

October 27, 2023

Analysts

Matt Bryson

(617) 695-6302

matthew.bryson@wedbush.com

Hardware

Daily Views on Tech Headlines

EVs: Slowing momentum?

View: This week has seen numerous headlines suggesting that demand for EVs in Western markets might be falling shy of prior heightened expectations.

* GM announced it has scaled back its EV goals also jettisoning a partnership with Honda to co-develop an affordable EV.

* Hertz announced it is slowing its pace of EV purchases given high repair costs and loss of capital (as resale values have been hit by Tesla discounting).

* Ford announced last night it is delaying a portion of its planned investment in EV/battery production capacity pointing to "tremendous downward (pricing) pressure".

EVs and autos have been one of the few bright spots for semis with the shift towards smarter electric vehicles being one of the megatrends expected to boost semi demand over the intermediate term. As such, a slower transition could weigh more broadly on the semi-complex and particularly those vendors more tied to specialty/newer technologies being integrated into new EVs. [Reuters](#), [CNBC](#), [CNBC](#)

MediaTek: Robust results and guide

View: After exceeding prior Q3 revenue expectations, MediaTek guided for sales to lift 9% to 15% sequentially. Expected strength is driven exclusively by anticipated momentum in the mobile business (helped by the launch of the new Dimensity 9300), with MediaTek looking for its Smart Edge business to decline sequentially (after a 6% uptick in CQ3) and for Power ICs to hold steady.

Weak Android mobile demand/builds have been an albatross weighing on the semiconductor industry for a prolonged period. We have, however, encountered some better commentary on this front over the past few months. This momentum fits with MediaTek's better results, improved inventory position, and more positive comments on industry inventories.

Net, we see MediaTek's results and guidance as a general positive data point for semis and particularly those vendors more tied to mobile/consumer markets (we continue to favor memory on these better trends).

PSS, AMD: Fully stocked

View: Sony yesterday indicated that the PS5 is finally fully stocked at retailers, ending a period of shortages that had persisted since the gaming system was launched in 2020. We see this final stocking of systems as potentially suggesting another robust result for AMD's embedded gaming business in CQ3. However, this result may also finally lead to that segment (which has been consistently robust for AMD the past few years) exhibiting seasonal and cyclical trends (with current platforms nearing mid cycle refreshes). We'd note that generally we see this business as less important for AMD in light of its lower margin profile. [AMD](#)

Wedbush Securities does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Please see pages 2–4 of this report for analyst certification and important disclosure information.

Risks to the Attainment of Our Price Targets and Ratings: Hardware

Shifts in competition, pricing, technology, and macroeconomic conditions.
Changes in hyperscale spending tied to shifts in growth or increased optimization.
Unforeseen events affecting production capacity (power outages, fires, storms, etc.)
Shifts in worldwide trade conditions that lead to macro instability and or close certain markets.
Increased competition from China based manufacturers entering new markets.

Analyst Certification

I, Matt Bryson, certifies that the views expressed in this report accurately reflect my personal opinion and that I have not and will not, directly or indirectly, receive compensation or other payments in connection with my specific recommendations or views contained in this report.

Mentioned Companies

Company	Rating	Price	Target
General Motors	OUTPERFORM	\$37.92	\$46.00
Advanced Micro Devices Inc	OUTPERFORM	\$117.60	\$155.00

Investment Rating System:

OUTPERFORM: Expect the total return of the stock to outperform relative to the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.

NEUTRAL: Expect the total return of the stock to perform in-line with the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.

UNDERPERFORM: Expect the total return of the stock to underperform relative to the median total return of the analyst's (or the analyst's team) coverage universe of the next 6-12 months.

The Investment Ratings are based on the expected performance of a stock (based on anticipated total return to price target) relative to the other stocks in the analyst's coverage universe (or the analyst's team coverage).*

Rating distribution (as of October 27, 2023)	Investment Banking Relationships (as of October 27, 2023)
OUTPERFORM: 60.84%	OUTPERFORM: 4.21%
NEUTRAL: 37.30%	NEUTRAL: 1.25%
UNDERPERFORM: 1.86%	UNDERPERFORM: 0.00%

The Distribution of Ratings is required by FINRA rules; however, WS' stock ratings of Outperform, Neutral, and Underperform most closely conform to Buy, Hold, and Sell, respectively. Please note, however, the definitions are not the same as WS' stock ratings are on a relative basis.

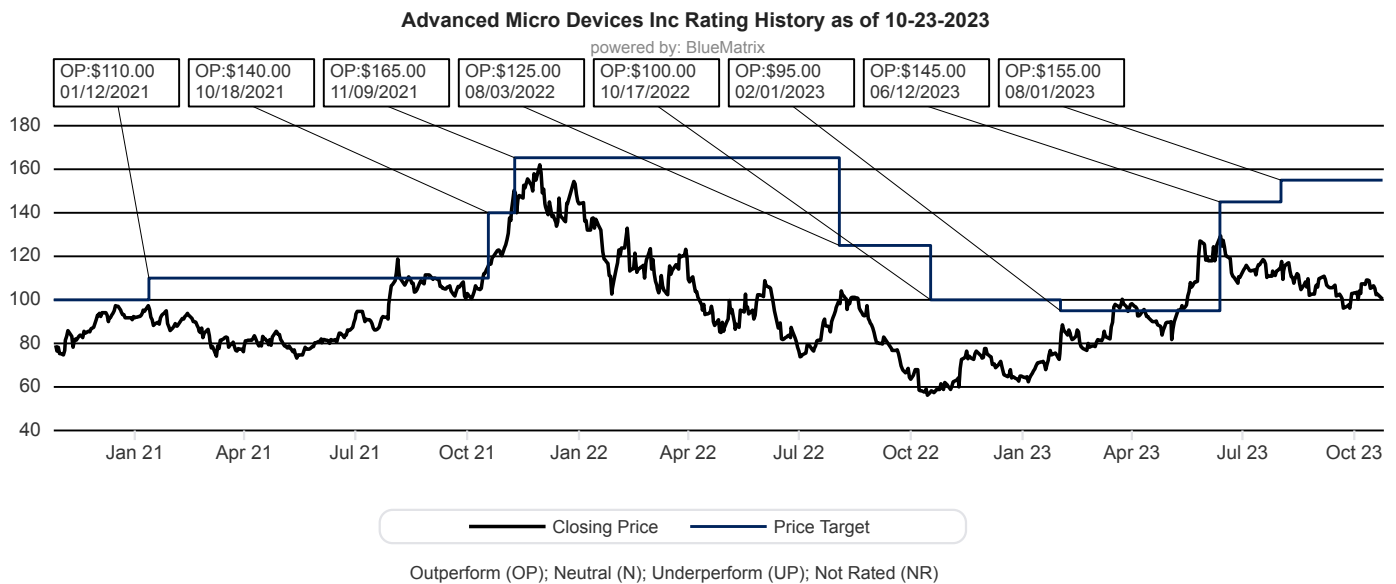
The analysts responsible for preparing research reports do not receive compensation based on specific investment banking activity. The analysts receive compensation that is based upon various factors including WS' total revenues, a portion of which are generated by WS' investment banking activities.

Company Specific Disclosures

This information is subject to change at any time.

1. WS makes a market in the securities of Advanced Micro Devices Inc and General Motors.

Price Charts



Wedbush disclosure price charts are updated within the first fifteen days of each new calendar quarter per FINRA regulations. Price charts for companies initiated upon in the current quarter, and rating and target price changes occurring in the current quarter, will not be displayed until the following quarter. Additional information on recommended securities is available on request.

Disclosure information regarding historical ratings and price targets is available: [Research Disclosures](#)

*WS changed its rating system from (Strong Buy/ Buy/ Hold/ Sell) to (Outperform/ Neutral/ Underperform) on July 14, 2009.

Applicable disclosure information is also available upon request by contacting the Research Department at (212) 833-1375, by email to leslie.lippai@wedbush.com. You may also submit a written request to the following: Wedbush Securities, Attn: Research Department, 142 W 57th Street, New York, NY 10019.

OTHER DISCLOSURES

The information herein is based on sources that we consider reliable, but its accuracy is not guaranteed. The information contained herein is not a representation by this corporation, nor is any recommendation made herein based on any privileged information. This

information is not intended to be nor should it be relied upon as a complete record or analysis: neither is it an offer nor a solicitation of an offer to sell or buy any security mentioned herein. This firm, Wedbush Securities, its officers, employees, and members of their families, or any one or more of them, and its discretionary and advisory accounts, may have a position in any security discussed herein or in related securities and may make, from time to time, purchases or sales thereof in the open market or otherwise. The information and expressions of opinion contained herein are subject to change without further notice. The herein mentioned securities may be sold to or bought from customers on a principal basis by this firm. Additional information with respect to the information contained herein may be obtained upon request.

Wedbush Securities does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Please see pages 3–7 of this report for analyst certification and important disclosure information.

Retail Investors

The information provided is for general informational purposes only and should not be considered an individual recommendation or personalized investment advice. The companies/investments mentioned may not be suitable for everyone. Each investor needs to review their own respective situation(s) before making any investment decisions. All expressions of opinion are subject to change without notice due to shifting market(s), economic or political conditions. Investment involves risks including the risk of principal. Past performance is no guarantee of future results and the opinions presented cannot be viewed as an indicator of future performance.

Equity Research			
CONSUMER AND RETAIL			TMT
Beverages/Cannabis			
Gerald Pascarelli, CFA	(646) 860-7585	gerald.pascarelli@wedbush.com	
Footware & Apparel			
Tom Nikic	(212) 938-9932	tom.nikic@wedbush.com	
Hardlines Retail			
Seth Basham	(212) 938-9954	seth.basham@wedbush.com	
Restaurants			
Nick Setyan	(213) 688-4519	nick.setyan@wedbush.com	
HEALTHCARE			FINANCIAL INSTITUTIONS GROUP
Biotechnology			
David Nierengarten, Ph.D.	(415) 274-6862	david.nierengarten@wedbush.com	
Biotechnology			
Robert Driscoll, Ph.D.	(415) 274-6863	robert.driscoll@wedbush.com	
Emerging Pharmaceuticals			
Liana Moussatos, Ph.D.	(415) 263-6626	liana.moussatos@wedbush.com	
Emerging Pharmaceuticals			
Andreas Argyrides	(212) 833-1399	andreas.argyrides@wedbush.com	
Biotechnology			
Laura Chico, Ph.D.	(212) 668-9868	laura.chico@wedbush.com	
RESEARCH MANAGEMENT			
Kevin Merritt, CFA		Kirsten Fraunces	
Director of Research		EVP, Head of Capital Markets	
kevin.merritt@wedbush.com		kirsten.fraunces@wedbush.com	
(212) 938-9949		(213) 688-4404	
COMMODITY AGRICULTURE RESEARCH			
Al Kluis			
Kluis Commodity Advisors			
info@kluiscommodityadvisors.com			
(888) 345-2855			
FIXED INCOME FUTURE & RATES RESEARCH			
Arthur Bass			
Managing Director			
Arthur.Bass@Wedbush.com			
(212) 259-6582			
CORPORATE ACCESS			
Avishai Kantor		Sophia Dao	
Vice President, Corporate Access		Associate, Corporate Access	
Avishai.Kantor@wedbush.com		Sophia.Dao@wedbush.com	
(212) 259-6589		(213) 688-4380	
TRADING			
Consumer/Financials/TMT		TMT	
Bryan Lonsinger	(212) 938-9925	bryan.lonsinger@wedbush.com	Matthew Croglio (212) 931-7071 matthew.croglio@wedbush.com
Healthcare/TMT			
Sahak Manualian	(213) 688-4533	sahak.manuelian@wedbush.com	
WEDBUSH OFFICES			
Los Angeles		San Francisco	
1000 Wilshire Boulevard		600 Montgomery Street	
Los Angeles, CA 90017		San Francisco, CA 94111	
(213) 688-8000		(415) 273-7300	
		Chicago	
		141 W. Jackson Boulevard, Suite 1710A	
		Chicago, IL 60604	
		(312) 786-1930	