FEATURED RESEARCH CASE STUDY / SEPTEMBER 2026

AMD Q2 2026: a documented forecast miss

A recruiter-facing audit of the evidence available before earnings, the company-reported result, the frozen stock-price call, and what the process should change next.

FINANCIAL MODEL	COMPANY RESULT	PRICE CALL	OBSERVED MOVE
Revenue $10.42B GAAP EPS $0.94	**Revenue $11.536B GAAP EPS $1.38**	**+17.0% to $589.50**	**-4.3% to $482.05**

The judgment

The financial direction was right, but the stock-reaction direction was wrong. The model underestimated revenue by 9.7% relative to the model estimate and underestimated GAAP EPS by $0.44. Even so, AMD closed 4.3% below the frozen pre-release reference on the defined target session. The +17% price call therefore missed both direction and magnitude, with a target error of 22.3% versus the observed close.

This is exactly why a strong earnings print cannot be translated mechanically into an up call. The pre-release record lacked usable price-history inputs and options-implied evidence, and its direction was carried primarily by SEC fundamental trend plus positive analyst revisions.

From revenue to GAAP EPS

Step	Q2 2026 reported	Read-through
Revenue	$11.536B	50% year-over-year growth; Data Center was $6.7B, up 107%.
Gross profit	$6.203B / 54% margin	GAAP margin; do not mix with AMD's 56% non-GAAP margin.
Operating expenses	$4.213B	R&D; $2.528B; MG&A; $1.401B; acquired-intangible amortization $0.284B.
Operating income	$1.990B	$6.203B gross profit less $4.213B operating expenses.
Below the line	-$37M interest + $598M other income	Other income included a $483M gain on long-term investments; this is not recurring operating profit.
Net income	$2.297B	After $252M tax provision, $6M equity income and an $8M discontinued-operations loss.
Diluted EPS	$1.38 on 1.659B shares	GAAP. AMD separately reported $1.66 non-GAAP EPS after stated adjustments.

Accounting rule: model, company-reported and consensus EPS are compared only when their GAAP/non-GAAP bases match. The Nasdaq $1.35 consensus snapshot is retained as provider-basis and is not scored as a GAAP beat without verified comparability.

How the frozen price call was produced

1 / CUT-OFF	2 / DIRECTION	3 / MAGNITUDE
Information frozen Aug 4, 2026 at 12:38 ET. Reference price $503.845 at 12:37 ET.	Positive SEC revenue/EPS trend and 3 upward EPS revisions versus 0 downward. Price-vs-SPY, news and options evidence were unavailable or inactive.	Four prior earnings reactions had a 13.2% median absolute move and 19.9% 75th percentile. Signal strength mapped to +17.0%.

Target formula

$503.845 x (1 + 17.0%) = $589.50. Target session: Aug 5, 2026 normal-session close. Actual close: $482.05. The failed call remains in the scorecard; today's price is never used to rewrite the old result.

Historical amplitude sample

Prior reported session	Recorded reaction
May 5, 2026	+23.4%
Feb 3, 2026	-18.7%
Nov 4, 2025	-3.7%
Aug 5, 2025	-7.7%

Post-mortem and process change

What worked	What failed	Required change
Primary-source financial data; frozen cutoff; GAAP actuals; company-specific event history.	The direction layer treated positive fundamentals and revisions as sufficient despite missing market-positioning and options evidence.	Withhold a price-direction call when market, valuation and options inputs are absent; keep a financial preview only. Add relative-to-SPY and no-change benchmarks.

Scope and disclosure

Sihan Yu owns the research questions, definitions, model rules, evidence review, interface decisions and forecast post-mortems. AI assisted with implementation, document extraction, translation and first-pass news triage. This case study demonstrates a research process; it does not claim a proven alpha record or constitute investment advice.

Sources

1. AMD, 'AMD Reports Second Quarter 2026 Financial Results,' Aug. 4, 2026: https://ir.amd.com/news-events/press-releases/detail/1295/amd-reports-second-quarter-2026-financial-results
2. Nasdaq quote, earnings-surprise and historical-price endpoints recorded in the frozen Signal Ledger evidence package. Forecast cutoff Aug. 4, 2026; settlement Aug. 5, 2026.
3. Signal Ledger methodology: financial estimates and stock-reaction records are stored separately; unresolved or missing-target records are excluded with a stated reason; failed settled calls remain included.