UOB PRIVATE BANK

CIO Insights: Market Perspectives

# Rumbles at the epicentre of AI

12 November 2026

## Key Takeaways:

- An abrupt leadership change at Nvidia would likely trigger a valuation reset and governance shock rather than an earnings collapse. Existing orders, the CUDA ecosystem and current product shipments should cushion near-term financial performance.
- The key risk is execution. If leadership continuity, engineering retention and product roadmaps remain intact, disruption should be manageable. If senior talent exits alongside product delays, earnings and market share could come under meaningful pressure.
- Base case is a period of uncertainty, lower valuation multiples and gradual market-share leakage. The bull case is orderly succession; the bear case is leadership departures combined with roadmap slippage and weaker hyperscaler demand.
- Beneficiaries: rival GPU vendors, custom-silicon developers, networking providers and hyperscalers promoting proprietary accelerators. Most at risk: GPU-centric cloud providers, Nvidia-dependent server and rack manufacturers, AI infrastructure suppliers, and semiconductor firms with high exposure to future Nvidia orders.

### What happens when the first domino falls?

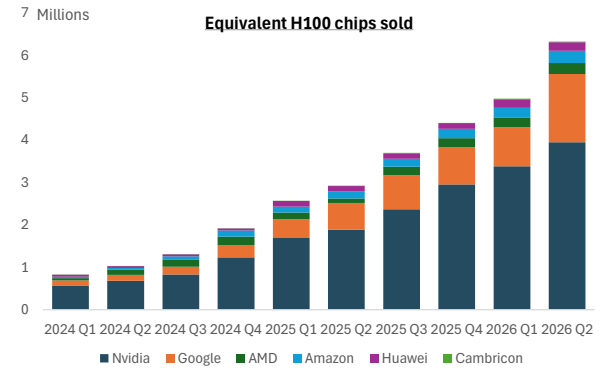
Nvidia's board is reportedly considering whether to remove Jensen Huang following allegations involving a Chinese businesswoman whom US intelligence reportedly suspects of espionage, and a separate relationship with an Nvidia executive who reported to him. Nvidia says it has no reason to believe national security or corporate secrets were compromised. China has rejected the espionage allegations, while the claims remain under investigation.

Legally, the board has room to act. Nvidia's officers serve at the board's pleasure and can be dismissed without shareholder approval. Huang owns roughly 3.6% of the company, giving him considerable economic exposure but no special voting control. Removing him as chief executive would not automatically remove him from the board.

Independent directors have appointed Joon H. Kim, a former acting US Attorney for the Southern District of New York and now a partner at Wachtell, Lipton, Rosen & Katz, to lead an investigation. That is not the appointment one makes for a quick box-ticking exercise. It suggests the board wants a record robust enough to support regulatory engagement, disciplinary action or a negotiated exit.

The board's dilemma is brutal. Retaining Huang could deepen the governance, regulatory and reputational problem. Removing him would mean replacing the architect of Nvidia's strategy, culture and customer relationships, with no obvious successor waiting in the wings.

Fig 1: Nvidia dominates the world's compute




Source: Epoch AI, UOB Private Bank

### The factories will not stop

The immediate operational impact would probably be less dramatic than the headlines suggest. Nvidia's fabrication orders, memory purchases and server production schedules would continue. CUDA would not vanish. Neither would demand from the world's largest cloud companies.

The real risk appears over the following 12 to 36 months.

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Nvidia does not manufacture its own chips. Asia does most of the difficult physical work: Taiwan produces the leading-edge silicon, advanced packaging and AI servers; South Korea supplies most of the high-bandwidth memory; Japan contributes critical substrates, materials and testing equipment.

Nvidia says its latest systems involve more than 150 Taiwanese partners and over 350 factories across 30 countries. This is less a supply chain than an industrial orchestra. Huang has been its conductor.

## Taiwan sits at the centre

The most important dependency is advanced chip fabrication and packaging in Taiwan. Producing the silicon is only half the job. The processor must then be joined with several stacks of high-bandwidth memory using highly sophisticated packaging.

This packaging capacity has become one of the industry's tightest bottlenecks. Nvidia is estimated to have reserved a majority of the leading Taiwanese foundry's available capacity, although customer allocations are not publicly disclosed.

Fig 2: TSMC's estimated customer concentration

| Rank | Customer | 2025 share | 2026E share | Principal driver |
|---|---|---|---|---|
| 1 | NVIDIA | 19% | 21-23% | Blackwell and Rubin, networking silicon and CoWoS packaging |
| 2 | Apple | 17% | 16-18% | A-series and M-series processors; early adoption of N2 |
| 3 | Broadcom | 8% | 9-11% | Google TPU, Meta ASICs, networking and other custom AI |
| 4 | AMD | 7% | 7-8% | EPYC, Ryzen and Instinct accelerators |
| 5 | Qualcomm | 6% | 5-6% | Snapdragon smartphone, PC and automotive processors |
| 6 | MediaTek | 6% | 5-6% | Dimensity smartphone and connectivity chips |
| 7 | Intel | 5% | 4-5% | Outsourced compute tiles, GPUs and selected client products |
| 8 | Marvell | 4% | 3-4% | Custom AI silicon, optical DSP and networking products |
| 9 | Sony | 4% | 2-3% | Smartphone image sensors and associated logic |
| 10 | Amazon | 4% | 3-4% | Trainium, Inferentia and Graviton processors |
| | **Top 10** | **78%** | **78-83%** | |

Source: Various media, UOB Private Bank

A delay to Nvidia's product roadmap would therefore ripple through foundries, packaging houses, testing companies and substrate manufacturers. Yet the leading foundry is relatively well protected. Rival accelerator makers and cloud companies designing their own chips would happily take some of the released capacity.

The more exposed businesses are those that have built specialised facilities around Nvidia's product cycle.

## Memory is the second choke point

South Korea supplies much of the high-bandwidth memory sitting beside Nvidia's processors. This is not ordinary memory. It is difficult to manufacture, qualify and stack, with production yields determining how many finished accelerators can ship.

Fig 3: Memory player's estimated Nvidia exposure

| Company | Rank | Customer | Share of memory sales | Main memory product |
|---|---|---|---|---|
| Samsung | 1 | Apple | 8-11% | LPDDR5X mobile DRAM and NAND |
| Samsung | 2 | Alphabet | 7-9% | HBM3E and DDR5 for TPU and data centres |
| Samsung | 3 | Microsoft | 4-6% | Server DDR5, NAND and enterprise SSDs |
| Samsung | 4 | Meta | 3-5% | Server DDR5, HBM and enterprise SSDs |
| Samsung | 5 | NVIDIA | 2-4% | HBM3E and graphics memory |
| SK hynix | 1 | NVIDIA | 24% | HBM3E and HBM4 |
| SK hynix | 2 | Apple | 7-9% | LPDDR mobile DRAM and NAND |
| SK hynix | 3 | Microsoft | 5-7% | Server DDR5 and Solidigm enterprise SSDs |
| SK hynix | 4 | Alphabet | 4-6% | Server DDR5, enterprise SSDs and AI memory |
| SK hynix | 5 | Amazon | 3-5% | Server DDR5 and Solidigm enterprise SSDs |

Source: Bloomberg, UOB Private Bank

The leading Korean producer is believed to supply most of the memory used in Nvidia's current systems, while another Korean manufacturer is trying to win more business in the next generation. Exact allocations remain undisclosed.

These manufacturers should remain relatively resilient even if Nvidia stumbles. Rival processors and custom

chips still need high-bandwidth memory. The greater risk is that scarcity fades, weakening prices and margins just as new factories come online.

### The vulnerable end is server assembly

Taiwanese manufacturers assemble Nvidia's chips, memory, switches, power systems and cooling equipment into complete AI racks. Their revenues have surged, but assembly remains a relatively thin-margin business.

That combination creates sharp operating leverage. A modest delay can leave factories underused, inventories elevated and working capital trapped. The most vulnerable players are therefore Nvidia-concentrated rack manufacturers and specialist component suppliers that expanded aggressively for one product roadmap.

By contrast, manufacturers able to build systems using rival GPUs or cloud companies' proprietary chips are better placed. They can follow the spending even if Nvidia loses market share.

### What investors should watch

The critical question is not simply whether Jensen Huang stays or goes. It is whether Nvidia preserves its engineering team, annual product cadence and willingness to reserve manufacturing capacity years in advance.

Three warning signals matter:

- Senior technical departures
- Delays to the next product generation
- Reduced orders or capacity commitments from major cloud customers

An orderly succession would turn this into a valuation and governance shock. A disorderly transition, combined with product delays, could turn it into an earnings problem across Asia.

The distinction matters. Power, cooling, memory and advanced manufacturing remain essential whoever supplies the processor. Nvidia-specific assemblers and specialised component suppliers face much greater risk.

The AI investment cycle would not end with Jensen Huang. However, the profits could migrate, and Asia's supply chain would quickly reveal where the real bargaining power sits.

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