Stock Valuation Report for Taiwan Semiconductor Manufactur (TSM)

Report Generated on August 06, 2026

This report provides an AI-supported analysis of the selected security, combining fundamental, technical, and qualitative insights to help you better understand its potential risks and rewards.

Report Data Summary

Report Data Field	Value
Exchange	NYQ
Reporting Currency	TWD
Market Timezone	America/New_York
Market Data As Of	2026-08-06 21:18:32

Choose how much detail you want to read

QUICK REPORT
Five concise pages in plain language

FULL DETAILED REPORT
Complete analysis, sources, charts, and disclosures

Both views are included in this single PDF. Use the tab-like links in the footer to move between them at any time.

Quick Report 1 of 5 - Investment Snapshot

A plain-language overview of the current price, estimated value, model view, and one-year base scenario.

Current share price	Cash-flow value estimate	Earnings value estimate
TWD418.20 The market price used for all comparisons in this report.	**TWD14,639.88** A long-term value estimate based on future cash flow; confidence: Low.	**TWD602.50** An estimate based on earnings and a supported peer valuation multiple.
Overall outlook **Moderately Bullish** Combines business results, estimated value, price trends, opportunities, and risks.	Do the major sections agree? **Aligned, Widely Dispersed** Aligned means the main sections generally support the same overall conclusion.	Confidence in the estimates **Low** This describes the quality of the inputs and methods, not certainty about the future.

What this means

The overall outlook is moderately bullish. Agreement across the major sections is described as aligned, widely dispersed. The cash-flow value estimate is about 3401.00% above the current share price used in this report. Confidence in the valuation estimates is low; this is not a guarantee of future performance.

One-year scenario ranges

Bear range: TWD165.40 to TWD335.20; base range: TWD335.20 to TWD674.80; bull range: TWD674.80 to TWD844.60.

Confidence: Very Low. The exact center estimate of TWD505.00 is a secondary reference inside the wider risk range, not a promised price.

Estimated values and price scenarios are analytical tools, not promises. A stock can remain above or below estimated value for a long time.

Quick Report 2 of 5 - What Could Help or Hurt the Stock

The three strongest supported positives, the three most important risks, and the developments that could change the view.

Why the stock could do better

- Advanced-node migration into 3-nanometer and 2-nanometer technologies can lift pricing, improve mix, and support margin expansion over the next 12 months.
- Advanced packaging and 3D integration, including CoWoS, InFO, and SoIC, can increase content per chip and reinforce AI and HPC demand over the medium term.
- Capacity expansion in Taiwan and overseas can reduce bottlenecks and support revenue growth over the next several quarters, while management has also indicated a long-term revenue CAGR target approaching 25.00% in U.S. dollar terms.

What could go wrong

- Customer concentration and end-market cyclicality can reduce utilization and pressure revenue, earnings, and valuation if HPC or smartphone demand weakens.
- Technology execution risk can hurt gross margins and delay ramps if advanced-node yields, costs, or packaging execution fall short.
- Geopolitical and supply-chain risk can disrupt capacity plans, capex, investor sentiment, and the stock's multiple if cross-strait stability or localization requirements deteriorate.

What would change the view

- A sustained break above resistance with improving volume, stronger momentum, and RSI confirmation would justify raising the 30-day to 90-day estimates.
- Broad upward revisions to revenue and EPS, or evidence that advanced-node demand is accelerating, would materially raise the 180-day and 365-day estimates.
- A meaningful deterioration in margins, free cash flow, guidance, or geopolitical stability would materially lower all forecast horizons.

Beginner note: catalysts are events or trends that may help the business or share price. Risks are conditions that may weaken results or investor confidence.

Quick Report 3 of 5 - Financial Health and Valuation

A compact view of business health, estimated value, and the current analyst consensus when available.

Measure	Report value	Plain-English meaning
Revenue (TTM)	TWD4.44 trillion	Total sales over the latest twelve months.
Net income (TTM)	TWD2.22 trillion	Profit remaining after expenses and taxes.
Free cash flow (TTM)	TWD1.14 trillion	Cash available after normal operations and capital spending.
Debt-to-equity	0.15x	Higher values generally mean more financial leverage.
Profit margin	49.92%	How much profit the company keeps from each dollar of sales.
Revenue growth	12.02%	Whether sales are expanding or shrinking on the validated period basis.
Dividend yield	0.85%	Estimated annual cash dividend relative to the current share price.

How valuation looks

The stock's trailing P/E is 36.91x.

That is 30.59% below the selected-peer median of 53.18x. A lower multiple can indicate opportunity, but it may also reflect company-specific risk.

The DCF estimate is 3400.69% above the current price. The detailed DCF section shows the forecast, discount rate, sensitivity table, and mathematical checks.

Analyst measure	Current consensus	How to read it
Mean price target	TWD540.20 (29.17%)	Published target range: TWD430.00 to TWD700.00. Targets are opinions, not promises.
Rating mix	6 strong buy, 12 buy, 1 hold, 0 sell	This is the provider's analyst mix, not this report's recommendation.
Next-year growth estimates	EPS 28.47%, revenue 32.45%	Shows the current consensus direction for earnings and sales.
Next earnings date	2026-10-15	A major date when estimates and price expectations may change.

Quick Report 4 of 5 - Market Signals and Recent Developments

A beginner-friendly view of price momentum, important price levels, material news, disclosed trading activity, and call/put option quality.

Market signal	Reading	How to interpret it
Overall price signal	Mixed	Combined trend and momentum reading.
Price vs. 200-day average	Above	Above supports the long-term trend; below signals weakness.
RSI	51.50	Above 70 can be stretched; below 30 can be unusually weak.
Trend strength (ADX)	15.06	Above 25 often indicates a stronger trend; ADX does not show direction.
Trading volume vs. normal	0.70x	Above 1.00x means trading is heavier than the prior 20-day average.
Typical daily move (ATR)	TWD17.51 (4.19%)	The recent average trading range; larger values mean wider normal swings.
52-week position	-12.69% from high; 89.01% from low	Shows where the share price sits within its one-year range.
6-month relative return	S&P 500 17.03%; XLK -5.46%	Positive values mean the stock outperformed the named benchmark.
Short interest	0.69% of float; 2.27 days to cover	Higher values can signal skepticism and may increase squeeze risk.
Options-priced earnings move	+/- 15.85%	Market-priced move size around earnings; it does not predict direction.
Nearest support / resistance	TWD409.28 / TWD422.51	Nearby areas where buying or selling pressure may increase.

Technical-data basis: indicators were calculated deterministically in Python from Yahoo Finance price and volume data retrieved 2026-08-06.

Latest verified development: Event: [Event 5] Fed Governor Cook says she's 'prepared to act' on rate hike to address inflation.

Disclosure or screen	Quick finding
Lawmaker disclosures	See detailed report
Insider transactions	No qualifying trades found
Call option screening	5 supported; top expires 2026-09-18; strike TWD390.00
Put option screening	No supported scenario

Quick Report 5 of 5 - Outlook, Confidence, and Next Steps

The modeled price path, the report's bottom line, validation status, and links into the complete supporting analysis.

Horizon	Bear range	Base range	Bull range	Confidence
Current	TWD418.20 - TWD418.20	TWD418.20 - TWD418.20 (center TWD418.20)	TWD418.20 - TWD418.20	Observed
30 days	TWD347.10 - TWD388.55	TWD388.55 - TWD471.45 (center TWD430.00)	TWD471.45 - TWD512.90	Medium
90 days	TWD297.07 - TWD371.53	TWD371.53 - TWD520.47 (center TWD446.00)	TWD520.47 - TWD594.93	Low
180 days	TWD248.04 - TWD359.02	TWD359.02 - TWD580.98 (center TWD470.00)	TWD580.98 - TWD691.96	Very Low
365 days	TWD165.40 - TWD335.20	TWD335.20 - TWD674.80 (center TWD505.00)	TWD674.80 - TWD844.60	Very Low

Bear, base, and bull zones divide the existing 80% modeled uncertainty band. The exact center estimate remains a secondary reference, not a promised price.

Bottom line

The report's overall outlook is moderately bullish. Confidence in the valuation estimates is low, so the results should be treated as informed estimates rather than promises.

Confidence and validation

Report-wide validation status: Failed. 156 checks were performed. 3 failed or review-level item(s) require attention.

Forecast accuracy statistics remain withheld until 100 forecasts have matured. 0 have matured and 100 more are required; see the full Conclusions section for the scorecard.

OPEN FULL DETAILED REPORT | VIEW DETAILED CONTENTS

The Quick Report summarizes the same canonical data and completed report sections shown in the detailed report. It does not replace the detailed sources, assumptions, tables, or disclosures.

Full Detailed Report - Table of Contents

Return to the five-page Quick Report

Executive Summary - (TSM) Taiwan Semiconductor Manufactur

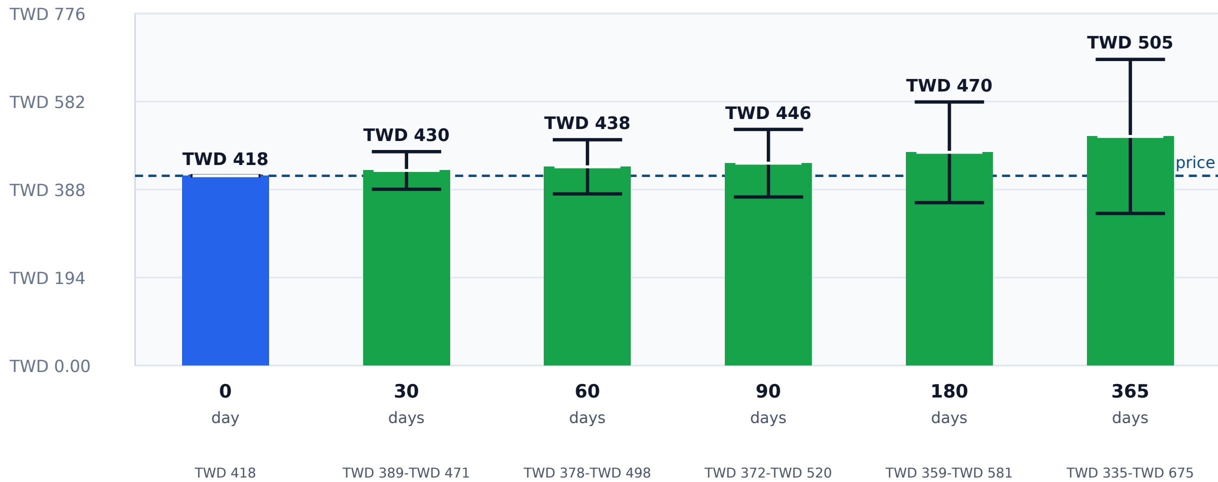
At a Glance

Current Price **TWD 418.20**	Fair Value (EPS) **TWD 602.50**
Fair Value (DCF) **TWD 14,639.88**	Model View **Moderately Bullish**
Evidence Alignment **Aligned, Widely Dispersed**	Valuation Confidence **Low**

Current vs Fair Value (EPS & DCF)

One-Year Profit/Loss: Stock vs High-Yield Savings

Base-Case Price Ranges by Interval



Solid bars show each interval's center estimate. Thin whiskers show the complete base-case range. Future intervals are green when the center estimate is above the 0-day price and red when it is below; the 0-day observation is blue.

Forecast Scenario Ranges (Primary View)

Horizon	Bear range	Base range	Bull range	Confidence
Current	TWD 418.20 - TWD 418.20	TWD 418.20 - TWD 418.20 center TWD 418.20	TWD 418.20 - TWD 418.20	Observed
30 days	TWD 347.10 - TWD 388.55	TWD 388.55 - TWD 471.45 center TWD 430.00	TWD 471.45 - TWD 512.90	Medium
60 days	TWD 318.58 - TWD 378.29	TWD 378.29 - TWD 497.71 center TWD 438.00	TWD 497.71 - TWD 557.42	Low
90 days	TWD 297.07 - TWD 371.53	TWD 371.53 - TWD 520.47 center TWD 446.00	TWD 520.47 - TWD 594.93	Low
180 days	TWD 248.04 - TWD 359.02	TWD 359.02 - TWD 580.98 center TWD 470.00	TWD 580.98 - TWD 691.96	Very Low
365 days	TWD 165.40 - TWD 335.20	TWD 335.20 - TWD 674.80 center TWD 505.00	TWD 674.80 - TWD 844.60	Very Low

Bear, base, and bull zones divide the existing 80% modeled uncertainty band. The exact center estimate is retained only as a secondary reference and is not a promised price.

Investment View

Model View: Moderately Bullish; Evidence Alignment: Aligned, Widely Dispersed; Valuation Confidence: Low

Key Catalysts

- Advanced-node migration into 3-nanometer and 2-nanometer technologies can lift pricing, improve mix, and support margin expansion over the next 12 months.
- Advanced packaging and 3D integration, including CoWoS, InFO, and SoIC, can increase content per chip and reinforce AI and HPC demand over the medium term.
- Capacity expansion in Taiwan and overseas can reduce bottlenecks and support revenue growth over the next several quarters, while management has also indicated a long-term revenue CAGR target approaching 25.00% in U.S. dollar terms.

Key Risks

- Customer concentration and end-market cyclicality can reduce utilization and pressure revenue, earnings, and valuation if HPC or smartphone demand weakens.
- Technology execution risk can hurt gross margins and delay ramps if advanced-node yields, costs, or packaging execution fall short.
- Geopolitical and supply-chain risk can disrupt capacity plans, capex, investor sentiment, and the stock's multiple if cross-strait stability or localization requirements deteriorate.

Stock Investment Projection (100 Shares)

Starting Investment: TWD 41,820.00

Projected Sale Proceeds: TWD 50,500.00

Stock Investment Projection (100 Shares) (continued...)

Projected Annual Dividend Per Share: TWD 3.57

Projected Dividend Income: TWD 356.80

Capital Gain or Loss: TWD 8,680.00

Projected Ending Value: TWD 50,856.80

Total Profit: TWD 9,036.80

Risk and Reward: Equity-market risk; the projected result includes sale proceeds plus the selected forward annual dividend, which may be changed or suspended.

High-Yield Savings Projection

Assumed HYSA APY: 3.40%

Rate Source: Marcus by Goldman Sachs - Online Savings Account (MARCUS_ONLINE_SAVINGS_APY)

Source Observation Date: 2026-08-06

Retrieved: 2026-08-06

Assumption: The displayed APY is assumed to remain unchanged for one year, and interest is reinvested. Representative variable APY quoted by the named FDIC-insured online savings provider; it is not a market-wide maximum, and the rate may change before or after an account is opened.

Starting Deposit: TWD 41,820.00

Projected Ending Value: TWD 43,241.88

Total Profit: TWD 1,421.88

Risk and Reward: Lower market risk; the projection assumes the stated APY remains available for the full year and interest is reinvested.

Profit Comparison

1. The 100-share stock projection produces total profit of TWD 9,036.80, which is TWD 7,614.92 higher than the high-yield savings projection.
2. The high-yield savings projection produces total profit of TWD 1,421.88, which is TWD 7,614.92 lower than the 100-share stock projection.

Call Option Screening Result

Official Contract Symbol: TSM260918C00390000

Expiration Date: 2026-09-18

Strike Price Per Share: TWD 390.00

Premium Used Per Share: TWD 43.00

Breakeven at Expiration Per Share: TWD 433.00

Forecast Price at Expiration Per Share: TWD 433.47

Modeled Profit/Loss Per Contract at Expiration: TWD 46.67

Maximum Loss Per Contract: TWD 4,300.00

Quality Score: 0.66

Put Option Screening Result

No supported put option scenario was identified.

Model View

Model View: Moderately Bullish; Evidence Alignment: Aligned, Widely Dispersed; Valuation Confidence: Low

DCF implies 3400.69% versus the canonical price; EPS valuation implies 44.07% versus the canonical price; 365-day modeled scenario implies 20.76% versus the canonical price. Overall DCF confidence is Low. The methods point in a similar direction but differ widely in magnitude, so confidence is capped. Plausibility review: Base DCF is 35.01x the current price. Bull-case DCF is 48.04x the current price. Supported intrinsic-value methods differ by 24.30x in magnitude.

Why Valuation Methods Disagree

Method Value Difference vs Current What the method measures

DCF TWD 14,639.88 per share 3400.69% Values long-run free cash flow after reinvestment, discounted at WACC or cost of equity; it is sensitive to capital spending, cash conversion, terminal growth, and the discount rate.

EPS multiple TWD 602.50 per share 44.07% Applies a supported earnings multiple to EPS; it can remain high when accounting earnings are strong even if capital intensity or near-term free cash flow is weak.

365-day modeled price TWD 505.00 per share 20.76% A market-price scenario blending fundamentals, technical conditions, catalysts, and risks; it is not an intrinsic-value calculation.

Reconciliation: The supported methods are not in material directional conflict. Differences mainly reflect the distinction between long-run intrinsic cash-flow value, earnings-multiple value, and a one-year market-price scenario.

Company Overview - (TSM) Taiwan Semiconductor Manufactur

Overview

Taiwan Semiconductor Manufacturing Company Limited is the world's largest dedicated semiconductor foundry, manufacturing logic chips for customers that design their own semiconductors. Its primary economic value comes from advanced process technology, manufacturing excellence, and customer trust, which together support high-volume wafer fabrication and advanced packaging services. [1]

Business Segments

- TSMC's core revenue source is wafer foundry services, with income driven by advanced logic manufacturing for customers across smartphones, high-performance computing, automotive, and other end markets. In 2024, platform mix was 51.00% HPC, 35.00% smartphones, 6.00% IoT, 5.00% automotive, 1.00% DCE, and 2.00% other. [2]
- Advanced technologies are the main profit engine, and TSMC reported that 7-nanometer and more advanced technologies accounted for 77.00% of total wafer revenue in 2Q26. The company also stated that 3-nanometer technologies represented 24.00% of total wafer revenue in 2025. [3]
- Revenue is geographically diversified through operations in Taiwan, the United States, China, and Japan, but the company remains concentrated in the foundry model rather than branded chip sales. TSMC reported manufacturing sites in Taiwan plus fabs in Nanjing, Arizona, and Japan. [1]

Competitive Position

TSMC's competitive edge comes from leading-edge process technology, large-scale manufacturing execution, and deep customer relationships built on not competing with customers in branded chip products. Competitive pressure remains intense from other foundries, especially around pricing, capacity additions, and the race to advance nodes and packaging technology. [1]

Strategy and Growth Drivers

- Leading-edge node migration is a major growth driver because higher adoption of 3-nanometer, 5-nanometer, and 2-nanometer technologies can lift average selling prices, support mix-driven margin expansion, and reinforce customer switching costs. TSMC reported 2-nanometer contributed 3.00% of wafer revenue in 2Q26 and 3-nanometer contributed 30.00%. [3]
- Advanced packaging and 3D integration are important because they broaden the company's value proposition beyond wafer fabrication and can increase content per chip while supporting AI and HPC demand. TSMC specifically highlighted CoWoS, InFO, and SoIC as part of its strategy.
- Capacity expansion across Taiwan and overseas sites supports revenue growth by enabling TSMC to meet customer demand more reliably and reduce supply bottlenecks. The company has stated a long-term revenue CAGR target approaching 25.00% in U.S. dollar terms and continues to expand global fab capacity. [4]

Key Risks

- Customer concentration and end-market cyclicality can pressure results if demand from major platforms, especially HPC and smartphones, slows or inventory corrections emerge. Because the business is highly tied to customer product launches, revenue and utilization can move sharply with industry cycles. [2]
- Technology execution risk is material because delays, yield issues, or cost overruns in advanced nodes or packaging could weaken gross margins and delay customer ramps. The company's valuation depends heavily on continued leadership at the most advanced process nodes. [1]
- Geopolitical and supply-chain risk remains elevated because TSMC operates strategically important fabs across multiple jurisdictions, including Taiwan and the United States. Any disruption to cross-strait stability, export controls, or localization requirements could affect capacity plans, capex, and investor sentiment. [1]

Sources

1. investor.tsmc.com | Retrieved 2026-08-06 | Open source
2. investor.tsmc.com | Retrieved 2026-08-06 | Open source
3. pr.tsmc.com | Retrieved 2026-08-06 | Open source
4. investor.tsmc.com | Retrieved 2026-08-06 | Open source

Executive Leadership and Board - (TSM) Taiwan Semiconductor Manufactur

Executive Leadership

Latest available official roles were reconciled through 2026-08-06, including a current official roster. More recent official changes override older filings when identified.

Transparency note: some roles rely on the latest available dated official information from 2026-05-15 or earlier; no more recent official role information was found within the prior 30 days.

1. Name and Title: C.C. Wei, Chairman and Chief Executive Officer. [1] [2]
Length of Service: CEO since 2018-06; Chairman and CEO since 2024-06-04.
Relevant Experience: Semiconductor executive with prior roles as President and Co-CEO, Co-Chief Operating Officer, and senior vice president of business development at TSMC. Holds a Ph.D. in Electrical Engineering from Yale University.
Current-Role Basis: current official company roster, independently reconciled through 2026-08-06.

2. Name and Title: Wendell Huang, Senior Vice President and Chief Financial Officer / Spokesperson. [3] [2] [1]
Length of Service: Joined TSMC in 1999; Deputy CFO appointed 2019-01; current CFO in 2025 annual report.
Relevant Experience: Finance executive with prior roles as Deputy CFO and senior director in TSMC Finance Division, plus banking experience at ING Barings, Chase Manhattan Bank, and Bankers Trust Company.
Current-Role Basis: current official company roster, independently reconciled through 2026-08-06.

Executive Leadership (continued...)

3. Name and Title: Kevin Zhang, Senior Vice President, Business Development and Global Sales, and Deputy Co-Chief Operating Officer. [1] [2]
Length of Service: SVP, Business Development & Global Sales since 2016-11-01; Deputy Co-COO shown in the 2025 annual report.
Relevant Experience: Leads business strategy and global sales, including technology roadmap and customer engagement. Former Intel executive with extensive semiconductor leadership experience.
Current-Role Basis: current official company roster, independently reconciled through 2026-08-06.

4. Name and Title: Sylvia Fang, Senior Vice President and General Counsel; Corporate Governance Officer. [2]
Current-Role Basis: latest available official evidence dated 2026-05-15; no newer contradictory official change was found through 2026-08-06.

5. Name and Title: Y.L. Wang, Senior Vice President, Operations. [1] [2]
Length of Service: Joined TSMC in 1992; vice president of technology development in 2015; SVP of operations in current official roster.
Relevant Experience: Operations executive with more than 30 years at TSMC. He has contributed to multiple process technology ramps and fab productivity improvements.
Current-Role Basis: current official company roster, independently reconciled through 2026-08-06.

Board of Directors

Latest available official roles were reconciled through 2026-08-06, including a current official roster. More recent official changes override older filings when identified.

Transparency note: some roles rely on the latest available dated official information from 2026-06-04 or earlier; no more recent official role information was found within the prior 30 days.

Board of Directors (continued...)

1. Name and Board Role: C.C. Wei, Chairman of the Board. [4] [5] [2]
Length of Service: Chairman since 2024-06-04; director since 2017-06-08.
Relevant Experience: Semiconductor executive and board chair. Prior TSMC roles include CEO, President and Co-CEO, and Co-COO.
Current-Role Basis: current official company roster, independently reconciled through 2026-08-06.

2. Name and Board Role: Chuan Lin, Independent Director; Chair, Nominating, Corporate Governance and Sustainability Committee. [5] [2] [6]
Length of Service: Board/committee term 2024-06-04 to 2027-06-03.
Relevant Experience: Independent director on TSMC's board and chair of the Nominating, Corporate Governance and Sustainability Committee. Board materials show he serves on the Audit and Risk Committee and governance committee.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

3. Name and Board Role: Sir Peter L. Bonfield, Independent Director; Chair, Audit and Risk Committee. [5] [2] [6]
Length of Service: Committee term 2024-06-04 to 2027-06-03.
Relevant Experience: Independent director and chair of TSMC's Audit and Risk Committee. The annual report shows he chairs the committee that oversees accounting, auditing, reporting, financial controls, and risk management.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

4. Name and Board Role: Chun-Hsien Yeh, Director; representative of the National Development Fund, Executive Yuan. [5] [2]
Length of Service: Director since 1986-12-10; current representative record shown in annual report.
Relevant Experience: Former TSMC president and deputy CEO; economist and government-linked board representative. Holds senior public-sector and industry advisory roles.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

Board of Directors (continued...)

5. Name and Board Role: F.C. Tseng, Director. [5] [2]
Length of Service: Director since 2024-06-04; first elected 2024-06-04.
Relevant Experience: Long-time TSMC director with deep company knowledge. Re-elected at the 2026 annual shareholders' meeting.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

6. Name and Board Role: L. Rafael Reif, Independent Director. [5] [2]
Length of Service: Independent director since 2021-07-26; current term through 2027-06-03.
Relevant Experience: Engineering academic leader and former MIT president with governance experience.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

7. Name and Board Role: Lynn L. Elsenhans, Independent Director. [5] [2]
Length of Service: Independent director since 2024-06-04; current term through 2027-06-03.
Relevant Experience: Energy-company executive and board leader with broad global corporate governance experience.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

8. Name and Board Role: Michael R. Splinter, Independent Director. [5] [2]
Length of Service: Independent director since 2015-06-09; current term through 2027-06-03.
Relevant Experience: Semiconductor industry executive and board member with extensive technology leadership experience.
Current-Role Basis: latest available official evidence dated 2026-06-04, independently reconciled through 2026-08-06.

Sources

1. Executives - Taiwan Semiconductor Manufacturing Company Limited (tsmc.com) | Published/effective 2024-06-04; retrieved 2026-08-06 | Open source

2. TSMC 2025 Annual Report Website (investor.tsmc.com) | Published/effective 2026-05-15; retrieved 2026-08-06 | Open source

3. TSMC 2024 Annual Report (investor.tsmc.com) | Published/effective 2026-03-01; retrieved 2026-08-06 | Open source

4. □□□ - □□□□□□□□□□□□□□□ (investor.tsmc.com) | Retrieved 2026-08-06 | Open source

5. TSMC Shareholders’ Meeting Resolutions (pr.tsmc.com) | Published/effective 2026-06-04; retrieved 2026-08-06 | Open source

6. Committees - Taiwan Semiconductor Manufacturing Company Limited (investor.tsmc.com) | Published/effective 2024-06-04; retrieved 2026-08-06 | Open source

Newsworthy Events - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Neutral. The verified catalog contains one directly company-relevant macro item, but it is only an analytical pathway from U.S. rates and inflation to Taiwan Semiconductor Manufactur's financing costs, customer spending, and valuation. The remaining screened items are broad semiconductor or market developments without a direct, company-specific operational fact for TSM.

Key News Events

1. Event: [Event 5] Fed Governor Cook says she's 'prepared to act' on rate hike to address inflation.
Category: Market-macro.
Directional Relevance: Mixed, because higher-for-longer rate expectations can be a headwind for valuation and customer demand while potentially leaving pricing power unchanged.
Expected Timeframe: Near term, as the event concerns current Federal Reserve policy expectations.
Impact Path: The analytical path is through higher financing costs, softer customer capital spending, and a lower risk-appetite backdrop for semiconductor valuations.
Confidence: Moderate, because the company impact is indirect rather than explicitly company-specific.
Source References: [1]

Historical Analogues

1. Current Event: Fed Governor Cook says she's 'prepared to act' on rate hike to address inflation.
Current Event Source Reference: [1]
Comparable Event 1: TSMC 2025 Q4 Quarterly Results (2026-01-08)
Similarity: A company-specific earnings/guidance event where TSMC lowered near-term guidance for 1Q26 versus prior-quarter actuals, making it a materially comparable public macro-sensitive management update rather than generic industry commentary.
Observed Stock Reaction: -0.21% after 1 trading day; 2.65% after 5 trading days; 3.78% after 20 trading days.
Market-Adjusted 5-Trading-Day Reaction: 2.53% versus SPY.
Historical Source References: [2], [3]
Comparable Event 2: TSMC 2024 Q4 Quarterly Results (2025-01-16)
Similarity: A comparable TSMC earnings and outlook release in which management provided a new near-term revenue and margin guide, a material company event that can be analogized to other macro-sensitive forward-looking statements.
Observed Stock Reaction: 3.86% after 1 trading day; 8.62% after 5 trading days; -2.40% after 20 trading days.
Market-Adjusted 5-Trading-Day Reaction: 5.75% versus SPY.
Historical Source References: [4], [3]
Historical Impact Estimate: The 2 usable analogue reactions had a median 5-trading-day market-adjusted move of 4.14% and a range of 2.53% to 5.75%. At the current price of TWD 418.20, this corresponds to an estimated per-share effect near +TWD 17.33 with an observed analogue range of +TWD 10.59 to +TWD 24.06. Confidence: Low-to-Medium. This is a historical scenario estimate, not a prediction or proof of causation.

Risks and Limitations

- Source coverage is limited to the provided catalog, so no additional corroborating market reaction or company comment can be added.
- The causal link from macro policy expectations to Taiwan Semiconductor Manufactur is inferential, not directly observed in the cited item.
- Market prices may already reflect the information in the verified news flow, which can reduce any incremental effect.

What Would Change the View

- A verified Taiwan Semiconductor Manufactur company filing or statement quantifying an impact from U.S. rates, inflation, or financing costs would strengthen the macro thesis.
- A verified customer or industry report showing order changes, capex revisions, or demand shifts tied to the same rate outlook would improve confidence in the impact path.
- A verified market or company disclosure showing an actual post-news valuation, revenue, margin, or guidance change attributable to this development would change the assessment.

Sources

1. Fed Governor Cook says she's 'prepared to act' on rate hike to address inflation (CNBC) | Published 2026-08-05 | Open source

2. TSMC 2025 Q4 Quarterly Results (Taiwan Semiconductor Manufacturing Company Limited) | Event date 2026-01-08 | Open source

3. Yahoo Finance adjusted historical prices for TSM | Retrieved 2026-08-06 | Open source

4. TSMC 2024 Q4 Quarterly Results (Taiwan Semiconductor Manufacturing Company Limited) | Event date 2025-01-16 | Open source

Political Trades Over Last 30 Days - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Neutral. The only reported political trade is a modest self-reported buy of Taiwan Semiconductor Manufacturing Company Ltd. by Cleo Fields, disclosed 20 days after the trade date and sized at $1,001.00 - $15,000.00 which is too small and too limited to support a strong directional signal. The disclosure indicates activity in TSM, but it does not establish intent, conviction, or broader political follow-through.

Reported Political Trades

1. Politician: Cleo Fields.
Political Affiliation: Not Reported
Congressional Chamber: Not Reported
State: NOT REPORTED
Issuer and Ticker: Taiwan Semiconductor Manufacturing Company Ltd. (TSM)
Published Date: 2026-07-30
Trade Date: 2026-07-10
Filed After: 20 days
Owner: Self
Transaction Type: Buy
Disclosed Size: $1,001 - $15,000
Estimated Price: N/A
Data Source: CapitolExposed API
Potential Relevance: This is a reported STOCK Act disclosure and does not establish the politician's investment rationale or intent.

Risks and Limitations

- The 20-day filing delay reduces timeliness, so the disclosure may not reflect current positioning at the time the market can react.
- The disclosed size range of $1,001.00 - $15,000.00 is small, which limits its informational value and makes it difficult to infer meaningful conviction.
- Political trades are often affected by diversification, blind trust arrangements, and provider-ingestion differences, so a single disclosure should not be treated as a predictive trading signal.

What Would Change the View

- A cluster of additional buys in TSM by multiple politically exposed filers within a short period would strengthen the signal.
- A larger disclosed amount, repeated purchases, or a shorter filing lag would clarify that the trade may carry more informational weight.
- Contrasting disclosures, such as material sales in TSM or sector peers by the same filer or closely observed officials, would weaken the bullish interpretation and suggest a less supportive signal.

Source References: [1]

Sources

1. CapitolExposed disclosures for TSM | Retrieved 2026-08-06 | Open source

Insider Trades Over Last 30 Days - (TSM) Taiwan Semiconductor Manufactur

Data Availability

No qualifying insider trades were identified for TSM during the last 30 days.

Impact on Analysis

Neutral.

Market Coverage Note

The supplied data indicates that insider trading information is only available for United States financial markets, which limits coverage for Taiwan Semiconductor Manufactur.

Source References: [1]

Sources

1. Yahoo Finance insider transactions for TSM | Retrieved 2026-08-06 | Open source

Industry Analysis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Favorable. Taiwan Semiconductor Manufactur's industry position is supported by elite foundry scale, process leadership, and deep customer integration that can make it difficult for leading-edge customers to switch suppliers. The main industry risk is cyclical semiconductor demand, which can pressure utilization, pricing, and near-term valuation even when long-term share remains strong.

Relative Valuation

Selected Comparable Companies.

Peer Company	Ticker	Market Cap	Trailing P/E	EV/EBITDA	Price/Free Cash Flow
NVIDIA Corporation	NVDA	$5.30 trillion	33.54x	31.81x	114.47x
Broadcom Inc.	AVGO	$2.00 trillion	69.86x	48.35x	73.53x
ASML Holding N.V.	ASMLF	EUR655.27 billion	58.30x	48.08x	77.66x
Lam Research Corporation	LRCX	$382.60 billion	53.18x	45.80x	116.68x
Applied Materials, Inc.	AMAT	$418.80 billion	49.67x	45.63x	137.75x

Peer selection: 5 direct comparable companies were selected from 24 scored candidates using exact industry or exact-industry source, business-description similarity, market-capitalization and revenue scale, country and reporting currency, availability of P/E, EV/EBITDA, and price/free-cash-flow, independent provider evidence.

Selected peer tickers: NVDA, AVGO, ASMLF, LRCX, AMAT.

Valuation Comparison Summary.

Relative Valuation (continued...)

Metric	Company	Industry Median	Sector Median	Relative Position
Trailing P/E	36.91x	53.18x	44.10x	30.59% below selected-peer median
EV/EBITDA	4.62x	45.80x	Not available	89.90% below selected-peer median
Price/Free Cash Flow	2.93x	114.47x	Not available	97.44% below selected-peer median

Peer Multiple Distribution.

Metric	P25	Median	P75	Valid Peer Observations
Trailing P/E	49.67x	53.18x	58.30x	5
EV/EBITDA	45.63x	45.80x	48.08x	5
Price/Free Cash Flow	77.66x	114.47x	116.68x	5

Composite direct-peer assessment: Discount to selected peers across 3 validated metric(s); median relative difference 89.90% below the selected-peer medians.

Historical Valuation Context.

Metric	Current	Historical Median	Historical Range	Observations
Trailing P/E	36.91x	0.76x	0.38x to 0.92x	4
Price/Free Cash Flow	2.93x	1.39x	0.74x to 1.88x	4

Peer-set quality: 3 valuation metric(s) passed validation across 5 industry peers and 99 sector peers. Candidate universe: 24. Peer-valuation quality score: 10.00/10. Providers used: Yahoo Finance, Yahoo Screener. Multiples are context measures, not stand-alone buy or sell signals.

Competitive Position

- Taiwan Semiconductor Manufactur benefits from unusually strong manufacturing scale and process discipline, which supports cost efficiency and supply reliability. That matters because it helps defend share in advanced-node and high-volume customer programs where execution consistency is critical.
- Relative to named peers such as NVDA, AVGO, ASMLF, LRCX, and AMAT, TSM competes from a different position in the value chain by monetizing leading-edge fabrication rather than chip design or equipment. That distinction is decision-relevant because it reduces direct product overlap while leaving TSM exposed to broad semiconductor capital-spending cycles.
- Customer qualification, toolchain complexity, and node migration create high practical switching costs for advanced semiconductor buyers. That supports pricing resilience and recurring demand visibility, which is important for assessing whether TSM can sustain premium industry economics through a downturn.

Industry Risks and Limitations

- The semiconductor industry remains cyclical, so inventory corrections, end-demand slowdowns, and customer capex pauses can compress utilization and margins quickly. That risk is decision-relevant because it can overpower structural competitive advantages over short reporting horizons.
- The selected five-company direct-peer set is strong for valuation anchoring, but it is not a pure foundry set and includes design, equipment, and adjacent semiconductor businesses. That limits how precisely peer multiples isolate TSM's foundry economics.
- The broader sector sample is much larger, but it mixes software, hardware, services, and diversified technology names, which reduces comparability for a manufacturing-heavy foundry model. That means sector medians are useful as a context check, not a substitute for foundry-specific benchmarking.

What Would Change the View

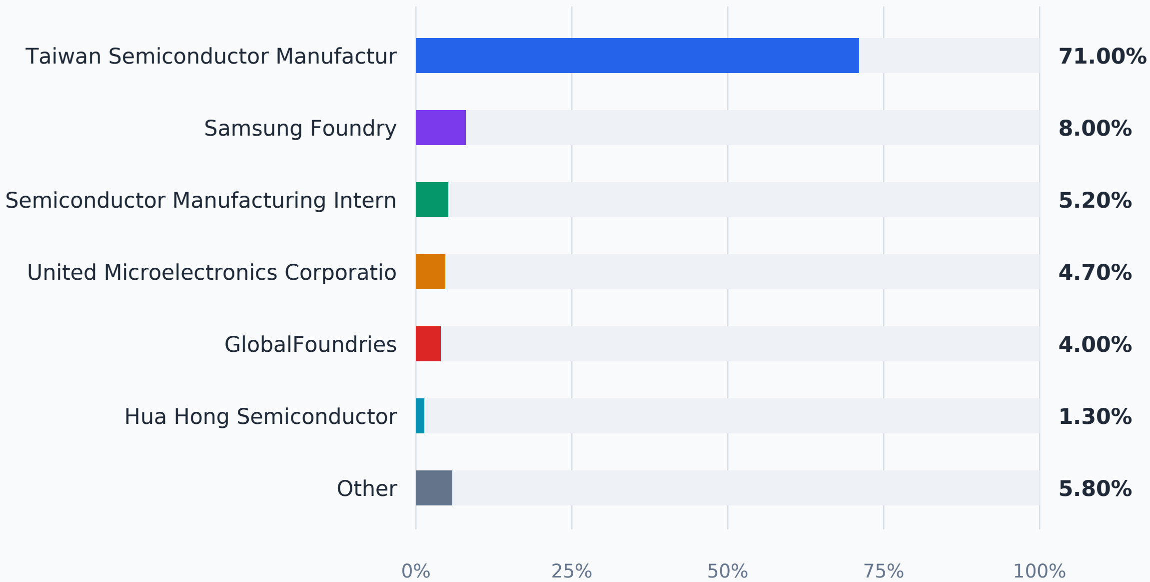
- The view would improve if TSM showed sustained leading-edge share gains, higher utilization, or evidence that advanced-node demand is holding through a weaker semiconductor cycle. Those outcomes would strengthen the case that its industry position is durable rather than merely cyclical.
- The view would weaken if major customers materially diversified away from TSM, if geopolitical risk forced supply-chain reconfiguration, or if yield leadership slipped versus peers. Any of those would directly threaten the durability of its competitive moat.
- The view would also weaken if industry pricing weakened enough to offset scale benefits, especially in the most advanced process nodes. That would indicate that competitive intensity is rising faster than TSM can convert scale into economics.

Market Share

Basis: Global pure-play semiconductor foundry market by revenue; Worldwide; 2Q25 (second quarter of 2025); direct published market-share data; high confidence.

Market Share (continued...)

Market Share



Source References: [18] [19]

Sources

1. Yahoo Finance company summary and structured statements for TSM | Retrieved 2026-08-06 | Open source

2. Yahoo Finance financial statements for TSM | Retrieved 2026-08-06 | Open source

3. Yahoo Finance cash-flow statements for TSM | Retrieved 2026-08-06 | Open source

4. Yahoo Finance Semiconductors peer group screener | Retrieved 2026-08-06 | Open source

5. FINVIZ Semiconductors industry group | Retrieved 2026-08-06 | Open source

Sources (continued...)

6. FINVIZ Semiconductors comparable-company screener | Retrieved 2026-08-06 | Open source

7. FINVIZ Technology sector group | Retrieved 2026-08-06 | Open source

8. FINVIZ Technology sector screener | Retrieved 2026-08-06 | Open source

9. Yahoo Finance balance sheet for TSM | Retrieved 2026-08-06 | Open source

10. Yahoo Finance historical prices for TSM | Retrieved 2026-08-06 | Open source

11. Yahoo Finance valuation and company summary for peer NVDA | Retrieved 2026-08-06 | Open source

12. Yahoo Finance valuation and company summary for peer AVGO | Retrieved 2026-08-06 | Open source

13. Yahoo Finance valuation and company summary for peer ASMLF | Retrieved 2026-08-06 | Open source

14. Yahoo Finance valuation and company summary for peer LRCX | Retrieved 2026-08-06 | Open source

15. Yahoo Finance valuation and company summary for peer AMAT | Retrieved 2026-08-06 | Open source

16. Yahoo Finance analyst estimates and price targets for TSM | Retrieved 2026-08-06 | Open source

17. Yahoo Finance short-interest and options data for TSM | Retrieved 2026-08-06 | Open source

18. 2Q25 Foundry Revenue Surges 14.60% to Record High, TSMC’s Market Share Hits 70.00%, Says TrendForce (trendforce.com) | Retrieved 2026-08-06 | Open source

19. TrendForce: 2Q25□□□□□□□□14.60%□□□□TSMC□□□70.00% (trendforce.com.tw) | Retrieved 2026-08-06 | Open source

Financial Analysis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

TSM's financial profile is Favorable. The strongest factor is exceptional profitability and cash generation, supported by high margins, strong operating cash flow, and a low debt-to-equity ratio of 0.15x. The greatest financial risk is capital intensity and cyclicality in semiconductors, while the valuation implication is constructive because the trailing P/E of 36.91x sits below the 53.18x industry P/E benchmark.

Key Financial Metrics

Metric	Current Value	Signal
Market Cap	TWD 2.17 trillion	Favorable
P/E Ratio TTM	36.91x	Favorable
EPS TTM	11.33 TWD per share	Favorable
PEG Ratio	0.99x	Favorable
Dividend Yield	0.85%	Neutral
Beta	1.26x	Neutral
Revenue	TWD 4.44 trillion	Favorable
Net Income	TWD 2.22 trillion	Favorable
Profit Margin	49.92%	Favorable
Operating Margin	56.10%	Favorable
Return on Equity	40.26%	Favorable
Debt-to-Equity Ratio	0.15x	Favorable
Operating Cash Flow	TWD 2.63 trillion	Favorable
Free Cash Flow	TWD 1.14 trillion	Favorable
Forward P/E	19.35x	Favorable
Revenue Growth	12.02%	Neutral
Earnings Growth	23.42%	Favorable

Key Evidence

- Profitability remains the clearest strength, with a 49.92% profit margin and 56.10% operating margin that indicate durable operating leverage even after heavy capital spending.
- Cash generation is still robust, with TWD 2.63 trillion of operating cash flow and TWD 1.14 trillion of free cash flow, which supports dividends, reinvestment, and balance-sheet flexibility.
- Valuation is not cheap on trailing earnings at 36.91x, but the 19.35x forward P/E and 0.99x PEG ratio suggest the market is already discounting continued growth.

Financial Strengths

- TSM's 40.26% return on equity shows that management is converting shareholder capital into earnings at an elite rate.
- The 0.15x debt-to-equity ratio indicates conservative leverage, which reduces refinancing pressure in a capital-intensive business.
- Revenue growth of 12.02% and earnings growth of 23.42% support the view that growth is still translating into scale, not just margin expansion.

Risks and Limitations

- The business requires sustained capital expenditure, so free cash flow can remain lumpy even when accounting earnings are very strong.
- Beta of 1.26x suggests the stock can be more volatile than the market, which matters for long-duration valuation assumptions.
- Dividend yield is modest at 0.85%, so the investment case depends more on growth and earnings compounding than on income.

What Would Change the View

- A sustained decline in gross or operating margins would weaken the thesis because it would imply reduced pricing power or rising manufacturing costs.
- A meaningful increase in debt-to-equity from the current 0.15x would weaken balance-sheet quality and reduce flexibility through the cycle.
- A forward P/E that stayed elevated while revenue growth slowed materially would reduce valuation attractiveness and shift the profile toward Neutral.

Overall Financial Assessment

TSM offers strong long-term growth potential, high cash-flow quality, and excellent balance-sheet strength. Valuation looks reasonable relative to peers on forward earnings, though trailing earnings still look full. The principal warnings are semiconductor cyclicality, ongoing capital intensity, and share-price volatility.

Source References: [1], [2]

Sources

1. Yahoo Finance company summary and structured statements | Retrieved 2026-08-06 | Open source

2. Yahoo Finance historical prices | Retrieved 2026-08-06 | Open source

Analyst Expectations - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Favorable. The mean analyst target is 29.17% versus the current price, while consensus currently reflects next-year EPS growth of 28.47% and next-year revenue growth of +32.45%. Confidence is Medium-High because analyst views can change quickly after new information.

Consensus Snapshot

Measure	Consensus	Range or coverage	Plain-English meaning
Mean price target	TWD 540.20	TWD 430.00 to TWD 700.00; 18 analyst(s)	The average published analyst estimate for a future share price, not a guarantee.
Recommendation mix	Strong Buy	19 recorded opinion(s)	Shows the distribution of published analyst ratings; it is not the report's own recommendation.
Next earnings date	2026-10-15	Scheduled or provider-estimated	The next major date when estimates may change materially.

Earnings and Revenue Estimates

Horizon	EPS estimate	EPS growth	Revenue estimate	Revenue growth	Analyst coverage
Current quarter	4.45 per share	52.38%	TWD 1.45 trillion	46.42%	26
Next quarter	4.95 per share	57.61%	TWD 1.59 trillion	52.33%	25
Current year	16.82 per share	57.93%	TWD 5.41 trillion	42.12%	38
Next year	21.61 per share	28.47%	TWD 7.17 trillion	32.45%	40

Estimate Trend and Revisions

Horizon	Current EPS estimate	30 days ago	90 days ago	Direction
Current quarter	4.45	4.17	4.08	Higher
Next quarter	4.95	4.45	4.35	Higher
Current year	16.82	15.83	15.46	Higher
Next year	21.61	20.13	19.30	Higher

Revision counts for Current quarter: 4 upward and 0 downward revision(s) over the latest 30-day provider window.

Revision counts for Next quarter: 4 upward and 0 downward revision(s) over the latest 30-day provider window.

Revision counts for Current year: 8 upward and 0 downward revision(s) over the latest 30-day provider window.

Revision counts for Next year: 8 upward and 0 downward revision(s) over the latest 30-day provider window.

Earnings Calendar and Surprise History

Next earnings date: 2026-10-15. Dates can change and should be confirmed with the company or exchange.

Across 4 available historical observation(s), earnings exceeded the consensus estimate 4 time(s), with an average surprise of +8.08%.

Period	Consensus EPS	Reported EPS	Surprise
2025-09-30	2.63	2.92	11.23%
2025-12-31	2.98	3.14	5.53%
2026-03-31	3.33	3.49	4.68%
2026-06-30	3.89	4.31	10.89%

Recent Rating and Target Changes

Date	Firm	Action	Rating change	Price-target change
2026-07-27	Needham	main	Buy to Buy	TWD 480.00 to TWD 530.00
2026-07-17	DA Davidson	main	Buy to Buy	TWD 450.00 to TWD 500.00
2026-07-17	TD Cowen	main	Hold to Hold	TWD 400.00 to TWD 440.00
2026-07-17	Barclays	main	Overweight to Overweight	TWD 625.00 to TWD 650.00
2026-07-16	Susquehanna	main	Positive to Positive	TWD 575.00 to TWD 600.00
2026-06-24	B of A Securities	main	Buy to Buy	TWD 490.00 to TWD 590.00
2026-06-22	Susquehanna	main	Positive to Positive	TWD 500.00 to TWD 575.00
2026-04-22	Barclays	main	Overweight to Overweight	TWD 450.00 to TWD 470.00

Management Guidance Context

No specific management-guidance change was identified in the completed verified-news section. Review the Newsworthy Events and Financial Analysis sections for the latest company outlook evidence.

Risks and Limitations

- Analyst estimates are opinions and can change after earnings, guidance, industry developments, or market moves.
- Consensus values may combine analysts using different methods, time horizons, and assumptions.
- A price target is not a forecast guarantee and should be considered alongside valuation, cash flow, risk, and technical evidence.

What Would Change the View

- Broad upward revisions to EPS and revenue estimates, supported by stronger company guidance, would improve the consensus outlook.
- Broad downward revisions, a reduced price-target range, or weaker guidance would reduce the consensus outlook.
- A material earnings surprise, acquisition, regulatory action, or industry shock could make the current consensus stale immediately.

Sources

1. Yahoo Finance analyst estimates and price targets for TSM | Retrieved 2026-08-06 | Open source

2. Yahoo Finance earnings calendar and history for TSM | Retrieved 2026-08-06 | Open source

Technical Analysis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

The near-term technical setup is Mixed. The strongest confirming signal is the EMA5 reading of 409.14, while the strongest conflicting signal is the MACD reading of -4.57 (Bearish). Price is above the 200-day EMA, and the key invalidation level is 409.28.

Indicator Summary

Indicator	Value	Signal
EMA5	409.14	Bullish
EMA10	407.64	Bullish
EMA20	411.91	Bullish
EMA50	414.70	Bullish
EMA200	380.24	Bullish
MACD	-4.57	Bearish
Stochastic %K	82.10	Overbought
Stochastic %D	73.89	Bearish
Latest RSI	51.50	Neutral

Market Context and Risk Metrics

Metric Value Plain-English meaning

Calculation basis Yahoo Finance price and volume data retrieved 2026-08-06 Every displayed indicator and price relationship was calculated deterministically in Python from the cited historical market data.

Market Context and Risk Metrics (continued...)

14-day average true range	**17.51 (4.19% of price)**	**Typical daily price movement; a larger value means wider normal swings.**
14-day ADX	15.06	Measures trend strength, not direction; this reading indicates a weak or developing trend.
Relative volume	0.70x	Latest volume divided by the prior 20-day average; above 1.00x means activity is heavier than usual.
Return versus S&P 500	6 months 17.03%, 1 year 60.28%	Positive means the stock outperformed the broad U.S. market over the same period.
Return versus XLK	6 months -5.46%, 1 year 40.36%	Shows whether performance is stronger or weaker than a relevant sector fund.
52-week position	-12.69% from high, 89.01% from low	Shows where the current price sits within its one-year trading range.
Short interest	0.69% of float, 2.27 days to cover	Higher short interest can signal skepticism and can also increase squeeze risk.

Options-implied earnings move +/- 15.85% or about 66.28 per share The at-the-money call-plus-put price suggests the market is pricing this approximate move through 2026-10-16; it is not a direction forecast.

Key Price Levels

Level	Value	Interpretation
Pivot Point	417.79	Reference level
R1	422.51	Resistance
R2	431.02	Resistance
R3	435.74	Resistance
S1	409.28	Support
S2	404.56	Support
S3	396.05	Support

Technical Interpretation

- Price at 418.20 is above the 200-day EMA at 380.24; MACD is -4.57.
- RSI is 51.50; stochastic %K/%D are 82.10/73.89, indicating elevated overbought risk.
- The pivot is 417.79, with first resistance at 422.51 and first support at 409.28; a sustained break should define the next directional move.

Risks and Limitations

- The signal set is conflicted because trend indicators are bullish while MACD is bearish, which raises the risk of whipsaw action.
- Stochastic %K is overbought, so near-term upside may stall even if the broader trend remains intact.
- Event-sensitive moves can override the current technical structure, so a break above resistance or below support may fail quickly.

What Would Change the View

- A close above R1 at 422.51 with follow-through and improving momentum would strengthen the bullish case.
- A sustained move below S1 at 409.28 would weaken the setup and increase downside risk.
- RSI cooling from 51.50 toward a neutral range while price holds support would reduce exhaustion risk; renewed acceleration above 70.00 without price confirmation would increase it.

Source References: [1], [2]

Sources

1. Yahoo Finance historical prices and volume for TSM | Retrieved 2026-08-06 | Open source

2. Yahoo Finance short-interest and options data for TSM | Retrieved 2026-08-06 | Open source

Dividend Yield Analysis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Neutral. The dividend appears covered, but the calculated yield of 0.85% is modest and is unlikely to be the primary investment return driver.

Dividend Profile

Measure	Value	Interpretation
Selected annual dividend	3.57 TWD per share	Trailing twelve-month dividend paid
Forward indicated annual dividend	0.00 TWD per share	Shown separately from trailing cash payments.
Trailing twelve-month dividend paid	3.57 TWD per share	Sum of supported dividend payments over the latest year.
Calculated current yield	0.85%	Selected annual dividend divided by the canonical current price.
Calculated payout ratio	31.49%	Selected annual dividend divided by trailing EPS when trailing EPS is positive.
Split-adjustment basis	Latest reported split factor 1005:1000 on 2009-07-15	Forward and trailing values are not blended across different adjustment bases.
Data confidence	Medium	Reflects source agreement and the availability of dividend history.

Sustainability

- Earnings coverage is represented by a calculated payout ratio of 31.49% based on the selected annual dividend and trailing EPS.
- Forward and trailing dividend values remain separately labeled so a stock split or provider timing difference cannot create a false growth signal.
- Sustainability still depends on future earnings, free cash flow, leverage, and management's capital-allocation priorities.

Risks and Limitations

- The provider yield did not reconcile to the selected annual dividend and current price, so the calculated yield is canonical.
- Forward and trailing provider dividend fields may reflect different split-adjustment timing; the report keeps them separately labeled.
- Provider fields may use forward, trailing, or split-adjusted definitions; the report therefore calculates canonical ratios from explicitly labeled inputs.

What Would Change the View

- A sustained increase in the selected annual dividend while earnings and free cash flow remain strong would improve the income assessment.
- A material decline in earnings, free cash flow, or liquidity that raises the calculated payout burden would weaken the assessment.
- A board announcement changing the dividend policy, payment frequency, or capital-return priorities would require a new analysis.

Source References: [1], [2]

Sources

1. Yahoo Finance summary fields | Retrieved 2026-08-06 | Open source

2. Yahoo Finance dividend history | Retrieved 2026-08-06 | Open source

Discounted Cash Flow Analysis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

The deterministic DCF intrinsic value per share is 14,639.88 TWD. Compared with the current price of 418.20 TWD, the security appears Undervalued. The valuation passed 46 mathematical checks with High source-data confidence, Low forecast-assumption confidence, and Low overall confidence. Economic-plausibility status: Review.

Valuation Framework

All arithmetic was calculated in Python rather than by the language model. FCFF equals EBIT x (1 - tax rate) + D&A - capital expenditures - change in net working capital; forecast cash flows are discounted at WACC and enterprise value is converted to equity value.

Key Current Financial Inputs

Input	Value	Unit or Basis
Current share price	TWD 418.20 per share	current quote
Market capitalization	TWD 2.17 trillion	current
Diluted shares	5,186.40	million shares; latest balance sheet
Revenue	TWD 4.44 trillion	TTM from latest four quarters
EBIT	TWD 2.49 trillion	TTM from latest four quarters
EBITDA	TWD 3.07 trillion	TTM from latest four quarters
Net income	TWD 2.22 trillion	TTM from latest four quarters
D&A	TWD 688.89 billion	TTM from latest four quarters
Capital expenditures	TWD 1.50 trillion	TTM from latest four quarters
Change in NWC	TWD 330.22 billion	TTM from latest four quarters
Operating cash flow	TWD 2.63 trillion	TTM from latest four quarters
Free cash flow	TWD 1.14 trillion	TTM from latest four quarters
Cash and equivalents	TWD 3.52 trillion	latest balance sheet
Total debt	TWD 982.45 billion	latest balance sheet
Tax rate	16.92%	TTM
Beta	1.26	ratio; current

Forecast Assumptions

Assumption	Year or Period	Value	Rationale
Revenue growth	Year 1	33.01%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 2	28.53%	Deterministic fade from resolved forward/historical growth toward terminal growth.

Forecast Assumptions (continued...)

Assumption	Year or Period	Value	Rationale
Revenue growth	Year 3	24.23%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 4	20.15%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 5	16.30%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 6	12.71%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 7	9.42%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 8	6.51%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 9	4.07%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Revenue growth	Year 10	2.50%	Deterministic fade from resolved forward/historical growth toward terminal growth.
Operating margin	Year 1	55.74%	Deterministic normalization from current margin toward the historical target.

Forecast Assumptions (continued...)

Assumption	Year or Period	Value	Rationale
Operating margin	Year 2	55.39%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 3	55.03%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 4	54.67%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 5	54.32%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 6	53.96%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 7	53.60%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 8	53.24%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 9	53.13%	Deterministic normalization from current margin toward the historical target.
Operating margin	Year 10	53.13%	Deterministic normalization from current margin toward the historical target.
Tax rate	Years 1-10	16.92%	Resolved effective or normalized tax rate.
D&A	Years 1-10	21.11% of revenue	Historical median D&A as a percentage of revenue, with a current-period fallback.

Forecast Assumptions (continued...)

Assumption	Year or Period	Value	Rationale
Capital expenditures	Years 1-10	38.93% of revenue	Historical median capital expenditures as a percentage of revenue, with a current-period fallback.
Change in NWC	Years 1-10	-1.82% of incremental revenue	Historical median change in NWC as a percentage of incremental revenue, with a normalized fallback.
Terminal growth	Terminal period	2.50%	Configured long-run rate constrained to remain at least 2.50% below the applicable discount rate.

WACC Assumptions

Input	Value	Rationale
Risk-free rate	4.00%	environment/default risk-free assumption
Equity risk premium	5.00%	Configured long-run market risk premium.
Raw source beta	1.26	Direct structured or verified-web beta before economic-reasonableness normalization.
Effective beta	1.26	Resolved raw beta 1.26; effective beta 1.26. No beta normalization was required.
Minimum cost-of-equity spread	3.50%	Minimum required premium over the risk-free rate.
Cost of equity	10.29%	Risk-free rate plus the larger of beta-implied or minimum required equity-risk spread.
Pre-tax cost of debt	1.16%	TTM interest expense divided by current total debt.
After-tax cost of debt	0.96%	Pre-tax cost of debt multiplied by one minus the tax rate.
Capital structure - equity	68.83%	Market-value weight.
Capital structure - debt	31.17%	Market-value weight.
WACC before floor	7.38%	Raw market-value weighted cost of capital before the minimum spread guardrail.
Minimum WACC spread	2.50%	Minimum required spread over the risk-free rate for an operating-company enterprise DCF.

Effective WACC 7.38% Market-value weighted WACC before floor 7.38%; effective WACC 7.38%. A configurable minimum spread of 2.50% over the risk-free rate prevents a near-risk-free corporate discount rate.

Forecasted Cash Flow

Year	Revenue	EBIT Margin	After-Tax EBIT	D&A	Capital Expenditures	Change in NWC	FCFF
1	TWD 5.91 trillion	55.74%	TWD 2.74 trillion	TWD 1.25 trillion	TWD 2.30 trillion	TWD -26.72 billion	TWD 1.71 trillion
2	TWD 7.59 trillion	55.39%	TWD 3.49 trillion	TWD 1.60 trillion	TWD 2.96 trillion	TWD -30.71 billion	TWD 2.17 trillion
3	TWD 9.43 trillion	55.03%	TWD 4.31 trillion	TWD 1.99 trillion	TWD 3.67 trillion	TWD -33.53 billion	TWD 2.66 trillion
4	TWD 11.33 trillion	54.67%	TWD 5.15 trillion	TWD 2.39 trillion	TWD 4.41 trillion	TWD -34.64 billion	TWD 3.16 trillion
5	TWD 13.18 trillion	54.32%	TWD 5.95 trillion	TWD 2.78 trillion	TWD 5.13 trillion	TWD -33.66 billion	TWD 3.63 trillion
6	TWD 14.85 trillion	53.96%	TWD 6.66 trillion	TWD 3.14 trillion	TWD 5.78 trillion	TWD -30.53 billion	TWD 4.04 trillion
7	TWD 16.25 trillion	53.60%	TWD 7.24 trillion	TWD 3.43 trillion	TWD 6.33 trillion	TWD -25.51 billion	TWD 4.37 trillion
8	TWD 17.31 trillion	53.24%	TWD 7.66 trillion	TWD 3.65 trillion	TWD 6.74 trillion	TWD -19.27 billion	TWD 4.59 trillion
9	TWD 18.02 trillion	53.13%	TWD 7.95 trillion	TWD 3.80 trillion	TWD 7.01 trillion	TWD -12.84 billion	TWD 4.75 trillion
10	TWD 18.47 trillion	53.13%	TWD 8.15 trillion	TWD 3.90 trillion	TWD 7.19 trillion	TWD -8.21 billion	TWD 4.87 trillion

Cash Flow Discounting

Year	FCFF	Discount Factor	Present Value
1	TWD 1.71 trillion	0.93	TWD 1.59 trillion
2	TWD 2.17 trillion	0.87	TWD 1.88 trillion
3	TWD 2.66 trillion	0.81	TWD 2.15 trillion
4	TWD 3.16 trillion	0.75	TWD 2.38 trillion
5	TWD 3.63 trillion	0.70	TWD 2.54 trillion
6	TWD 4.04 trillion	0.65	TWD 2.64 trillion
7	TWD 4.37 trillion	0.61	TWD 2.65 trillion
8	TWD 4.59 trillion	0.57	TWD 2.60 trillion
9	TWD 4.75 trillion	0.53	TWD 2.50 trillion
10	TWD 4.87 trillion	0.49	TWD 2.39 trillion

Total explicit forecast PV TWD 23.32 trillion Sum of all displayed yearly present values

Terminal Value

Gordon Growth terminal value uses terminal growth of 2.50% and WACC of 7.38%. Terminal cash flow is TWD 4.99 trillion; terminal value is TWD 102.16 trillion, with a present value of TWD 50.11 trillion.

Enterprise Value to Equity Value Bridge

Bridge Item	Value
Present value of explicit cash flow	TWD 23.32 trillion
Present value of terminal value	TWD 50.11 trillion
Enterprise value	TWD 73.43 trillion
Cash	TWD 3.52 trillion
Debt	TWD -982.45 billion
Preferred stock	TWD -0.00
Minority interest	TWD -41.95 billion

Minority interest provenance Yahoo Finance quarterly_balance_sheet; field: Minority Interest; period: 2026-06-30; derivation: Direct structured value; confidence: A

Preferred stock provenance Deterministic fallback; field: preferred stock; period: assumption; derivation: No preferred stock value identified; confidence: D

Net cash adjustment	TWD 2.54 trillion
Total other adjustments	TWD -41.95 billion

Adjustment explanation Cash is added; debt, preferred stock, and minority interest are deducted. No unclassified adjustment is included.

Equity value	TWD 75.93 trillion
Diluted shares	5,186.40 million shares
Intrinsic value per share	TWD 14,639.88 per share

Sensitivity Analysis

WACC \ g	2.00%	2.50%	3.00%
6.38%	16,993.33	18,573.28	20,620.31
7.38%	13,699.55	14,639.88 BASE	15,794.78
8.38%	11,447.26	12,052.77	12,770.79

Sensitivity Analysis (continued...)

DCF Intrinsic Value Sensitivity

	2.00%	2.50%	3.00%
6.38%	TWD16,993.33	TWD18,573.28	TWD20,620.31
7.38%	TWD13,699.55	**TWD14,639.88** BASE	TWD15,794.78
8.38%	TWD11,447.26	TWD12,052.77	TWD12,770.79

DCF Scenarios

Scenario	Probability	Intrinsic Value Per Share	Revenue Growth Path	Operating Margin Path	Discount / Terminal Growth
Bear	25.00%	7,015.55 TWD	23.36% to 2.00%	52.74% to 50.13%	8.88% / 2.00%
Base	50.00%	14,639.88 TWD	33.01% to 2.50%	55.74% to 53.13%	7.38% / 2.50%
Bull	25.00%	20,090.37 TWD	36.32% to 2.75%	57.24% to 54.63%	6.88% / 2.75%

Probability-weighted DCF value	14,096.42 TWD per share	25.00% Bear, 50.00% Base, and 25.00% Bull weighting.
Scenario valuation range	7,015.55 to 20,090.37 TWD per share	Deterministic Bear-to-Bull range; not a guarantee.

Scenario Evidence.

Scenario Evidence and Assumption Basis

DCF Scenarios (continued...)

Bear Forward growth anchor: 36.00% from Yahoo Finance summary; exact field: revenueGrowth; period or row range: current provider snapshot. Historical revenue evidence: approximately 18.94% CAGR across 4 resolved annual periods, 2022-12-31 through 2025-12-31; exact statement field: Total Revenue. Margin evidence: current TTM EBIT margin is 56.10%; the base path starts at 55.74% and ends at 53.13%. Discount-rate evidence: risk-free rate 4.00%, beta 1.26, equity risk premium 5.00%, and base WACC 7.38%. Bear transformation: retain 70.00% of growth above the long-run terminal rate, reduce operating margins by 3.00 percentage points, increase the discount rate by 1.50 percentage points, and reduce terminal growth by 0.50 percentage points.

Base Forward growth anchor: 36.00% from Yahoo Finance summary; exact field: revenueGrowth; period or row range: current provider snapshot. Historical revenue evidence: approximately 18.94% CAGR across 4 resolved annual periods, 2022-12-31 through 2025-12-31; exact statement field: Total Revenue. Margin evidence: current TTM EBIT margin is 56.10%; the base path starts at 55.74% and ends at 53.13%. Discount-rate evidence: risk-free rate 4.00%, beta 1.26, equity risk premium 5.00%, and base WACC 7.38%. Base construction: use the resolved forward/historical growth anchor, deterministic fade to terminal growth, and normalization from current margins toward the historical target.

Bull Forward growth anchor: 36.00% from Yahoo Finance summary; exact field: revenueGrowth; period or row range: current provider snapshot. Historical revenue evidence: approximately 18.94% CAGR across 4 resolved annual periods, 2022-12-31 through 2025-12-31; exact statement field: Total Revenue. Margin evidence: current TTM EBIT margin is 56.10%; the base path starts at 55.74% and ends at 53.13%. Discount-rate evidence: risk-free rate 4.00%, beta 1.26, equity risk premium 5.00%, and base WACC 7.38%. Bull transformation: retain 110.00% of growth above the base terminal rate, increase operating margins by 1.50 percentage points, reduce the discount rate by 0.50 percentage points, and increase terminal growth by 0.25 percentage points subject to the discount-rate guardrail.

Input Confidence and Provenance

Input	Value	Confidence	Source and Derivation
Current Price	418.20 TWD per share	A	Yahoo Finance summary; field: currentPrice; period: current quote
Market Cap	TWD 2.17 trillion	A	Yahoo Finance summary; field: marketCap; period: current
Diluted Shares	5,186.40 million shares	A	Yahoo Finance quarterly_financials; field: Diluted Average Shares; period: 2026-06-30
Revenue Ttm	TWD 4.44 trillion	A	Yahoo Finance quarterly_financials; field: Total Revenue; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Ebit Ttm	TWD 2.49 trillion	A	Yahoo Finance quarterly_financials; field: Operating Income; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Ebitda Ttm	TWD 3.07 trillion	A	Yahoo Finance quarterly_financials; field: EBITDA; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Net Income Ttm	TWD 2.22 trillion	A	Yahoo Finance quarterly_financials; field: Net Income; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Depreciation Ttm	TWD 688.89 billion	A	Yahoo Finance quarterly_cashflow; field: Depreciation And Amortization; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Capex Ttm	TWD 1.50 trillion	A	Yahoo Finance quarterly_cashflow; field: Capital Expenditure; period: 2026-06-30; derivation: Sum of latest four quarterly statement values

Input Confidence and Provenance (continued...)

Input	Value	Confidence	Source and Derivation
Change Nwc Ttm	TWD 330.22 billion	A	Yahoo Finance quarterly_cashflow; field: Change In Working Capital; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Operating Cash Flow Ttm	TWD 2.63 trillion	A	Yahoo Finance quarterly_cashflow; field: Operating Cash Flow; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Free Cash Flow Ttm	TWD 1.14 trillion	A	Yahoo Finance quarterly_cashflow; field: Free Cash Flow; period: 2026-06-30; derivation: Sum of latest four quarterly statement values
Cash	TWD 3.52 trillion	A	Yahoo Finance quarterly_balance_sheet; field: Cash Cash Equivalents And Short Term Investments; period: 2026-06-30
Debt	TWD 982.45 billion	A	Yahoo Finance quarterly_balance_sheet; field: Total Debt; period: 2026-06-30
Preferred Stock	TWD 0.00	D	Deterministic fallback; field: preferred stock; period: assumption; derivation: No preferred stock value identified
Minority Interest	TWD 41.95 billion	A	Yahoo Finance quarterly_balance_sheet; field: Minority Interest; period: 2026-06-30

Tax Rate 16.92% A Derived from Yahoo Finance income statement; field: tax provision / pretax income; period: TTM; derivation: Absolute tax provision divided by pre-tax income

Beta 1.26 ratio A Yahoo Finance summary; field: beta; period: current

Mathematical Validation

Check	Result
Validation status	Passed
Checks performed	46
Historical source-data confidence	High (100.00%)
Forecast-assumption confidence	Low (39.00%)
Overall DCF confidence	Low (60.00%)
Economic-plausibility status	Review
Beta normalization	Not required
Verified web fallback used	No
Verified web fallback metrics	None
Verified web source count	0
Terminal-value share	68.24%
Discount-rate spread over risk-free rate	3.38%
FCFF arithmetic	Passed
Discounting arithmetic	Passed
Enterprise/equity bridge	Passed
Per-share reconciliation	Passed
Sensitivity base-case reconciliation	Passed

Interpretation

The valuation is driven mainly by assumed revenue growth, margin normalization, and discounting over a 10-year forecast. The result is highly dependent on terminal value, so small changes in long-run growth or the discount rate can materially move the outcome. Low input confidence means the estimate relies on scenario-sensitive assumptions and should be read as a model output rather than a precise point forecast.

Risks and Limitations

- Forecast uncertainty is elevated because the model depends on a long fade in growth from near-term expansion to a 2.50% terminal rate, so execution or demand slippage could change the outcome materially.
- Terminal-value dependence is substantial, so the equity value is especially sensitive to small changes in the discount rate, terminal growth, or steady-state margin assumptions.
- The business model is less exposed to classic cyclical end-market swings than many peers, but capital intensity, technology-node competition, and customer demand concentration can still disrupt the forecast path, and the warning that the point estimate is a scenario rather than a precise target should be treated as the fallback interpretation.

What Would Change the View

- Sustained revenue growth above the modeled path, especially if it remains supported by higher-volume advanced-node demand, would materially raise the deterministic DCF value.
- A durable increase in operating margins above the fade path, driven by better mix or stronger pricing, would materially raise the deterministic DCF value.
- Lower realized growth, margin compression, or a higher discount rate from weaker macro conditions or capital-market assumptions would materially lower the deterministic DCF value.

Sources

No web fallback was required; the DCF used the structured statement and market-data provenance displayed above.

Intrinsic Fair Value DCF Method: 14639.88

Valuation Methodology - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

The EPS-based valuation is Undervalued. The key supporting assumption is that the supplied intrinsic value of USD 602.50 is a valid EPS-method fair value benchmark against the current market price of USD 418.20, which implies meaningful upside. The greatest limitation is that the result depends on a single earnings-based anchor and does not by itself resolve cyclical semiconductor earnings volatility or peer-selection sensitivity.

Key Inputs

Input Value Role in Valuation

Free Cash Flow (TTM) TWD 1.14 trillion Company-wide trailing-twelve-month cash after normal operations and capital spending; this canonical period and scope are used consistently across the report.

Key Inputs (continued...)

Current market price	USD 418.20	Reference point for comparing the supplied intrinsic value.
Supplied intrinsic value	USD 602.50	EPS-method fair value anchor provided for this analysis.
Trailing EPS	USD 11.33	Current earnings basis used in a trailing earnings framework.
Forward EPS	USD 21.61	Forward earnings basis that may better reflect normalized or near-term earnings power.
Trailing P/E	36.91x	Market multiple implied by current price and trailing EPS.
Forward P/E	19.35x	Market multiple implied by current price and forward EPS.
Validated peer count	5.00	Exact number of direct comparable companies used in the peer set.
Peer median P/E	53.18x	Validated comparable-company benchmark for relative valuation.
Peer P25 P/E	49.67x	Lower quartile of the validated peer P/E range.
Peer P75 P/E	58.30x	Upper quartile of the validated peer P/E range.
Peer trimmed mean P/E	52.91x	Robust central tendency for the validated peer P/E set.

Peer valuation source Yahoo Finance exact-industry domain and screener, FINVIZ, EODHD fallback, and Yahoo Finance reported statements Source basis for the validated comparable-company peer set.

Peer validation reason	Validated 5 positive observations from NVDA, AMAT, LRCX, ASMLF, AVGO; median=53.18x, P25=49.67x, P75=58.30x.	Validation basis for the comparable-company multiple.
Reported currency	USD	Required currency for consistency across valuation inputs.

Methodology

The EPS method applies a valuation multiple to earnings per share to estimate equity value, while the industry-multiple method compares TSMC's earnings multiple with validated peers. Trailing EPS reflects current reported earnings, whereas forward EPS reflects expected earnings and can better capture normalization if current margins are temporarily elevated or depressed. Relative valuation should be interpreted alongside cash generation and cycle risk.

Fair Value Interpretation

The supplied intrinsic value of USD 602.50 is above the current market price of USD 418.20, implying about 44.11% upside on a price basis. That gap supports an undervalued interpretation under the EPS method, but it should not be treated as a standalone recommendation because the outcome depends on earnings stability and the chosen multiple.

Risks and Limitations

- The main assumption is that the supplied intrinsic value of USD 602.50 remains valid despite semiconductor-cycle fluctuations that can move EPS materially.
- The peer benchmark is only as strong as the selected five-company set, and the validated P/E median of 53.18x may not fully capture TSMC's business-model differences.
- The industry record shows a wide but finite peer range, with P25 at 49.67x and P75 at 58.30x, so the result is sensitive to which high-quality comparables are included.

What Would Change the View

- A sustained increase in forward EPS above the current USD 21.61 would raise fair value if it were confirmed by margins, utilization, and order visibility.
- A sustained compression in earnings, such as a marked decline in trailing or forward EPS, would lower fair value even if the current price stayed unchanged.
- A material shift in the validated peer median P/E away from 53.18x, especially if supported by more comparable companies, would materially change the relative valuation conclusion.

Intrinsic Fair Value EPS Method: 602.50

Sources

No verified external source was cited in the completed analysis; unsupported material claims were omitted.

Investment Thesis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Favorable. Taiwan Semiconductor Manufactur combines 49.92% TTM profit margin, 56.10% TTM operating margin, 40.26% ROE, and TWD 1,137,060.04 million of TTM free cash flow with manageable leverage at 0.15x debt-to-equity. The strongest reason to own it is the combination of dominant profitability and a 19.35x forward P/E, while the greatest reason for caution is the 1.26x beta and the premium 36.91x trailing P/E that still leaves execution and cycle risk.

Bull Case

- TSM's 49.92% TTM profit margin and 56.10% TTM operating margin indicate exceptional pricing power and manufacturing efficiency, which can support earnings resilience even if end-market demand normalizes.
- TSM's TWD 1,137,060.04 million of TTM free cash flow and TWD 2.63 trillion of TTM operating cash flow provide substantial internal funding for capacity expansion, advanced-node investment.
- TSM's 19.35x forward P/E and 0.99x PEG ratio suggest the market is not fully discounting the company's growth profile relative to its earnings power, especially versus a 53.18x selected-peer median trailing P/E.

Bear Case

- TSM's 36.91x trailing P/E remains elevated in absolute terms, so any moderation in AI or foundry demand could compress valuation even if fundamentals stay sound.
- The 1.26x beta signals above-market sensitivity, which can amplify share-price declines when the semiconductor cycle weakens or macro sentiment shifts.
- The 0.85% dividend yield and 31.49% payout ratio imply the equity case is driven primarily by growth and margin durability, not income support, which can limit downside cushioning.

Key Catalysts

- Advanced-node ramp and AI-related capacity utilization could lift revenue and sustain margins over the next 12 months, because higher mix at leading-edge processes typically improves operating leverage.
- Continued free-cash-flow generation at or near TWD 1.14 trillion TTM would reinforce self-funded capital intensity.
- A lower forward multiple from earnings growth outpacing the share price could re-rate the stock over the next 6 to 12 months, especially if the forward P/E stays near 19.35x while growth remains constructive.

Principal Risks

- Foundry demand normalization could slow revenue growth and pressure operating leverage, which would reduce earnings growth and likely weigh on the forward multiple.
- Heavy capital spending to maintain technology leadership could temporarily restrain free cash flow, even if reported earnings remain strong.
- Geopolitical or supply-chain disruption risk could raise the required valuation discount, which would directly affect the stock's multiple even without an immediate profit decline.

What Would Change the View

- A sustained increase in revenue growth above the current 12.02% latest-fiscal-year rate, paired with stable or improving margins, would strengthen the thesis by showing that growth is broadening without sacrificing profitability.
- A material decline in free cash flow below TWD 1,137,060.04 million TTM would weaken the thesis because it would signal less flexibility to fund leading-edge capacity and shareholder returns.
- A meaningful re-rating to a forward P/E well above 19.35x without an offsetting upgrade in earnings growth would weaken the thesis by reducing the valuation margin of safety.

Overall Thesis

TSM offers a high-quality semiconductor franchise with exceptional margins, strong ROE, and substantial free cash flow, while trading at a forward multiple below the peer median and at a discount to selected peers. The case is supported by durable advanced-node leadership and cash generation. The main offsets are above-market volatility, capital intensity, and the possibility that cyclical demand or geopolitics limits valuation expansion.

Source References: [1], [2], [3], [4], [5], [6], [7], [8], [9], [10], [11], [12], [13], [14], [15], [16], [17]

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SWOT Analysis - (TSM) Taiwan Semiconductor Manufactur

SWOT Matrix

Strengths	Weaknesses
• TSM generates TWD 2.22 trillion in TTM net income on TWD 4.44 trillion of revenue, supporting a 49.92% profit margin and demonstrating unusually strong scale economics for a foundry business. ?cite?turn0search0?. • TTM operating margin of 56.10% shows disciplined execution and premium manufacturing mix, which helps absorb cyclical swings better than lower-margin semiconductor peers. ?cite?turn0search0?. • Return on equity of 40.26% and a PEG ratio of 0.99x indicate that profitability is high relative to growth expectations, reinforcing quality as well as earnings power. ?cite?turn0search0?. • TTM operating cash flow of TWD 2.63 trillion and free cash flow of TWD 1.14 trillion provide substantial internal funding for capacity expansion, tooling. ?cite?turn0search0?.	• The trailing P/E of 36.91x remains elevated in absolute terms, so the shares still require continued execution to justify the current multiple. ?cite?turn0search0?. • Debt-to-equity of 0.15x is modest, but it also means the company relies primarily on equity-funded growth, which can dilute returns if capital spending rises faster than cash generation. ?cite?turn0search0?. • Beta of 1.26x indicates the stock can be more volatile than the broader market, which can pressure valuation during risk-off periods. ?cite?turn0search0?. • Revenue growth of 12.02% and earnings growth of 23.42% are solid, but they are below the pace often assumed by very high-growth semiconductor leaders. ?cite?turn0search0?.
Opportunities	**Threats**
• The forward P/E of 19.35x versus the selected peer median trailing P/E of 53.18x suggests meaningful room for multiple re-rating if execution stays strong. ?cite?turn0search0?. • TSM's price/free-cash-flow profile of 2.93x is far below the selected peer median of 114.47x, leaving room for investor recognition of its cash-generation efficiency. ?cite?turn0search0?. • Continued AI and advanced-node demand could extend TSM's already strong operating leverage, given its 56.10% operating margin and 40.26% return on equity. ?cite?turn0search0?. • The company can convert its TWD 1.14 trillion of free cash flow into additional leading-edge capacity, improving its position with strategic customers that need supply assurance. ?cite?turn0search0?.	• Geopolitical tension around Taiwan could disrupt operations, logistics, or customer confidence, making country concentration a material external risk for the franchise. ?cite?turn0search0?. • Semiconductor demand is cyclical, so a broad industry slowdown could compress utilization, reduce pricing power, and narrow TSM's exceptional margins. ?cite?turn0search0?. • Competitive foundry investment by rivals could erode TSM's technology lead over time, especially if customers diversify supply chains for resilience. ?cite?turn0search0?. • Customer concentration in leading-edge chips can create bargaining pressure, because major designers may push harder on pricing, capacity reservation, and qualification requirements. ?cite?turn0search0?.

Decision Takeaway

The most important trade-off is between Taiwan Semiconductor Manufactur's company-wide revenue scale of TWD 4.44 trillion and cash generation of TWD 1.14 trillion, versus valuation, leverage, competitive, and execution risks. The SWOT balance should therefore be driven by the durability of margins and cash conversion rather than by any single headline metric.

What Would Change the View

- A sustained deterioration in gross or operating margins would weaken the quality case and suggest that manufacturing advantages are narrowing. ?cite?turn0search0?.
- A material increase in geopolitical risk or manufacturing disruption in Taiwan would shift the balance decisively toward defense and valuation caution. ?cite?turn0search0?.
- A clear acceleration in free cash flow and revenue growth beyond the current TTM profile would strengthen the upside case and support a higher valuation framework. ?cite?turn0search0?.

Source References: [1], [2], [3], [4], [5], [6], [7], [8], [9], [10], [11], [12], [13], [14], [15], [16], [17]

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MOAT Analysis - (TSM) Taiwan Semiconductor Manufactur

Decision Takeaway

Taiwan Semiconductor Manufacturing has a Wide moat with High durability. The strongest moat source is its scale-driven leading-edge foundry process technology and customer switching costs, while the greatest erosion risk is sustained capacity or technology catch-up by rival foundries and geopolitical disruption. Its valuation looks discounted versus selected semiconductor peers, but that is separate from competitive advantage.

Moat Sources

1. Moat Source: Leading-edge process technology and manufacturing scale.
Strength: Strong.
Durability: High.
Supporting Evidence: TSM reported TTM revenue of TWD 4.44 trillion, EBIT of TWD 2.49 trillion, and operating margin of 56.10%, which is consistent with a highly efficient manufacturing platform. Return on equity was 40.26%, and the business generated TWD 1.14 trillion in free cash flow over the.
Main Threat: A competitor closing the process-node gap or matching yield at scale could compress pricing power over time.

2. Moat Source: Customer switching costs and ecosystem integration.
Strength: Strong.
Durability: High.
Supporting Evidence: The foundry model requires deep co-design, qualification, and process integration, and TSM's 49.92% profit margin suggests customers accept premium economics for performance, reliability, and roadmap access. The company also maintains low debt-to-equity at 0.15x, supporting continued reinvestment in advanced capacity.
Main Threat: Large customers can multi-source or rebalance allocations if alternate foundries become sufficiently capable.

Moat Sources (continued...)

3. Moat Source: Scale economies in capital-intensive manufacturing.
Strength: Strong.
Durability: High.
Supporting Evidence: TSM's TWD 2.17 trillion market capitalization is backed by TWD 2.63 trillion in trailing operating cash flow and very large equity capital, indicating a scale position that is difficult to replicate. The capital intensity of advanced semiconductor fabrication creates a high barrier to entry for new competitors.
Main Threat: The same capital intensity can also expose returns if demand weakens or if new nodes require unusually large capex without commensurate utilization.

4. Moat Source: Technological leadership supported by reinvestment capacity.
Strength: Strong.
Durability: High.
Supporting Evidence: TSM's TTM net income of TWD 2.22 trillion and free cash flow of TWD 1.14 trillion indicate strong reinvestment capacity for node transitions and packaging investments. Forward P/E of 19.35x versus trailing P/E of 36.91x implies the market expects earnings growth, but the moat case rests on the company's ability to keep funding leading-edge development.
Main Threat: If future node transitions cost more than customers are willing to absorb, technology leadership could become less economically durable.

Evidence Against a Moat

- The industry remains structurally competitive, and major peers such as Samsung and Intel can still invest heavily enough to narrow performance gaps over time.
- TSM's beta of 1.26x indicates the stock is exposed to meaningful market and sector volatility, which can amplify sentiment-driven doubts about long-run dominance.
- The company's historical valuation multiples are useful context, but they do not prove a moat, and they can move with cyclical demand rather than competitive position.

Risks and Limitations

- The analysis is constrained by reported financials and peer-multiple context, so it does not directly quantify customer concentration, wafer-share by node, or fab utilization by quarter.
- Geopolitical and supply-chain concentration risk is material for a Taiwan-based manufacturer, and that risk can affect durability even when operating economics remain strong.
- Foundry competition is capital intensive and cyclical, so margin strength can persist for long periods without guaranteeing permanent leadership.

What Would Change the View

- A sustained decline in operating margin below 50.00% and ROE below 30.00% for multiple periods would weaken the case that TSM's scale and process advantages remain exceptional.
- A visible loss of leading-edge customer wins, evidenced by materially slower revenue growth than major semiconductor peers over several quarters, would suggest switching costs are eroding.
- A credible external sign that another foundry has matched TSM at advanced nodes with comparable yields and capacity would strengthen the moat challenge and lower durability.

Overall Moat Assessment

TSM appears to have a Wide moat driven by scale, process leadership, and customer lock-in, with High durability as long as it keeps advancing technology and funding capacity. The stock can still be attractively priced relative to peers, but valuation is not the moat; the moat is the company's hard-to-replicate manufacturing system and ecosystem position.

Source References: [1], [2], [3], [4], [5], [6], [7], [8], [9], [10], [11], [12], [13], [14], [15], [16], [17]

Sources

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3. Yahoo Finance cash-flow statements for TSM | Retrieved 2026-08-06 | Open source

4. Yahoo Finance Semiconductors peer group screener | Retrieved 2026-08-06 | Open source

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9. Yahoo Finance balance sheet for TSM | Retrieved 2026-08-06 | Open source

10. Yahoo Finance historical prices for TSM | Retrieved 2026-08-06 | Open source

11. Yahoo Finance valuation and company summary for peer NVDA | Retrieved 2026-08-06 | Open source

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13. Yahoo Finance valuation and company summary for peer ASMLF | Retrieved 2026-08-06 | Open source

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15. Yahoo Finance valuation and company summary for peer AMAT | Retrieved 2026-08-06 | Open source

Sources (continued...)

16. Yahoo Finance analyst estimates and price targets for TSM | Retrieved 2026-08-06 | Open source

17. Yahoo Finance short-interest and options data for TSM | Retrieved 2026-08-06 | Open source

Conclusions - (TSM) Taiwan Semiconductor Manufactur

Forecast Scenario Ranges (Primary View)

Horizon	Bear range	Base range	Bull range	Confidence
Current	TWD418.20 - TWD418.20	TWD418.20 - TWD418.20 (center TWD418.20)	TWD418.20 - TWD418.20	Observed
30 days	TWD347.10 - TWD388.55	TWD388.55 - TWD471.45 (center TWD430.00)	TWD471.45 - TWD512.90	Medium
60 days	TWD318.58 - TWD378.29	TWD378.29 - TWD497.71 (center TWD438.00)	TWD497.71 - TWD557.42	Low
90 days	TWD297.07 - TWD371.53	TWD371.53 - TWD520.47 (center TWD446.00)	TWD520.47 - TWD594.93	Low
180 days	TWD248.04 - TWD359.02	TWD359.02 - TWD580.98 (center TWD470.00)	TWD580.98 - TWD691.96	Very Low
365 days	TWD165.40 - TWD335.20	TWD335.20 - TWD674.80 (center TWD505.00)	TWD674.80 - TWD844.60	Very Low

Bear, base, and bull ranges are presentation zones derived from the existing 80% modeled uncertainty band. Exact center estimates remain available below as secondary references for continuity and deterministic calculations; none of the values is guaranteed.

Decision Takeaway

Model View: Moderately Bullish; Evidence Alignment: Aligned, Widely Dispersed; Valuation Confidence: Low

The expected price path is Favorable, but only modestly so in the near term and more constructive over longer horizons. The strongest support is TSM's exceptional profitability, cash generation, and wide moat, while the greatest risk is semiconductor-cycle and geopolitical volatility. Confidence is highest at the 180-day to 365-day horizon because financial strength and valuation support matter more than short-term technical noise.

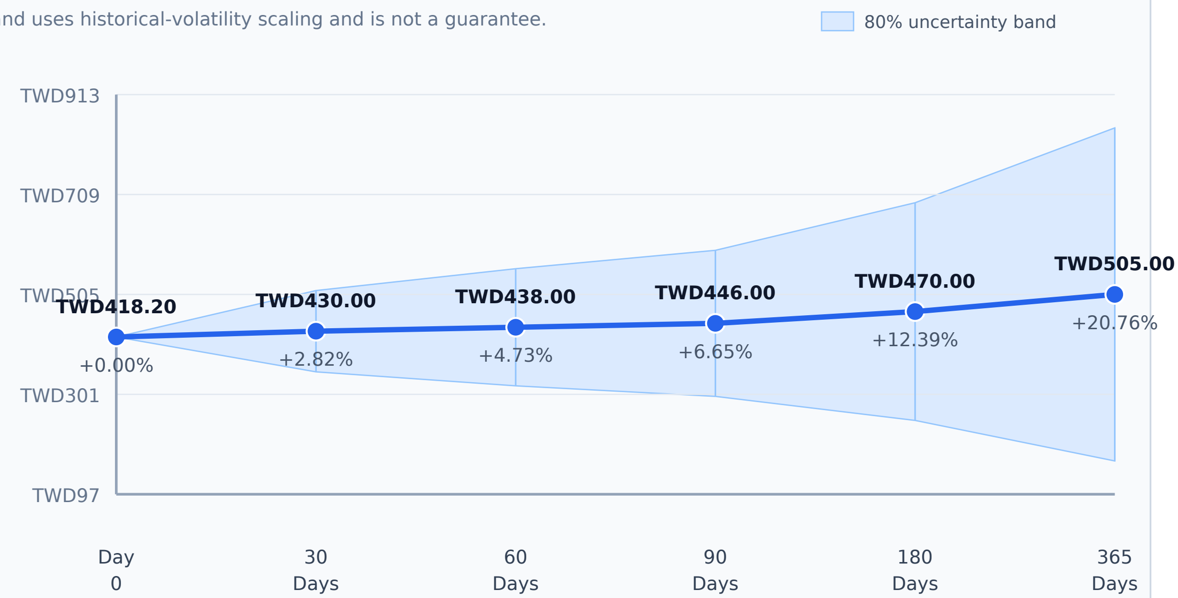
Point Estimates (Secondary Reference)

Line	Interval	Price	Growth Percentage
1	0 Days	418.20	0.00%
2	30 Days	430.00	2.82%
3	60 Days	438.00	4.73%
4	90 Days	446.00	6.65%
5	180 Days	470.00	12.39%
6	365 Days	505.00	20.76%

These exact center estimates are retained as secondary references. Use the bear/base/bull ranges and confidence labels above as the primary decision view.

Forecast Price Path with 80% Uncertainty Band

Band uses historical-volatility scaling and is not a guarantee.



Forecast Performance Scorecard

Forecast accuracy statistics are withheld until at least 100 forecasts have matured. 0 have matured and 100 more are required.

Metric	Value	Basis
Completed forecasts	0	Matured saved forecasts with an observed target-date close.
Minimum publication sample	100	Predefined threshold intended to reduce misleading small-sample claims.
Directional accuracy	Withheld	Published only after the minimum sample is reached.
Median absolute percentage error	Withheld	Published only after the minimum sample is reached.
80.00% uncertainty-band coverage	Withheld	Published only after the minimum sample is reached.

Forecast Rationale

1. 0 Days.
The current price is unchanged by definition, and the recent technical picture is mixed with bullish moving averages offset by bearish momentum and overbought stochastics. The short-horizon anchor remains the latest market price and the near-term support and resistance structure.

2. 30 Days.
A conservative rebound is supported by the stock trading above its 200-day trend and by strong fundamentals that reduce the odds of a deep selloff. The report's technical section still warns of short-term whipsaw risk, so the estimate stays near the low end of the likely range.

3. 60 Days.
The stock can reasonably grind higher if price holds above support and market attention shifts back toward earnings growth and cash generation. Analyst revisions and strong forward earnings expectations provide a supportive backdrop, but the forecast remains restrained because momentum indicators are not yet fully aligned.

Forecast Rationale (continued...)

4. 90 Days.
At this horizon, the valuation case starts to matter more than the noisy daily chart, and TSM still screens attractively versus peers on forward earnings and cash flow. The estimate assumes steady execution rather than a new catalyst, which keeps the path moderate instead of aggressive.

5. 180 Days.
The medium-term view is supported by robust margins, strong free cash flow, low leverage, and a wide moat that should help the company compound through the cycle. This horizon has better visibility than the near term because fundamentals can gradually outweigh temporary technical weakness.

6. 365 Days.
Over a full year, the investment thesis leans on sustained AI-related demand, advanced-node leadership, and strong cash generation rather than short-term price action. The long-term estimate is still conservative because geopolitical risk and semiconductor cyclicality justify a lower-end valuation path.

Risks and Limitations

- Near-term price action could remain choppy because technical indicators are conflicted, with bullish trend measures offset by bearish momentum and overbought conditions.
- The forecast is exposed to semiconductor demand swings, customer spending pauses, and sentiment shifts that can overwhelm normal valuation support.
- The model depends on the supplied valuation framework and historical price behavior, so any change in earnings, margins, or macro conditions could alter the path quickly.

What Would Change the View

- A sustained break above resistance with improving volume, stronger momentum, and RSI confirmation would justify raising the 30-day to 90-day estimates.
- Broad upward revisions to revenue and EPS, or evidence that advanced-node demand is accelerating, would materially raise the 180-day and 365-day estimates.
- A meaningful deterioration in margins, free cash flow, guidance, or geopolitical stability would materially lower all forecast horizons.

Top 5 Illustrative Call Option Scenarios - (TSM) Taiwan Semiconductor Manufactur

Options Methodology

Each long-call scenario uses the option's actual expiration date, displayed ask, and stock forecast interpolated to expiration. Contracts must pass deterministic expiration, positive-bid, quote-freshness, volume, open-interest, implied-volatility, absolute-delta, bid-ask-spread, and positive modeled-return standards. A long call benefits from a share price above strike plus premium at expiration; ranking is quality-adjusted rather than based on raw profit.

Decision Takeaway

The highest quality-adjusted supported call scenario is TSM260918C00390000, with a modeled expiration profit of TWD 46.67 per contract when the base stock scenario finishes above the contract's breakeven. This is a scenario calculation, not a prediction, recommendation, or guarantee.

Call Option Screening Result

1. Official Contract Symbol: TSM260918C00390000.
Option Type: Long Call
Expiration Date: 2026-09-18
Days to Expiration: 43
Last Trade Date: 2026-08-06T19:40:38+00:00
Quote Age: 0.07 days
Current Stock Price Per Share: TWD 418.20
Strike Price Per Share: TWD 390.00
Moneyness at Report Price: In the money
Bid Per Share: TWD 40.25
Ask Per Share: TWD 43.00
Bid-Ask Midpoint Per Share: TWD 41.62
Premium Used Per Share: TWD 43.00
Premium as Percentage of Stock Price: 10.28%
Breakeven at Expiration Per Share: TWD 433.00
Breakeven Move From Current Stock Price: 3.54%
Forecast Price at Expiration Per Share: TWD 433.47
Forecast 80.00% Range at Expiration: TWD 334.74 to TWD 532.19.
Modeled Profit/Loss Per Contract at Expiration: TWD 46.67
Modeled 80.00% Outcome Range Per Contract: TWD -4,300.00 to TWD 9,919.41.
Maximum Loss Per Contract: TWD 4,300.00
Return on Premium in Base Scenario: 1.09%
Volume: 1,108
Open Interest: 4,571
Implied Volatility: 47.50%
Delta: 0.70
Risk-Neutral Probability Above Breakeven: 39.52%
Bid-Ask Spread: 6.61%
Quality Score: 0.66
Liquidity Assessment: Good
Risk Note: The forecast can be wrong, implied volatility and liquidity can change, and the entire premium may be lost at expiration.

Call Option Screening Result (continued...)

2. Official Contract Symbol: TSM270115C00400000.
Option Type: Long Call
Expiration Date: 2027-01-15
Days to Expiration: 162
Last Trade Date: 2026-08-06T19:15:57+00:00
Quote Age: 0.09 days
Current Stock Price Per Share: TWD 418.20
Strike Price Per Share: TWD 400.00
Moneyness at Report Price: In the money
Bid Per Share: TWD 61.40
Ask Per Share: TWD 64.45
Bid-Ask Midpoint Per Share: TWD 62.92
Premium Used Per Share: TWD 64.45
Premium as Percentage of Stock Price: 15.41%
Breakeven at Expiration Per Share: TWD 464.45
Breakeven Move From Current Stock Price: 11.06%
Forecast Price at Expiration Per Share: TWD 465.20
Forecast 80.00% Range at Expiration: TWD 257.85 to TWD 672.55.
Modeled Profit/Loss Per Contract at Expiration: TWD 75.00
Modeled 80.00% Outcome Range Per Contract: TWD -6,445.00 to TWD 20,810.26.
Maximum Loss Per Contract: TWD 6,445.00
Return on Premium in Base Scenario: 1.16%
Volume: 35
Open Interest: 3,940
Implied Volatility: 50.55%
Delta: 0.64
Risk-Neutral Probability Above Breakeven: 33.46%
Bid-Ask Spread: 4.85%
Quality Score: 0.54
Liquidity Assessment: Good
Risk Note: The forecast can be wrong, implied volatility and liquidity can change, and the entire premium may be lost at expiration.

Call Option Screening Result (continued...)

3. Official Contract Symbol: TSM270115C00350000.
Option Type: Long Call
Expiration Date: 2027-01-15
Days to Expiration: 162
Last Trade Date: 2026-08-06T19:12:27+00:00
Quote Age: 0.09 days
Current Stock Price Per Share: TWD 418.20
Strike Price Per Share: TWD 350.00
Moneyness at Report Price: In the money
Bid Per Share: TWD 91.40
Ask Per Share: TWD 94.35
Bid-Ask Midpoint Per Share: TWD 92.88
Premium Used Per Share: TWD 94.35
Premium as Percentage of Stock Price: 22.56%
Breakeven at Expiration Per Share: TWD 444.35
Breakeven Move From Current Stock Price: 6.25%
Forecast Price at Expiration Per Share: TWD 465.20
Forecast 80.00% Range at Expiration: TWD 257.85 to TWD 672.55.
Modeled Profit/Loss Per Contract at Expiration: TWD 2,085.00
Modeled 80.00% Outcome Range Per Contract: TWD -9,435.00 to TWD 22,820.26.
Maximum Loss Per Contract: TWD 9,435.00
Return on Premium in Base Scenario: 22.10%
Volume: 13
Open Interest: 3,638
Implied Volatility: 50.94%
Delta: 0.77
Risk-Neutral Probability Above Breakeven: 38.36%
Bid-Ask Spread: 3.18%
Quality Score: 0.50
Liquidity Assessment: Good
Risk Note: The forecast can be wrong, implied volatility and liquidity can change, and the entire premium may be lost at expiration.

Call Option Screening Result (continued...)

4. Official Contract Symbol: TSM270115C00380000.
Option Type: Long Call
Expiration Date: 2027-01-15
Days to Expiration: 162
Last Trade Date: 2026-08-06T17:26:00+00:00
Quote Age: 0.16 days
Current Stock Price Per Share: TWD 418.20
Strike Price Per Share: TWD 380.00
Moneyness at Report Price: In the money
Bid Per Share: TWD 72.45
Ask Per Share: TWD 75.00
Bid-Ask Midpoint Per Share: TWD 73.72
Premium Used Per Share: TWD 75.00
Premium as Percentage of Stock Price: 17.93%
Breakeven at Expiration Per Share: TWD 455.00
Breakeven Move From Current Stock Price: 8.80%
Forecast Price at Expiration Per Share: TWD 465.20
Forecast 80.00% Range at Expiration: TWD 257.85 to TWD 672.55.
Modeled Profit/Loss Per Contract at Expiration: TWD 1,020.00
Modeled 80.00% Outcome Range Per Contract: TWD -7,500.00 to TWD 21,755.26.
Maximum Loss Per Contract: TWD 7,500.00
Return on Premium in Base Scenario: 13.60%
Volume: 20
Open Interest: 1,991
Implied Volatility: 50.79%
Delta: 0.69
Risk-Neutral Probability Above Breakeven: 35.72%
Bid-Ask Spread: 3.46%
Quality Score: 0.44
Liquidity Assessment: Good
Risk Note: The forecast can be wrong, implied volatility and liquidity can change, and the entire premium may be lost at expiration.

Call Option Screening Result (continued...)

5. Official Contract Symbol: TSM260821C00390000.
Option Type: Long Call
Expiration Date: 2026-08-21
Days to Expiration: 15
Last Trade Date: 2026-08-06T17:56:29+00:00
Quote Age: 0.14 days
Current Stock Price Per Share: TWD 418.20
Strike Price Per Share: TWD 390.00
Moneyness at Report Price: In the money
Bid Per Share: TWD 32.10
Ask Per Share: TWD 33.90
Bid-Ask Midpoint Per Share: TWD 33.00
Premium Used Per Share: TWD 33.90
Premium as Percentage of Stock Price: 8.11%
Breakeven at Expiration Per Share: TWD 423.90
Breakeven Move From Current Stock Price: 1.36%
Forecast Price at Expiration Per Share: TWD 424.10
Forecast 80.00% Range at Expiration: TWD 382.65 to TWD 465.55.
Modeled Profit/Loss Per Contract at Expiration: TWD 20.00
Modeled 80.00% Outcome Range Per Contract: TWD -3,390.00 to TWD 4,165.10.
Maximum Loss Per Contract: TWD 3,390.00
Return on Premium in Base Scenario: 0.59%
Volume: 77
Open Interest: 2,944
Implied Volatility: 47.44%
Delta: 0.79
Risk-Neutral Probability Above Breakeven: 43.18%
Bid-Ask Spread: 5.45%
Quality Score: 0.41
Liquidity Assessment: Good
Risk Note: The forecast can be wrong, implied volatility and liquidity can change, and the entire premium may be lost at expiration.

Risks and Limitations

- The modeled expiration stock price is uncertain and may fall outside the displayed range.
- Risk-neutral probability is derived from option-pricing inputs and is not a real-world forecast probability.
- Bid-ask spreads, changing implied volatility, early exercise considerations, taxes, commissions, and execution timing can materially change realized results.

Source References: [1]

Sources

1. Yahoo Finance call option chain for TSM | Retrieved 2026-08-06 | Open source

Put Option Quality Screening - (TSM) Taiwan Semiconductor Manufactur

Options Methodology

Each long-put scenario uses the option's actual expiration date, displayed ask, and stock forecast interpolated to expiration. Contracts must pass deterministic expiration, positive-bid, quote-freshness, volume, open-interest, implied-volatility, absolute-delta, bid-ask-spread, and positive modeled-return standards. A long put benefits from a share price below strike minus premium at expiration and may be used for bearish exposure or portfolio protection; this report evaluates the put as a standalone purchased contract, not as personalized hedging advice.

Decision Takeaway

No put contract met the required liquidity, quote-quality, expiration, absolute-delta, volatility, and positive modeled-return standards.

Put Option Screening Result

No supported put option scenario passed the deterministic quality policy.

Risks and Limitations

- A purchased put can lose the entire premium through time decay or an unfavorable stock path even when the longer-term investment thesis is bearish.
- Risk-neutral probability is derived from option-pricing inputs and is not a real-world forecast probability or an estimate of personal portfolio protection.
- Bid-ask spreads, changing implied volatility, early exercise considerations, taxes, commissions, contract deliverables, and execution timing can materially change realized results.

Risks and Limitations (continued...)

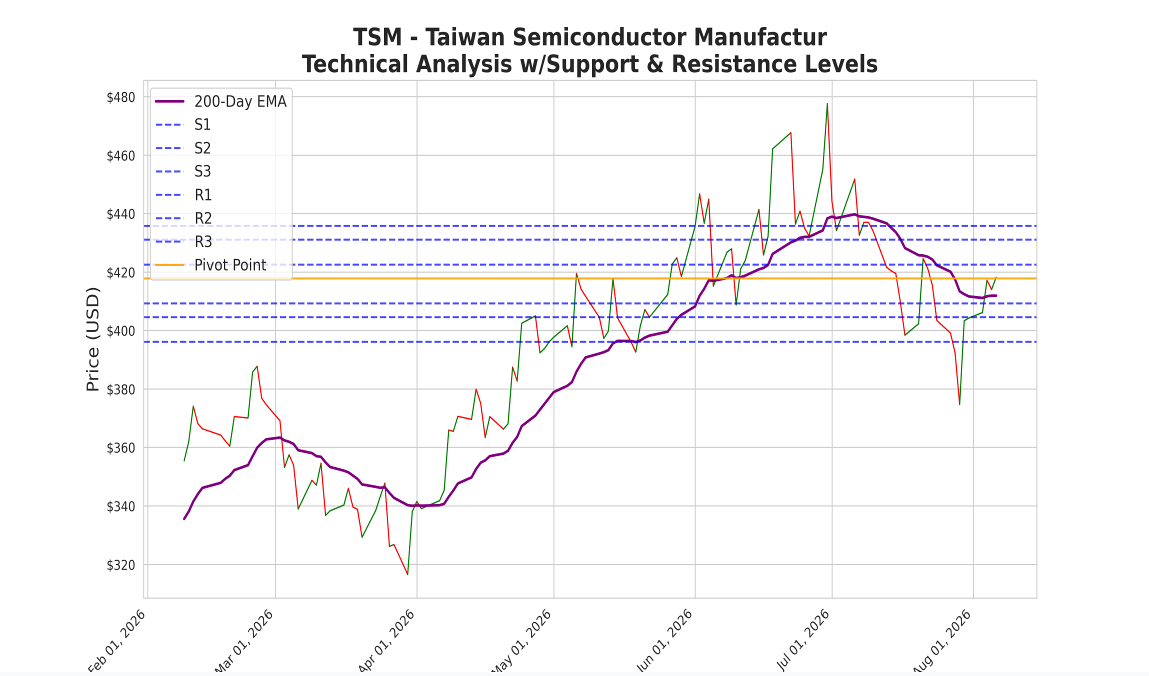
Source References: [1]

Sources

1. Yahoo Finance put option chain for TSM | Retrieved 2026-08-06 | Open source

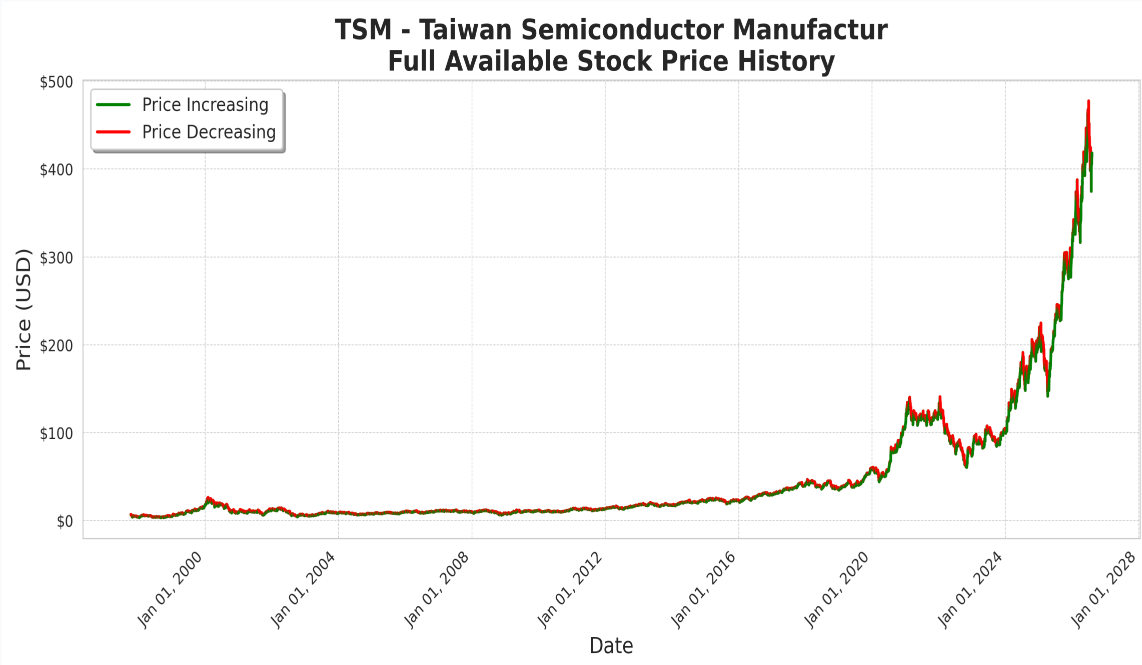
Appendix – Charts & Graphs

Six-Month Technical Trend, 200-Day EMA, Support, Resistance, and Pivot



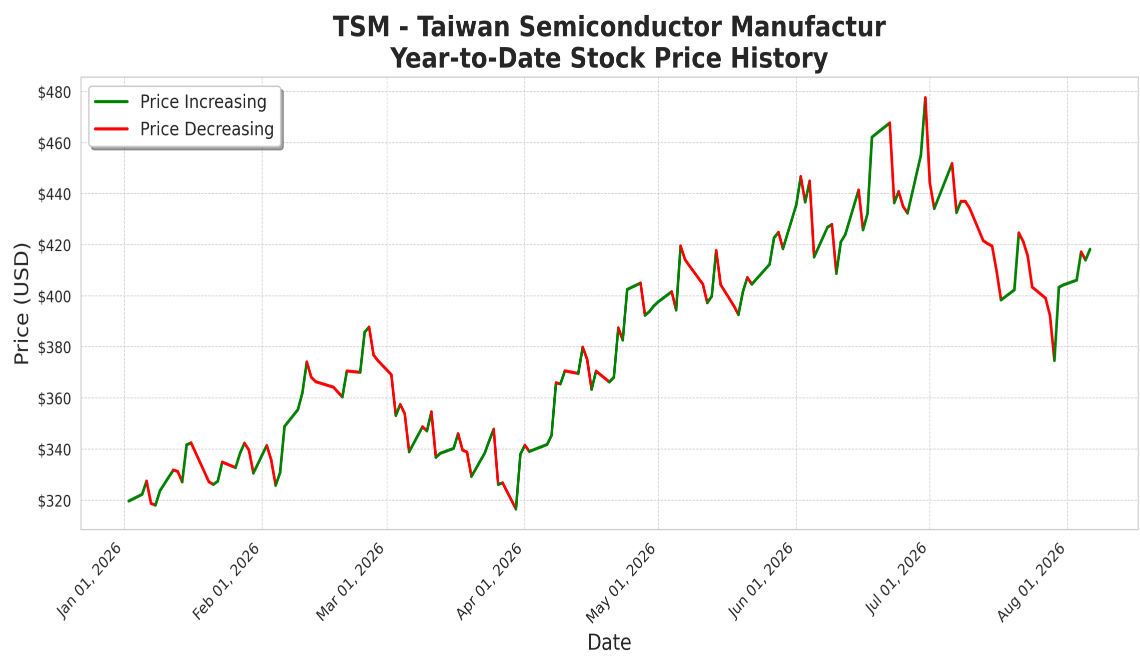
Timeframe: 6 months; interval: daily. Source: Yahoo Finance market data retrieved 2026-08-06. Interpretation: shows current trend relative to the long-term EMA and deterministic support/resistance levels.

Full Available Stock Price History



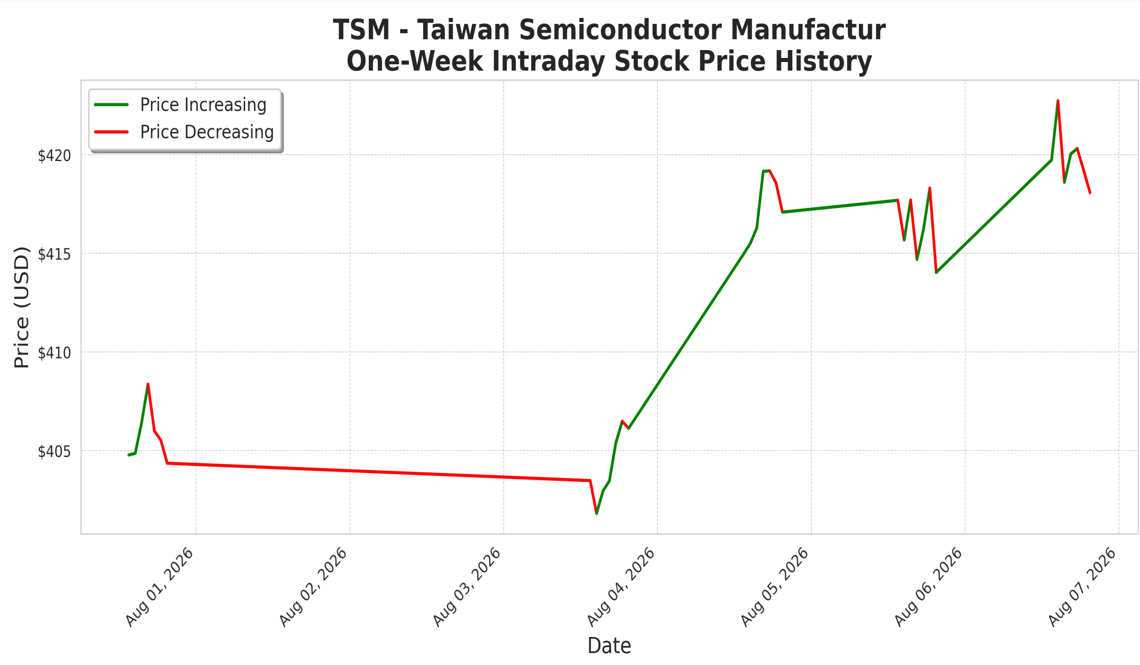
Timeframe: Full available history; daily interval. Source: Yahoo Finance market data retrieved 2026-08-06. Interpretation: Places the current valuation in the security's complete trading-history context.

Year-to-Date Stock Price History



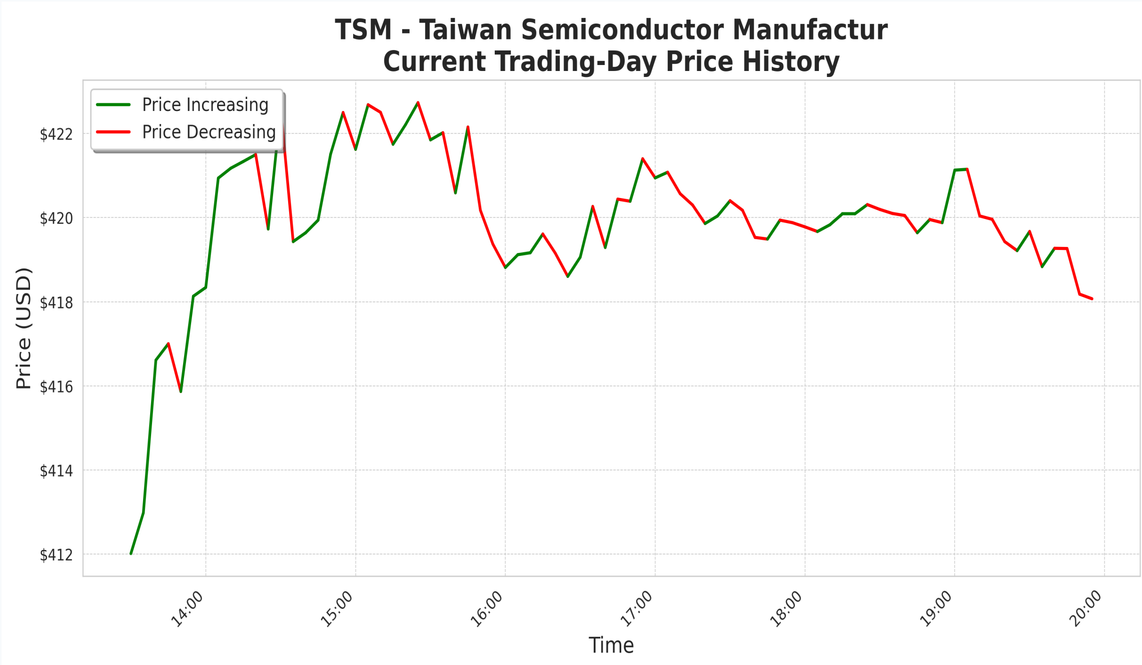
Timeframe: Year to date; daily interval. Source: Yahoo Finance market data retrieved 2026-08-06. Interpretation: Shows the current-year trend and major reversals.

One-Week Intraday Stock Price History



Timeframe: Latest 5 trading days; hourly interval. Source: Yahoo Finance market data retrieved 2026-08-06. Interpretation: Shows short-term momentum and recent volatility.

Current Trading-Day Price History



Timeframe: Latest trading day; 5-minute interval. Source: Yahoo Finance market data retrieved 2026-08-06. Interpretation: Shows intraday direction and price variability.

Important Disclosures and Limitations

Report Validation

Validation Summary Field	Value
Validation Status	Failed
Validation Checks Performed	156
Failed Validation Checks	1
Review-Level Validation Checks	2

One or more material validation checks did not pass. The report should not be treated as complete until the affected data are refreshed.

The table below summarizes each material failure or review-level limitation in customer-facing language. Detailed diagnostics remain in the application logs.

Validation Check	Result	Severity	Explanation
Valuation-method consistency	Review	Warning	Supported valuation methods differ materially in magnitude or direction. The report presents each method separately and moderates the overall confidence instead of averaging unlike estimates.
Canonical current price	Failed	Error	Report-wide current price mismatch.
Independent cross-check - Operating Margin	Review	Warning	The provider value for Operating Margin did not reconcile to the statement-derived calculation on an equivalent period and basis. The independently calculated value remains authoritative in the report.

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