of the order book, Nscale among them, are not, and that is where the demand-quality question sits. The second driver is memory cost, which is set by the supply chain rather than the rate cycle and is already in the guided margin path.

Every forward figure above is this analysis's own calculation from disclosed guidance, not a company measure. 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, a financing programme targeting more than \$500bn, take-or-pay commitments to NeoClouds and \$279bn of supply and capacity commitments. Added since the last report: \$1bn to Nscale, a loss-making operator with 52% customer concentration, and \$2bn to Brookfield's AI fund. The \$105bn OpenAI backstop's off-ramp has seen no reported progress.
Memory cost and margin compression	High	Medium	Guided to a 71% to 72% fourth-quarter trough. Nothing disclosed since August narrows it.
Supply and capacity commitments	Medium	High	\$279bn of commitments, \$32bn of inventory and 60-day receivables. Correct if the cycle holds, costly if it does not.
Customer concentration	High	Medium	Hyperscale revenue sits with a handful of buyers and OpenAI alone accounts for about 12GW of committed compute through 2030.
Asset life and rental economics	Medium	Medium	Eased slightly. Nebius raising rental prices by up to 21% is direct evidence of pricing power in GPU rental, which the depreciation thesis assumes is absent.
Narrative and policy shocks	Medium	Medium	New in this report. Calls from AI laboratory leaders for a slower pace of development cost the shares 3.4% in one session. A policy response that constrained training runs would matter; remarks alone do not.
China exclusion	High	Low	The outlook assumes no China Data Center revenue. Huawei's 2027 roadmap affects a market already removed from the numbers.
Competitive erosion	Medium	High	Custom silicon, AMD's MI400 and Helios, and fixed-function inference circuits. No erosion in reported numbers; a fiscal 2028 question.
Valuation and de-rating	Medium	High	About 18.5 times forward earnings embeds continued execution in a name whose sentiment moves fast.

5. Sentiment

The sell side remains uniformly positive, and the spread of targets widened at both ends. Bernstein kept Buy at \$400 on 14 September, the highest published target in this coverage. Goldman Sachs kept Buy at \$300 on 11 September, and Piper Sandler started coverage at Buy with a \$300 target on 10 September. Daiwa went the other way on 17 September, cutting its target to \$245 from \$255 while keeping Outperform. Rosenblatt at \$390 and Needham at \$300 were unchanged. A \$245 to \$400 range on the same Buy rating is a disagreement about the multiple, not about the business.

Insider selling continued at a routine pace. A Rule 144 notice on 17 September for an officer's proposed sale of about \$7.66m was followed by five Form 4 filings on 18 September, with a disclosed disposal of about \$7.65m. That is far smaller than the \$235.6m director sale recorded in the last report and is noted rather than weighted. Options activity stayed heavy at 2.74 million contracts on 18 September against open interest of 16.02 million, and that session's 189.7 million shares traded coincided with quarterly index and options expiry.

The moo moo stock digest reads the fortnight as neutral to mildly positive: the unit comment and rental pricing on one side, the 14 September slowdown shock and the growing financing footprint on the other. The raw news feed agrees on the events. It also surfaced the Nscale and Brookfield commitments and the Rule 144 and Form 4 filings, which the digest does not weight.

6. Technicals

Readings are computed from a 300-session daily series through the 18 September close, with distances measured against the \$222.27 price of record. Momentum has cooled since the last report while the trend structure stays intact.

Indicator	Reading (18 Sep)	Signal	Comment
Close	\$222.27	Neutral	1.5% below the \$225.73 reference in the last report. Inside the published buy range.
SMA 20 / 50	\$218.88 / \$214.27	Bullish	Price 1.5% and 3.7% above. The 20-day slipped from \$220.49 while the 50-day rose from \$211.23.
SMA 100 / 200	\$211.76 / \$198.38	Bullish	Price 5.0% and 12.0% above. Both rising.
EMA 20 / 50	\$218.50 / \$215.13	Bullish	Price above both.
40-week SMA	\$199.18	Bullish	Recomputed from 63 weekly closes, up from \$198.18. Price 11.6% above.
RSI (14)	54.2	Neutral	Down from 56.1. Neither stretched nor weak.
MACD (12,26,9)	0.79 / signal 1.52 / hist -0.73	Bearish	The histogram has turned negative from +0.70. Momentum faded in the 10 to 16 September decline and has not yet re-crossed.
ATR (14)	\$6.42 (2.9% of price)	-	Narrower than the \$7.49 at the last report.
Volume	20d avg 134.7m vs 50d avg 125.5m	Neutral	Participation up 7.3%, mostly from the 14 September sell-off and 18 September expiry.
Range	Since 9 Sep \$208.93 - \$226.18; 100-day \$189.80 - \$236.54	-	Support at the 100-day average near \$212, then the 14 September low. Resistance at \$226, then the unchanged 100-day high of \$236.54.

Every published level was rechecked against recomputed values. The first target of \$255 sits above the 100-day high of \$236.54, which has not moved, so it stands. The stop at \$186 sits below the 29 July swing low of \$190.01, which is intact; the lowest print since the last report was \$208.93. It stays. The standoff is now 5.6 average true ranges because ATR narrowed, not because anything was moved. The floor of the buy range was anchored to the 50-day and 100-day averages at \$211.23 and \$210.66; those are now \$214.27 and \$211.76, so the floor rises to \$212.

7. Investment Scorecard

Factor	Score		Wt	Chg	Basis
Business Quality	10/10		15%	-	Unchanged. 75% gross margin and a systems and software moat no competitor has replicated at scale.
Financial Strength	9/10		12%	-	Unchanged. \$3bn of new financing commitments is immaterial to the balance sheet, whatever it says about demand.
Competitive Advantage	9/10		15%	-	Unchanged. Huawei's 2027 roadmap bears on a market the numbers already exclude.
Management	8/10		10%	-	Unchanged. The unit statement is credible and consistent with the guide rather than an upgrade to it.
Growth Potential	10/10		15%	-	Unchanged at the top of the range. Chip volume guided to double in fiscal 2028.
Valuation	7/10		15%	-	Unchanged. About 18.5 times calculated forward earnings against 18.8 times.
Risk (10 = lowest risk)	6/10		12%	-	Held. More financing exposure via Nscale and Brookfield and no progress on the OpenAI rating, offset by rental pricing that eases the asset-life concern.
Technical Setup	7/10		6%	-1	Price above every average, but the MACD histogram turned negative at -0.73 from +0.70 and RSI eased to 54.2.

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 August and 9 September reports: Business Quality 15%, Competitive Advantage 15%, Growth 15%, Valuation 15%, Financial Strength 12%, Risk 12%, Management 10%, Technical Setup 6%. The 9 September report used this same direction convention, so no prior score required restatement. Deltas are against that report.

BUY	84 / 100	85 / 100	-1
RECOMMENDATION	INVESTMENT SCORE	PREVIOUS SCORE	CHANGE

Seven of the eight factors are unchanged, which is the right outcome for a fortnight with no results. The one point comes off Technical Setup, where momentum faded. The Risk score is held on balance. The financing footprint grew and the OpenAI off-ramp did not advance, but GPU rental pricing moved in NVIDIA's favour. A reader could argue that Risk should give back the point it gained on 9 September; the reason it does not is that the backstop's termination condition still exists and nothing has been reported against it.

8. Recommendation and Trade Plan

The rating is unchanged at Buy, on unchanged grounds. The published levels all hold at the current price, and one of them moves up by two dollars. At spot the ratio of risk to the first target is 0.90 to one: \$36.27 of risk to the \$186 stop against \$32.73 of reward to \$255. That is better than the 0.74 of the last report because the price is lower, and it is still below one. At \$215 it is 1.38 to one and at \$212, on the 100-day average, 1.65 to one. The 14 September low of \$208.93 showed that the range floor does get tested.

Parameter	Level	Basis
Recommended entry	Stage; add below \$215 by preference	Anyone who followed the August plan is fully positioned. New money can start at spot and should do most of its buying in the lower half of the range.

Parameter	Level	Basis
Ideal buy range	\$212 - \$225	Floor raised from \$210 as the 100-day and 50-day averages rose to \$211.76 and \$214.27. The ceiling holds until the fourth-quarter margin trough is reported.
Cut-loss (stop)	\$186	Unchanged. Below the intact 29 July swing low of \$190.01. -16.3% from spot and 5.6 average true ranges; not moved to improve the ratio.
Take-profit target 1	\$255	Unchanged. +14.7% from spot, above the unchanged 100-day high of \$236.54.
Take-profit target 2	\$300	Unchanged and below the \$304 weighted fair value. +35.0% from spot.
Expected upside	+36.8% weighted; +84.5% at the bull midpoint	Section 9.
Expected downside	-16.3% to the stop; -21.3% at the bear midpoint	Section 9.
Risk / reward	0.90 : 1 at spot; 1.38 : 1 at \$215; 1.65 : 1 at \$212, to target 1	Measured against the \$186 stop.
Holding horizon	12 to 24 months	Long enough for the Vera Rubin ramp and the fiscal 2028 outlook to be tested.
Position size	Core, volatility-adjusted	A 2.9% daily range and a sentiment-driven 3.4% single-day drop argue for sizing to 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.

Trigger	Direction
Fourth-quarter gross margin below the guided 71% floor	Toward Hold
Take-or-pay commitments, NeoCloud revenue-sharing or the OpenAI backstop being drawn rather than remaining contingent	Toward Hold or Avoid
Fiscal 2028 growth outlook revised materially below 50%	Toward Hold
OpenAI's rating process stalled or abandoned	Risk score back down one point
A break of \$186 on volume	Exit per the stop
Further tightening in financing conditions for data centre projects alongside rising long-end yields	Toward Hold, via the financed part of the order book
A policy response to AI-safety calls that limits training compute, rather than remarks alone	Toward Hold
A sustained easing in long-end yields, or the OpenAI rating secured	Toward a larger allocation

9. Scenario Analysis

Scenario	Prob.	Revenue and earnings outlook	Fair value
Bull	25% (unchanged)	Capital spending holds, Vera Rubin ramps to and beyond the guided 20% of third-quarter Data Center revenue, unit volume doubles as the chief executive described, memory costs pass through and the financing guarantees run off undrawn. Fiscal 2028 non-GAAP EPS near \$16 at 25 to 27 times.	\$390 - \$430

Scenario	Prob.	Revenue and earnings outlook	Fair value
Base	52% (unchanged)	Fiscal 2028 grows 50% to 60%, gross margin troughs at 71% to 72% and recovers to 72% to 73%, China stays at zero, backlog converts, financing commitments stay contingent. Fiscal 2028 non-GAAP EPS of \$14.00 to \$15.00 at 20 to 22 times.	\$295 - \$325
Bear	23% (unchanged)	Hyperscaler digestion, or a demand-quality shock as supply commitments and the third-party financing programme are re-examined. Growth halves, margin falls below the guided trough, and the multiple compresses to 13 to 15 times.	\$160 - \$190

Probabilities sum to 100%. From scenario midpoints: $0.25 \times \$410 + 0.52 \times \$310 + 0.23 \times \$175 = \303.95 , rounded to \$304, against the 18 September close of \$222.27 for 36.8% implied upside. Bands and probabilities are unchanged. The unit statement strengthens the bull case's premise, while the added financing commitments and a tightening Federal Reserve strengthen the bear case's. Neither is large enough to move a probability point on its own.

10. Final Verdict

Would an investor commit new capital to NVIDIA at \$222.27? Yes, in stages. The twelve-month case is the same one this coverage has held since August. A company that grew revenue 106% on a \$96bn quarterly base is guiding to \$108bn next quarter and has just said it will ship twice as many chips next year. It trades at about 18.5 times calculated forward earnings against a weighted fair value of \$304. The fortnight produced one statement that makes the growth outlook more believable and one piece of market evidence, NeoCloud rental prices rising, that weakens the depreciation bear case.

It also produced the opposite. NVIDIA put another \$3bn into financing parts of its own customer base, one of them a company losing about seven dollars for every dollar of revenue with half its revenue from a single customer. It did this in the same week the Federal Reserve raised rates and the ten-year yield touched 5%. The OpenAI rating that would end the \$105bn backstop has seen no reported progress. Better disclosure is not a smaller exposure, and this fortnight the exposure grew.

The trade is slightly better than it was because the price is lower and the stop has not moved: 0.90 to one at spot against 0.74 a fortnight ago. Buying most of the position below \$215 still takes the ratio above 1.3 to one. The thesis is invalidated if the guarantees begin to be drawn, if fourth-quarter gross margin undershoots 71%, if fiscal 2028 growth is revised materially below 50%, or if \$186 breaks on volume. Absent those, this remains a Buy, staged into \$212 to \$225, with a \$186 stop and a fair value of \$304.

Sources and Scope

Price of record \$222.27, the 18 September 2026 close, via Alpha Vantage. Daily price series of 300 sessions via Twelve Data; all technical indicators, including the 40-week average, are computed from that single series. Reported results, guidance and call commentary for the July quarter per NVIDIA's Q2 fiscal 2027 release and Form 8-K of 26 August 2026 and earlier Beating The Bull NVDA reports; no results or earnings call have occurred since. Chief executive remarks on chip volume per CNBC, Benzinga and Seeking Alpha coverage of 17 and 18 September 2026. Nscale financing and filing details per Reuters coverage via MarketScreener and The Business Standard, 18 September 2026. Brookfield fund commitment per Bloomberg via Yahoo Finance, 17 September 2026. Nebius pricing per company announcement coverage of 17 September 2026. The 14 September sell-off per The Motley Fool and CNBC. Analyst actions, Rule 144 and Form 4 filings and options activity via the momoo news search and stock digest for 9 to 21 September 2026. Macroeconomic figures per the Beating The Bull economic coverage of 10 to 18 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.