

Marvell Technology (MRVL): The Trillion-Dollar Thesis

Why Jensen Huang Called Marvell the “Next Trillion-Dollar Company”

At COMPUTEX 2026 in Taipei on 2 June 2026, NVIDIA CEO Jensen Huang made a surprise appearance during Marvell CEO Matt Murphy’s keynote and publicly labelled Marvell “the next trillion-dollar company.” The remark triggered Marvell’s largest one-day gain ever (+32.5%), adding roughly USD 56 billion of market value in a single session. Below are the core reasons Huang gave — and the fundamentals underpinning them.

1. Connectivity is the new bottleneck, not raw compute.

Huang argued that as a computing problem is disaggregated and distributed across an entire data centre, the binding constraint shifts from individual accelerators to how efficiently thousands of chips talk to each other. Training frontier models now requires tens of thousands of accelerators working in concert, so the value pool migrates toward the interconnect layer Marvell supplies.

2. Marvell’s silicon makes the data centre behave as one supercomputer.

Huang stressed that Marvell’s networking and connectivity chips let computing, memory and bandwidth be aggregated across enormous clusters so the whole facility operates as a single distributed machine. In his words, this is “the reason why Marvell is so essential.”

3. Custom silicon and optical materials for the hyperscalers.

Marvell designs the custom ASICs and the optical / photonics materials that move data between GPUs inside hyperscale AI factories. As model and cluster sizes scale, demand for this content per data centre rises — positioning Marvell as essential AI infrastructure rather than a peripheral supplier.

4. A deep, capital-backed partnership with NVIDIA.

NVIDIA committed a roughly USD 2 billion investment in Marvell and linked its custom chips and optical networking to NVIDIA’s AI-factory platform and NVLink Fusion interconnect. The endorsement is therefore strategic alignment, not mere flattery — NVIDIA has a direct stake in Marvell’s success.

“The next trillion-dollar company, ladies and gentlemen.” — Jensen Huang, on stage with Matt Murphy, COMPUTEX 2026

Supporting Fundamentals & The Path to USD 1 Trillion

Huang's call rests on a fundamental story Marvell has been telling for several quarters. Recent results and guidance give the thesis substance beyond a single stage endorsement.

Metric	Detail (as reported)
Latest quarterly revenue	~USD 2.4 billion, up ~28% year-on-year
Primary growth driver	AI-related data-centre demand
Custom-chip outlook	Forecast to surpass USD 10 billion in revenue in FY2029
NVIDIA investment	~USD 2 billion strategic stake
Market cap (2 Jun 2026 close)	~USD 254 billion
Re-rating required for USD 1tn	Roughly 4x–5x from current levels (~+400%)
One-day move on Huang comment	+32.5% – largest single-day gain in company history

What Has to Go Right

- Sustained AI capex: hyperscaler data-centre build-out must continue at its current pace to absorb rising connectivity content.
- Custom-silicon ramp: Marvell must execute on its FY2029 custom-chip target without major design-win losses.
- Optical / photonics leadership: retaining its edge as data movement shifts toward light-based interconnects.
- Margin and ROIC discipline: converting revenue scale into self-funding cash flow and durable returns on invested capital.

Caveats & Counter-View

The endorsement is sentiment-driven: the rally was propelled by one influential voice rather than a new fundamental disclosure, prompting some commentators (e.g. CNBC's Jim Cramer) to caution against chasing AI-driven moves that surge without fresh fundamental catalysts. A 4x–5x re-rating is a multi-year, execution-heavy proposition and remains highly sensitive to AI capex cycles, competition in custom silicon (including in-house hyperscaler designs), and pricing pressure in optics. The trillion-dollar label is a directional thesis, not a near-term price target.

Note on pricing: market-cap and share-move figures reflect reporting around the 2 June 2026 COMPUTEX event and the subsequent session; they are point-in-time and should be re-verified against a live quote before use in any valuation or upside calculation. This document is research commentary, not investment advice.