

# Bearish Scenario TSMC - quick thoughts on revenue release

**First Quarter Revenues for TSMC released today: this is just some of my brainstorming**

145,000 TWD revenue in March

If Annualised

1,740,000 TWD

Operating Margin 42%

730,000 TWD

Exchange rate 30.7

22,435 USD

PE of 12

269,000 market cap

\$53 dollars share price

---

**For context:**

Revenue was 2,263,000 TWD

Operating Income was: 1,121,000 TWD

34,414 USD

PE of 12

412,000 market cap

\$82

---

**Bearish Scenario indicates:**

34% drop in operating income

23% drop in revenues

---

## My conclusion:

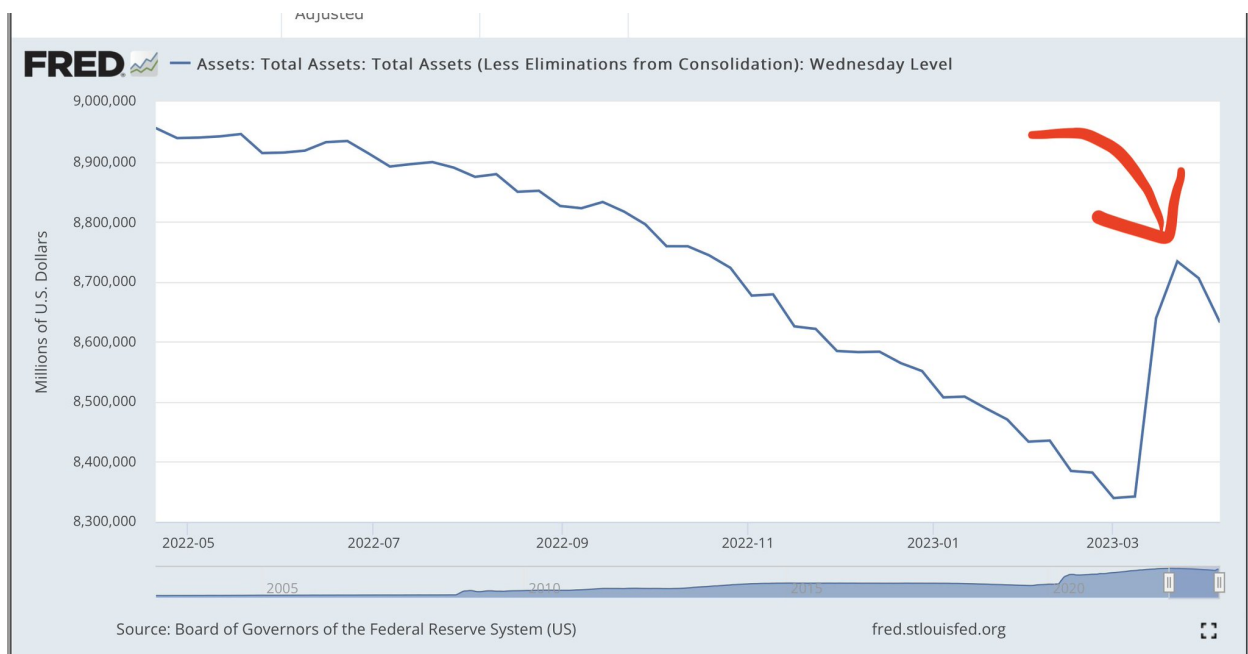
Revenues will continue to decline in Q2

Driven by a weaker demand in Mobiles and Laptops

Good opportunity to buy more stock at a cheaper price as Capital Investments and High ROIC will drive future growth

Macroeconomy is slowing down, might head to a recession

Feds balance sheet is continuing to shrink, this will lower liquidity



The impact from Tsai's trip to meet Senator McCarthy is still continuing through military drills around Taiwan, this is mostly fear but may deep into the stock price in the short run

Avoid other semiconductor stocks, weaker demand often indicates weaker demand in Nvidia, AMD, Apple, etc.

Short term: hold on TSMC

Long term: Long on TSMC