

How Oracle's \$455b Backlog Crowned NVIDIA's AI Reign

- Oracle's record AI-driven backlog sent a strong demand signal for NVIDIA.
- With CUDA, rapid innovation, and Huang's leadership, NVIDIA stays dominant.
- Recommend a BUY with TP of THB34.25 (\$211, USD/THB at 32.5)

Oracle's \$455b AI Backlog Ignites Sector Sentiment

Oracle's extraordinary performance on 11-Sep-25, has significantly bolstered sentiment across the AI sector. Oracle shares surged **36%**, propelling its market cap to **~\$933b** and making Larry Ellison the world's richest person. The catalyst for this rally was Oracle's remarkable 1Q26 results, which revealed RPO (remaining performance obligations) jumping to **~\$455b** driven by AI infrastructure bookings, including what appears to be the **largest single cloud deal ever with OpenAI**. Oracle's growth trajectory for its cloud infrastructure segment—projecting **14x expansion from \$10b in 2025 to \$144b in 2030**—underscores the massive demand for AI infrastructure, directly benefiting NVIDIA as the dominant GPU supplier.

From Chips to Cloud: Oracle Embeds NVIDIA at the Core of AI

The implications for NVIDIA are substantial and multifaceted. Oracle has reportedly committed to purchasing **~400,000 NVIDIA GB200** AI chips **worth \$40b** for deployment in its data center, one of the largest single GPU orders in history. This massive procurement not only provides NVIDIA with **significant revenue visibility** but also validates the **sustained demand trajectory** for its next-generation Blackwell. Furthermore, Oracle's planned CAPEX of \$35b for the fiscal year—an increase of 65% y-y—signals continued aggressive investment in AI infrastructure. Importantly, the deepening strategic partnership between the two companies—highlighted by the integration of 160+ AI tools and over 100 NVIDIA NIM microservices into Oracle Cloud Infrastructure—embeds **NVIDIA's ecosystem** at the heart of Oracle's AI.

Why NVIDIA Is Hard to Displace

At this stage of the AI cycle, NVIDIA is the clear beneficiary—not by luck, but by **vision**. Nearly a decade of sustained, low-monetizing **investment in AI hardware and software** left the company uniquely prepared for the “ChatGPT moment.” Today, NVIDIA's full-stack approach—anchored by the CUDA software platform, developer tools, and tightly integrated systems—has become the de facto **standard for AI infrastructure**. The resulting network effects and high switching costs make the stack difficult to replicate, reinforcing share leadership. Therefore, we **expect NVIDIA to remain the dominant** platform provider through the coming leg of AI adoption.

Jensen's Edge: Execution and Vision at the Helm

A key driver of **NVIDIA's success is CEO Jensen Huang**, whose **execution track record remains outstanding**, with deviations mainly due to government policy shifts. His strong ties with regulators also help the company navigate complex rules. Competitively, NVIDIA's **annual pace of innovation** makes it difficult for rivals to catch up. The larger risks may come from external factors, such as potential U.S. power shortages or geopolitical tensions around Taiwan. While not our base case—given the heavy costs such disruptions would impose—but both warrant monitoring.

Recommend a BUY with TP of THB34 (\$213, USD/THB at 32)

We recommend a **BUY** on **NVDA80**, with a Bloomberg consensus TP of **THB34** (equivalent to \$213, USD/THB at 32). Nvidia trades at around 41x forward P/E, which is **comparable to peers**. Nvidia is now extracting infrastructure rent across the AI value chain, reinforcing its position as the most critical enabler in the AI economy.

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Exhibit 1: Oracle Stock Price



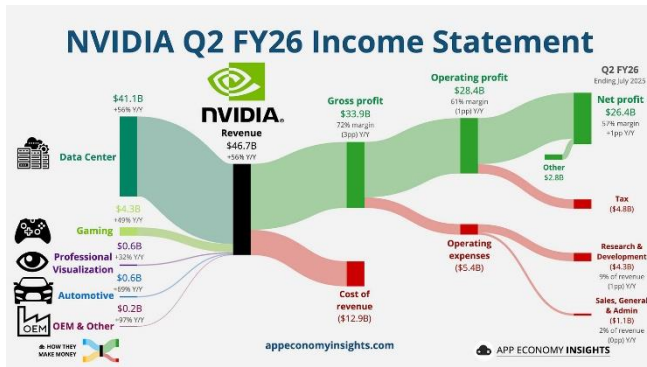
Sources: Google

Exhibit 2: Oracle and NVIDIA Collaboration



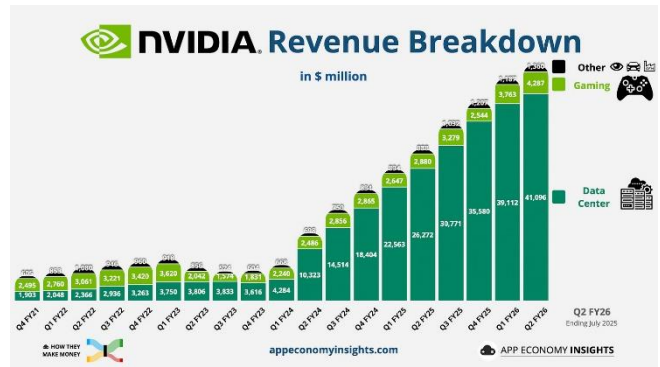
Sources: NVIDIA

Exhibit 3: NVIDIA's Q2 26 results



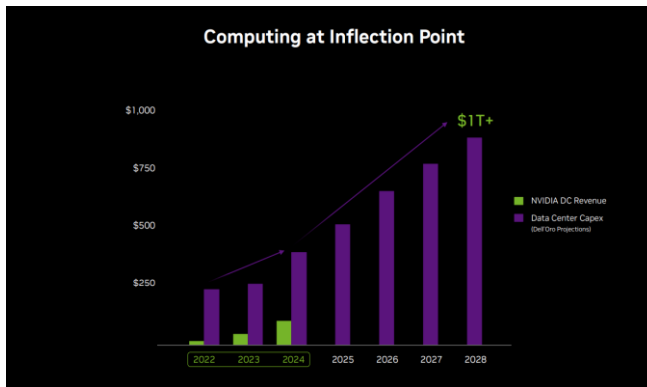
Sources: App Economy Insight

Exhibit 4: NVIDIA's revenue breakdown



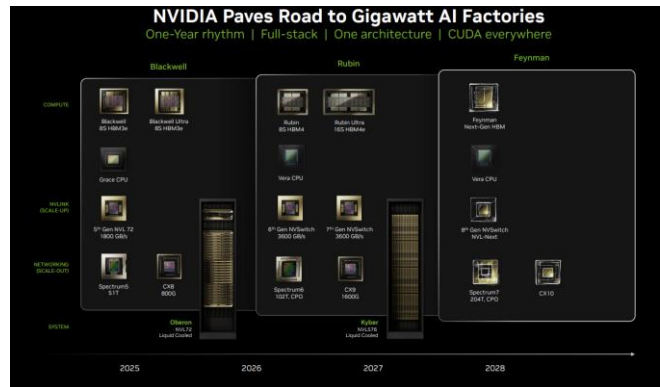
Sources: App Economy Insight

Exhibit 5: NVIDIA's Total Addressable Market (TAM)



Sources: NVIDIA

Exhibit 6: NVIDIA's Product Lineup



Sources: NVIDIA

GENERAL DISCLAIMER

Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.