

N10° Signal Weekly

June 9, 2026

THE LEAD

Computex Week Changed the Map.

Four events in five days: NVIDIA entered the PC CPU market, Jensen Huang declared Marvell “the next trillion-dollar company” (stock +32%), Alphabet raised \$84.75 billion for AI compute backed by Berkshire Hathaway, and for the first time in internet history, bots surpassed human web traffic...eighteen months ahead of Cloudflare’s own forecast.

“*The age of useful AI has arrived. What’s necessary now is connectivity.*”

— Jensen Huang, Computex 2026

COMPUTEX 2026

NVIDIA Enters the PC...

and Names MRVL Its Trillion-Dollar Partner

Jensen Huang unveiled the RTX Spark, NVIDIA’s first Windows PC processor, co-developed with Microsoft and MediaTek: 20-core Arm CPU, Blackwell GPU with 6,144 CUDA cores (RTX 5070-class), 128GB unified memory, and the full CUDA software stack. Debuting fall 2026 on Microsoft Surface, Dell, HP, ASUS, Lenovo, and MSI. Arm simultaneously confirmed 50% of hyperscaler CPU compute; a structural inflection. AMD’s counter: x86 retains data center primacy through compatibility, zero-refactor portability, and performance-per-watt parity with EPYC. Both can coexist; PC/edge goes Arm, data center stays split.^[1,16]

MRVL: Biggest Single-Day Gain Since 2000

On stage at Computex with Marvell CEO Matt Murphy, Huang called MRVL “the next trillion-dollar company.” The rationale: as AI clusters disaggregate compute across thousands of chips, connectivity becomes as critical as the chips themselves. NVIDIA had quietly taken a \$2 billion stake three months prior.^[2]

Marvell at Computex — The Numbers

MRVL one-day gain — biggest since 2000	+32.5%	June 2
Market cap added in one session	~\$82B	
NVDA stake in MRVL (March 2026)	\$2.0B	Partner
MRVL FY2026 data center revenue	\$6.1B	Record
Interconnect revenue guidance (raised)	+70% YoY	Was +50%
MRVL FY2028 revenue guidance	~\$16.5B	Management

THE AGENTIC WEB

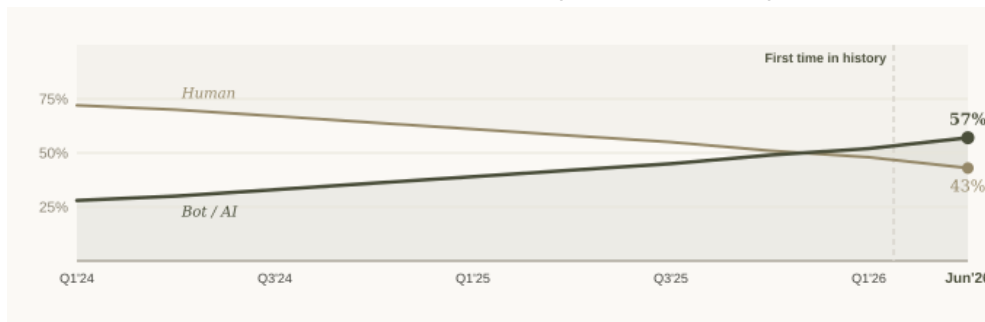
Bots Have Passed Human Traffic

18 Months Early

On June 3, Cloudflare CEO Matthew Prince announced that automated bot and AI agent traffic has surpassed human traffic online for the first time in internet history, arriving roughly 18 months ahead of his 2027 forecast. Per Cloudflare Radar: bots 57.5% of HTTP requests, humans 42.5%. The driving force is not traditional scrapers, it is agentic AI performing tasks on behalf of users, visiting thousands of sites per query where a human visits five.^[3]

- Cloudflare blocked 416+ billion AI bot requests since July 2025 at site owners’ request, and bots still crossed 50%.^[3]
- Automated traffic grew 8x faster than human traffic across 2025 (HUMAN Security, State of AI Traffic 2026).^[4]
- “The web is going headless; that changes the economics of search, discovery, traffic, and monetization.”
- Deirdre Bosa, CNBC.

Bot vs. Human Web Traffic Share, 2024–2026 (Cloudflare Radar)



Crossover confirmed June 2026. NET’s Pay per Crawl and AI bot governance products now address present reality, not a future thesis.

EARNINGS SIGNAL

Broadcom: “Canary in the Coal Mine for Software”

Broadcom’s Q2 FY2026: AI chip revenue \$10.8B (+143% YoY), total revenue \$22.2B (+48%). The stock fell 12% after hours. The sell is less about the AI business and more about what else the report revealed.^[5]

Broadcom AI Semiconductor Revenue by Quarter

Quarter	AI Rev.
Q2 FY25	\$4.5B
Q1 FY26	\$8.4B
Q2 FY26	\$10.8B
Q3 FY26↑	\$16.0B

Why the stock fell:

- Q3 AI chip guide (\$16B) missed the \$17.2B consensus
- VMware/software: \$7.18B vs. \$7.32B expected, +9% only
- Google to “draw on multiple chip suppliers” going forward
- Shift to “chips only”...not fully-integrated AI systems

Andrew’s read: “This is the canary in the coal mine for software.” VMware’s softness confirms the SaaS disruption thesis: enterprise software spend is bifurcating toward AI-native platforms and away from legacy bundles.

CAPITAL & POLITICS

The \$85B Signal and the Seattle Moratorium

Alphabet raises \$84.75B — first share issuance since 2005

Announced June 1, upsized June 3. Structure: \$18B in stock, \$16.75B in mandatory convertible preferred (6.25%), \$40B at-the-market program (Q3 onwards), plus a \$10B private placement from Berkshire Hathaway. Purpose: AI compute infrastructure. 2026 capex guidance already \$180-190B; Bank of America estimates the raise signals 2027 capex could reach \$270B+.^[6,10]

Amazon engineers testify at City Hall

Three Amazon engineers appeared at Seattle City Council hearings to support a 1-year moratorium on large-scale AI data center construction. AWS engineer Patrick Schloesser: “Amazon is spending \$200 billion on capital this year, mostly on AI. Meanwhile, my company has laid off 30,000 corporate employees in the last eight months.” The Land Use and Sustainability Committee voted unanimously to advance the moratorium. Nationally: 14 states considering data center restrictions; \$156B+ in AI-linked projects were delayed or blocked in 2025. The physical buildout now faces three constraints: grid, capital markets, and politics.^[7]

PORTFOLIO: ENTERPRISE AI IN PRACTICE

Uber’s AI Playbook

...A Portfolio Case Study

Dara Khosrowshahi disclosed that Uber blew through its entire annual AI budget in a single quarter. AI is now embedded across engineering, debugging, platform migrations, and system redesign. The company is metering headcount because engineer throughput is rising; AI productivity is real, and the cost is significant.^[8]

- Token pricing strategy: expensive frontier models to explore new workflows, then migrate to efficient or open-source models at scale.
- Andrew Urbanski: “ChatGPT is the most cost-efficient model per token because OpenAI invested early in compute. That ecosystem is best represented by MSFT and ORCL.” META leads in open-source LLMs.
- Citi raised ORCL price target to \$330 (from \$320): “one of the strongest revenue/EPS accelerations in tech as large AI contracts ramp.”^[9]

MARKET INTELLIGENCE

Earnings-Driven. Secular. Not a Bubble.

- Jurrien Timmer (Fidelity): the 2022–2026 bull delivered 123% total return; EPS drove the majority, not P/E expansion. The S&P at 22–23x forward P/E is in the upper valuation band but supported by margin expansion and tight credit spreads. Secular trendline since 2009 is steeper than the 150-year average and we’re tracking on it.^[11]
- Extreme Nasdaq Winners: 6 Nasdaq 100 stocks are up 400%+ over the trailing 12 months. At the 2000 bubble peak: 22. The AI rally has produced outliers, but is nowhere near the prior bubble’s scale.^[12]
- JOLTS April 2026: job openings 7.6 million...highest since May 2024, above 6.8M estimate. Jonny Matthews (@super_macro): S&P EPS growth and job openings have tracked tightly for 25 years. Where profits go, labor demand follows.^[13,14]

THREE CURRENTS

Commodities · Fixed Income · Labor

- **Commodities:** Alphabet's \$85B raise and Amazon's \$200B capex signal the hyperscaler buildout is accelerating, not plateauing. Combined big-four hyperscaler capex: ~\$700B this year. That spend flows into semiconductors, power, cooling, and networking.
- **Fixed Income:** 30-year TIPS near 2.8% real. With S&P EPS +23% and the secular bull intact, duration risk in fixed income is elevated relative to the AI infrastructure equity opportunity.
- **Labor:** The Amazon/Seattle story captures the emerging tension; companies simultaneously deploying hundreds of billions in AI compute and eliminating white-collar positions. The political response (moratoriums, state regulations) is accelerating.

FINAL NOTE · JUNE 9, 2026

Bots now outnumber humans on the internet. NVIDIA is in your laptop. Marvell added \$82 billion in a day. Alphabet raised more capital in a week than most companies are worth. Amazon engineers testified against their own employer at City Hall.

These are not coincidences. They are the same story at different layers of the stack: AI is restructuring traffic, architecture, capital, and labor simultaneously. The portfolio is positioned where the friction is highest and the supply is most constrained.

PORTFOLIO IMPLICATIONS

Current Exposures

- **MRVL** Jensen's thesis is grounded: connectivity is as critical as compute; FY2028 guide ~\$16.5B; NVDA backstop
- **NVDA** RTX Spark extends CUDA from datacenter to PC; new AI agent deployment surface at the edge
- **MSFT / ORCL** The compute infrastructure for enterprise token pricing; confirmed by Uber case study + Citi PT raise
- **PLTR** Operational AI governance; directly benefits as agentic deployments multiply in regulated enterprises
- **VRT / GEV / PWR** Alphabet's raise signals 2027 capex may reach \$270B+; power/cooling buildout accelerating
- **META** Open-source LLM leadership matters more as enterprise AI scales and cost-per-token optimization rises
- **SNDK** Both make the memory chips that AI runs on: MU supplies the high-speed working memory sitting directly inside AI accelerators (think RAM for the chip itself); SNDK supplies the storage chips that hold the data AI retrieves, logs, and saves between sessions. Margins at both companies have roughly doubled in the past year as AI demand overwhelms available supply, and that supply constraint is expected to persist through 2028.

Where Caution Is Warranted

- AVGO software (VMware): 9% growth and a guidance miss confirm enterprise software spending pressure broadly.
- Data center permitting: Seattle moratorium is a local symptom of national regulatory friction; factor into capex timelines.
- IPO hype: the IPO ETF (+188% since 2013) has trailed QQQ (+927%) and SPY (+444%) by a wide margin. Apply that lens to all 2026 listings including SpaceX.^[15]

ALSO THIS WEEK

Five More Signals

1 Google Pays SpaceX \$920M/Month for Compute

Disclosed June 5 in SpaceX's amended S-1: Google will pay \$920 million per month from October 2026 through June 2029 for access to ~110,000 NVIDIA GPUs at xAI data centers; approximately \$32 billion total. Google's stated reason: "bridge capacity to meet surging customer demand for Gemini Enterprise, which has been even higher than we expected." Anthropic is simultaneously paying SpaceX \$1.25B/month for all available compute at Colossus 1 in Memphis. Combined: ~\$26B/year from two customers alone.^[17]

Andrew Urbanski's read: "ORCL validation" ...if even Google, spending \$180-190B in capex this year, needs to rent third-party compute as bridge capacity, the shortage is real, structural, and multi-year. ORCL's OCI remaining performance obligations of \$553B (+325% YoY) are the public-market expression of that same demand.

MRVL + FLEX Join the S&P 500 on June 22

- S&P Dow Jones announced June 5: MRVL and FLEX replace Pool Corp and Campbell's at the quarterly rebalance. Every S&P 500 index fund and ETF must now buy both names (forced demand independent of fundamentals).^[18]
- MRVL +300% YTD, FLEX +250% YTD. In the March rebalance, LITE, VRT, and COHR were added. AI infrastructure is systematically replacing consumer staples in the benchmark.

Andrew's Capex Call

- AI token budgets are being blown out across corporate America, feeding "model routing"; companies routing queries to the most cost-effective model by task.
- LLMs with the most compute (chips and power) win in a tokenized world. Between GOOGL's \$85B raise and a whispered META equity raise, N10° believes AI datacenter spend may increase 40%+ YoY again.
- AI models now represent sovereign security interests — budgets may become embedded in global defense spending, not just domestically.

2 The Advertising Paradigm Shift: Agents Attack Intent, Not Attention

Agentic AI restructures the \$740B global ad market unevenly. Ads that monetize intent (search, shopping, travel, insurance) are at high risk. Ads that monetize attention (social, video, entertainment) are resilient. The market moves from millions of cheap impressions toward fewer, more expensive "decision auctions."^[22]

- META is projected to overtake Google in global digital ad revenue in 2026 (\$243.5B vs. \$239.5B).^[24]

- GOOGL: own as a YouTube + Gemini + Cloud + Search transition story, not a monopoly-search compounder. Apply a higher terminal multiple haircut to Search than YouTube.^[22]

Best expression: prefer META and MSFT/OpenAI over pure GOOGL Search exposure. Own AMZN for commerce control; underwrite modest retail-ad take-rate compression over time.

3 The Memory Debate: SNDK vs MU

- MU = strategic active-memory bottleneck. FQ2 revenue \$23.86B, gross margin 74.4%; Q3 guide \$33.5B at ~81% GM. HBM supply sold through 2026 including HBM4. If HBM/DRAM stays the AI bottleneck, MU wins.^[25]
- SNDK = convex persistent AI-memory exposure. If hybrid architectures reduce KV-cache intensity, value migrates toward NAND's persistent agentic memory, retrieval indexes, agent traces, edge storage. Q2 gross margin 50.9%; guiding 65–67% in Q3.^[26]

Andrew's framework: own both. MU = core; SNDK = convex satellite...SNDK may be the mis-modeled name if the market is still underestimating AI-driven NAND demand.^[23]

4 Jobs: Two Interpretations of the Same Report

May nonfarm payrolls: +172K vs. 88K expected; prior months revised up 93K. Market sold off. Cathie Wood (ARK): “misreading the signal.” Productivity growth ~3%, unit labor costs ~0.5% — hallmarks of productivity-driven growth, not an inflationary boom. The yield curve is flattening despite 55% YoY oil prices, suggesting the bond market is discounting AI-driven deflation. Gold peaked the day Kevin Warsh was appointed Fed Chair. If ARK is right, the next phase is accelerating growth, declining inflation, falling rates, and a strengthening dollar: “a remarkably supportive backdrop for innovation-led equities.”^[19]

5 AI-Attributed Job Cuts: Accelerating Fast

- Challenger, Gray & Christmas: 97,000+ U.S. job cuts in May...highest May since the pandemic; third consecutive month of increases.^[20]
- AI cited as primary reason for ~40% of May's cuts, up from 7% in January → 10% February → 25% March → 26% April.^[20]
- YTD AI-attributed cuts: 87,714; already 60% more than all of 2025 (54,836). Andrew Yang (CNBC, June 4): “Are we replacing junior analysts and engineers with AI? Yes.” He proposes a token tax to replace income tax revenue lost to AI displacement; Anthropic's Dario Amodei has endorsed a 3% token tax.^[21]

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