Computex 2026's Key Highlight to be CPU!

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What's new

Ahead of COMPUTEX 2026 (June 2–5), we provide our thoughts and analysis of Vera CPU and Server CPU TAM.

Comments

Nvidia to Focus on Vera CPU: At the upcoming Nvidia's Keynote on June 1st, we expect the company to highlight the Vera CPU systems purpose-built for Agentic AI, showcasing its superior inference capabilities by delivering up to 1.5x faster, 2x performance, and 4x density per rack vs x86 alternatives. For now, per our *NVDA's review* report on May 21, based on OSATs' CoWoS-R build estimates, we conservatively forecast Vera CPU shipments of 1.2m/4.2m units in FY27E/FY28E. That said, we expect its standalone rack solution to gain traction moving forward. According to the Rubin Pod layout debuted at GTC, pairing 2 Vera CPU racks (256 CPUs) with 16 Rubin NVL72 racks (1152 GPUs and 576 CPUs) yields a nearly 1:1 GPU-to-CPU ratio (1152 GPUs and 1088 GPUs). Of note, we see this setup as just the beginning, as Intel CEO Li-Bu Tan stated on May 19 that agentic/reinforced learning workflows could even drive this ratio to 1:4. Therefore, considering frontier models' deployments (Claude Opus 4.7, Gemini 3.5, GPT-5.5, etc.) amid surging agentic applications, we believe there remains upside for Vera CPU adoption across data centers.

Intel to Showcase Wildcat Lake: Following the Panther Lake ramp-up, we expect Intel to highlight Wildcat Lake, the entry-level CPU fabricated on the Intel 18A process to join the Core Series 3 lineups. Featuring 2 P Cores + 4 LP-E Cores and 15w Power with up to 21 TOPs, we believe this chip will be competitive with a lower price point to compete with MacBook Neo. Shipments to Chinese OEMs have started, with volume to ramp up in 3Q26 for other vendors. On the other hand, DIGITIMES reports that Nova Lake has begun ES with an expected launch in 2H26. Boasting up to 52 cores and 288MB Cache, with compute tiles built on TSMC's N2P, Nova Lake could help its market share in desktops. In addition, the product roadmap is well supported by on-track 18A yield improvements (+7% per month).

Our Server CPU TAM Analysis Suggests 49% CAGR to $211bn by 2030E: We model the TAM by breaking down workloads into training and inference, highlighting that Agentic AI requires a significantly higher CPU density. While training infrastructure (e.g., Microsoft) allocated power at a 6:1 ratio, the orchestration required for Agentic inference shifts the ratio to 1:1. Then factoring in chip TDPs, this power allocation translates to 1:4 GPU-to-CPU ratio volume-wise. Accordingly, driven by Agentic AI expanding from 10% of total inference today to 30%, we project global server CPU TAM to reach $211bn by 2030E, with CAGR of +49%. This will generate CPU demand of 3.7m/8.5m/16.3m units in 2026E-2028E from AI workflows. In all, we project incremental Server CPU demand of 8.2m/10.9m/11.5m units in 2026E/2027E/2028E, bringing total demand to 32m/43m/55m units over the same period. Details of our estimation on Page 2-3.

Stock implications: In our view, the rising Arm-based penetration will not cannibalize the x86 camp, as the overall TAM is expanding rapidly enough. Therefore, we expect **Intel (INTC, Buy)**, **AMD (Buy)**, and **Arm** to all benefit from this Agentic AI-driven growth. On the supply chain front, ABF substrates continue to be the key bottleneck. We view **Kinsus (3189 TT)** as the prime beneficiary due to its likely major share in Vera CPU's substrate. On the other hand, we expect **IBIDEN (4062 JP)** and **Unimicron (3037 TT)** to benefit from Intel's expanding CPU volume. In addition, **FIT (06088 HK Buy)** as the primary socket supplier is also expected to ride the content growth driven by the increasing average socket count per server.

Risks

1) Agentic AI demand slowing down; 2) Substrate supply constraints; 3) Competition.

Server CPU TAM to Reach $211bn by 2030E with 49% CAGR

We model the TAM by breaking down workloads into training and inference, highlighting that Agentic AI requires a significantly higher CPU density. While training infrastructure allocated power at a 6:1 ratio (e.g., Microsoft) and down to 3:1 for inference, the orchestration required for Agentic workloads (CPU accounting for most of consumption) is expected to shifts the GPU:CPU power ratio to 1:1. Then, factoring in standalone chip TDPs (flagship GPU at ~2,000W like Rubin and high-end server CPUs at ~500W), this power allocation translates to a 1:4 GPU-to-CPU volume ratio.

Server CPU Demand of 32m/43m/55m Units in 2026E/2027E/2028E

Accordingly, driven by Agentic AI expanding from 10% of total inference today to 30%, we project global server CPU TAM to grow at 49% 5-yr CAGR reaching $211bn by 2030E. This will generate **CPU demand of 3.7m/8.5m/16.3m units in 2026E-2028E from AI workflows**. Overall, we project incremental Server CPU demand of 8.2m/10.9m/11.5m units in 2026E/2027E/2028E respectively, bringing total demand to 32m/43m/55m units over the same period, with a 31% 3-yr CAGR.

Figure 1: Server CPU TAM Estimates

	2024E	2025E	2026E	2027E	2028E	2029E	2030E
CPU for General Server							
General Server shipment (k)	12,087	13,602	15,643	17,207	18,067	18,971	19,919
Avg. CPUs per server	1.7	1.6	1.7	1.8	1.9	2.0	2.0
CPU Unit (m)	20.4	21.2	25.9	30.2	33.5	37.1	39.0
ASP ($)	$1,000	$1,050	$1,260	$1,386	$1,414	$1,442	$1,471
Market Size ($B)	**20.4**	**22.2**	**32.6**	**41.9**	**47.4**	**53.5**	**57.3**
YoY		**9%**	**47%**	**28%**	**13%**	**13%**	**7%**
CPU for AI Inference Workloads							
AI Accelerators Units (m)	4.2	5.6	8.6	14.1	19.7	25.7	30.8
Training/Inference	**60/40**	**50/50**	**40/60**	**30/70**	**20/80**	**15/85**	**10/90**
Training (GPU:CPU = 8:1)	0.3	0.3	0.4	0.5	0.5	0.5	0.4
Inference	0.4	0.9	3.2	8.0	15.8	25.9	38.1
Agentic AI (GPU:CPU = 1:4)	**0%**	**2%**	**10%**	**15%**	**20%**	**25%**	**30%**
Other workflows (GPU:CPU = 4:1)	100%	98%	90%	85%	80%	75%	70%
CPU Unit (m)	**0.7**	**1.3**	**3.7**	**8.5**	**16.3**	**26.4**	**38.5**
Implied GPU to CPU Ratio	6:1	4.5:1	2.5:1	1.5:1	1.2:1	1:1	**1:1.2**
ASP ($)	$2,500	$2,625	$3,150	$3,465	$3,534	$3,605	$3,677
Market Size ($B)	**1.8**	**3.3**	**11.5**	**29.6**	**57.6**	**95.1**	**141.5**
YoY		**79%**	**249%**	**157%**	**94%**	**65%**	**49%**
CPU for Other Form Factors							
Other accelerated server units (k)	720	1,077	1,616	2,424	2,545	2,672	2,806
Avg. CPUs per server	1.8	1.7	1.8	1.9	2.0	2.0	2.0
CPU Unit (m)	1.3	1.8	2.9	4.6	5.1	5.3	5.6
ASP ($)	$1,500	$1,575	$1,890	$2,079	$2,121	$2,163	$2,206
Market Size ($B)	**2.0**	**2.9**	**5.5**	**9.6**	**10.8**	**11.6**	**12.4**
YoY		**47%**	**91%**	**74%**	**13%**	**7%**	**7%**
TAM							
Total CPU Units (m)	**22.5**	**24.3**	**32.5**	**43.4**	**54.9**	**68.8**	**83.1**
YoY		**8%**	**34%**	**34%**	**27%**	**25%**	**21%**
Total Market Size ($B)	**24.2**	**28.4**	**49.6**	**81.1**	**115.8**	**160.2**	**211.2**
YoY		**17%**	**75%**	**63%**	**43%**	**38%**	**32%**
5 yr CAGR (2025E-2030E)							**49%**

Sources: IDC, GF Securities (Hong Kong) Brokerage

Risks

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Rating definitions

Benchmark: Hang Seng Index (Hong Kong)

Company ratings

Buy	Stock expected to outperform benchmark by more than 10%
Hold	Expected stock relative performance ranges between -10% and 10%
Underperform	Stock expected to underperform benchmark by more than 10%

Sector ratings

Positive	Sector expected to outperform benchmark by more than 10%
Neutral	Expected sector relative performance ranges between -10% and 10%
Cautious	Sector expected to underperform benchmark by more than 10%

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