



## **TAMID Equity Research Report 2023-01-29: INTC**

Based on the information provided, it appears that Intel's stock price may be impacted by several factors in the near future.

Firstly, Intel has announced plans to cut costs by \$3 billion this year, with total cost cuts reaching as much as \$10 billion by the end of 2025. This cost-cutting measure could potentially improve the company's bottom line and boost its stock price.

Secondly, Intel has recently decided to exit the Ethernet switching chip business and instead focus on expanding its presence in the networking portion of the data center through the acquisition of Barefoot Networks in 2019. This strategic shift could potentially lead to increased revenue and growth for the company, which in turn could positively impact its stock price.

Thirdly, the Federal Reserve's interest rate hike could also have an impact on Intel's stock price. The Nasdaq 100 Stock Index is on pace for its best January since 1999 despite warning signs from companies like Microsoft and Intel, and another expected interest rate hike from the Federal Reserve. This suggests that investors may be less concerned about the potential impact of interest rate hikes on technology stocks.

Finally, it should be noted that the China Academy of Engineering Physics has managed to obtain semiconductors made by U.S. companies such as Intel Corp and Nvidia Corp despite

being placed on a U.S. export blacklist in 1997. This could potentially impact demand for Intel's products in China, which could have a negative impact on the company's stock price.

In conclusion, the key factors that will impact INTC's stock price in the future include the company's cost-cutting measures, its presence in the data center market, and its decision to exit the Ethernet switching chip business, as well as the recent report regarding China's procurement of US computer chips. The Motley Fool's recommendation of long January 2023 \$57.50 calls on Intel, long January 2025 \$45 calls on Intel, and short January 2025 \$45 puts on Intel, is a speculation on the future movement of the stock price based on these factors.