

2023.09

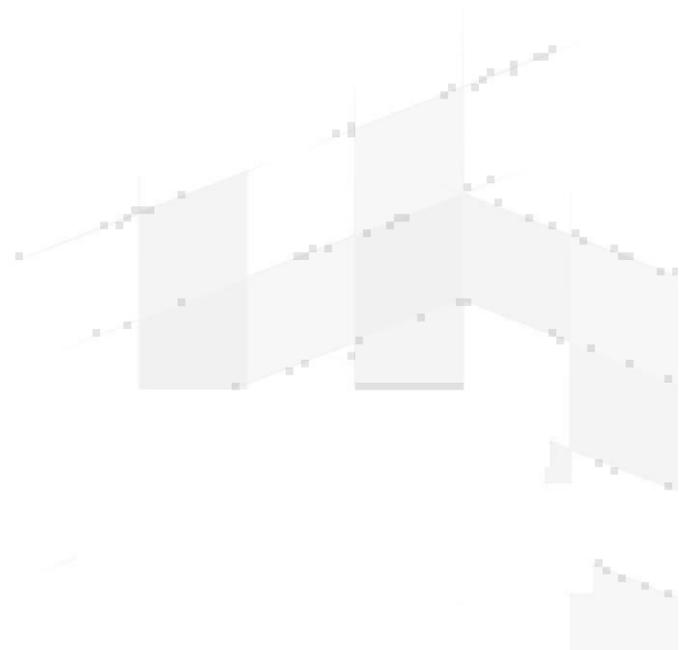
# **Electronic Components Sales Market Analysis and Forecast**



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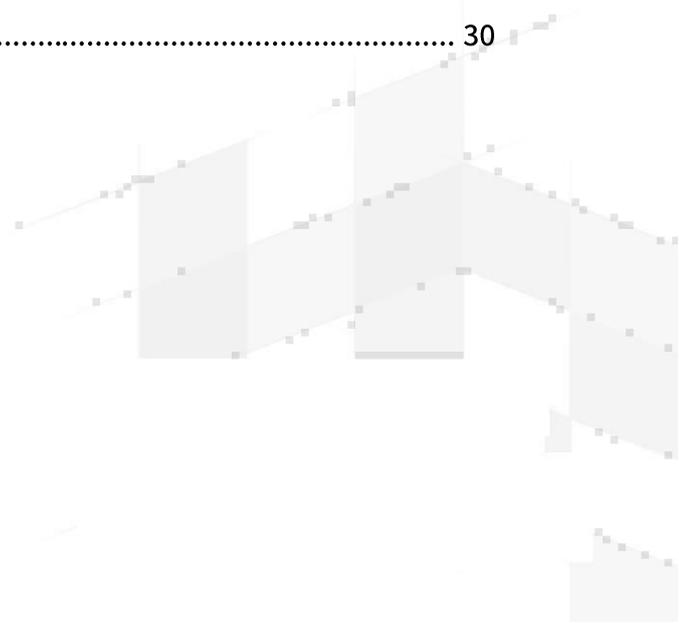
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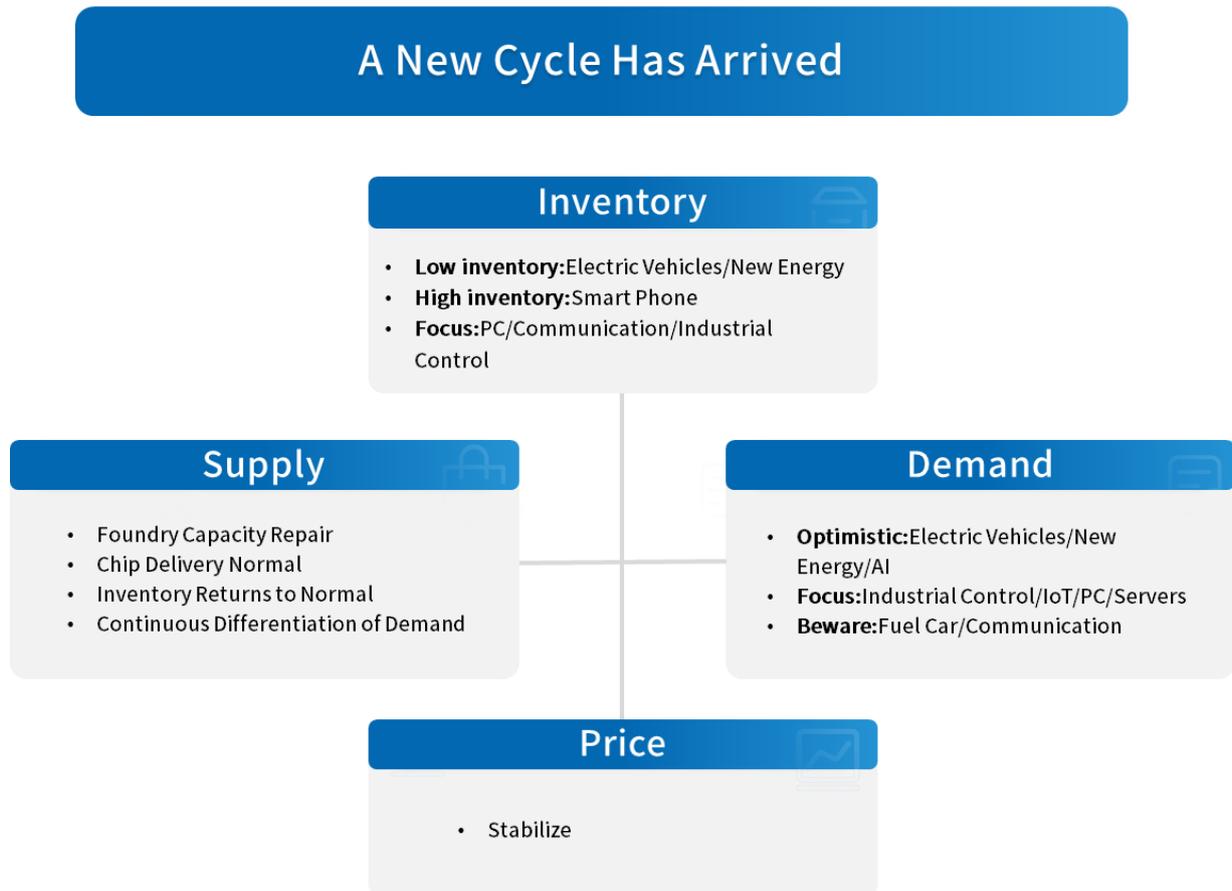


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## Prologue



## 1 Macroeconomics in September

### 1.1 The Global Manufacturing Industry Downturn Easing

In September, The global economic index has achieved a slight rebound, with major economies including China, including the United States, the European Union, Japan, and the United Kingdom still under the warning line, indicating that the global economic recovery efforts still need to be improved.

**Chart 1: Manufacturing PMI of the world's major economies in September**



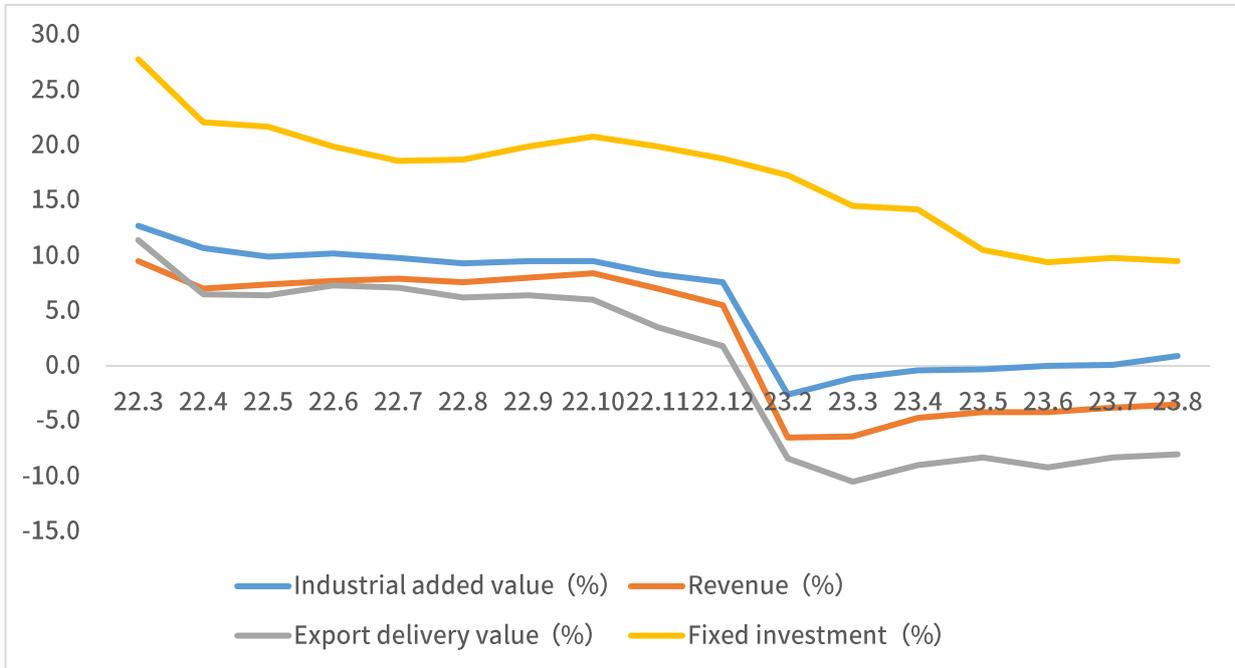
Source: NBS/PRC

Due to the continuous recovery of the global economy, the OECD has raised its global economic growth forecast for 2023 from the previous 2.7% to 3%.

## 1.2 The Electronic Information Manufacturing Industry Continues to Be Sluggish

From January to August 2023, the production of China's electronic information manufacturing industry continued to recover, the decline in exports continued to narrow, the recovery of benefits accelerated, and investment stabilized.

**Chart 2: Latest Operation of Electronic Information Manufacturing Industry  
in 2023**

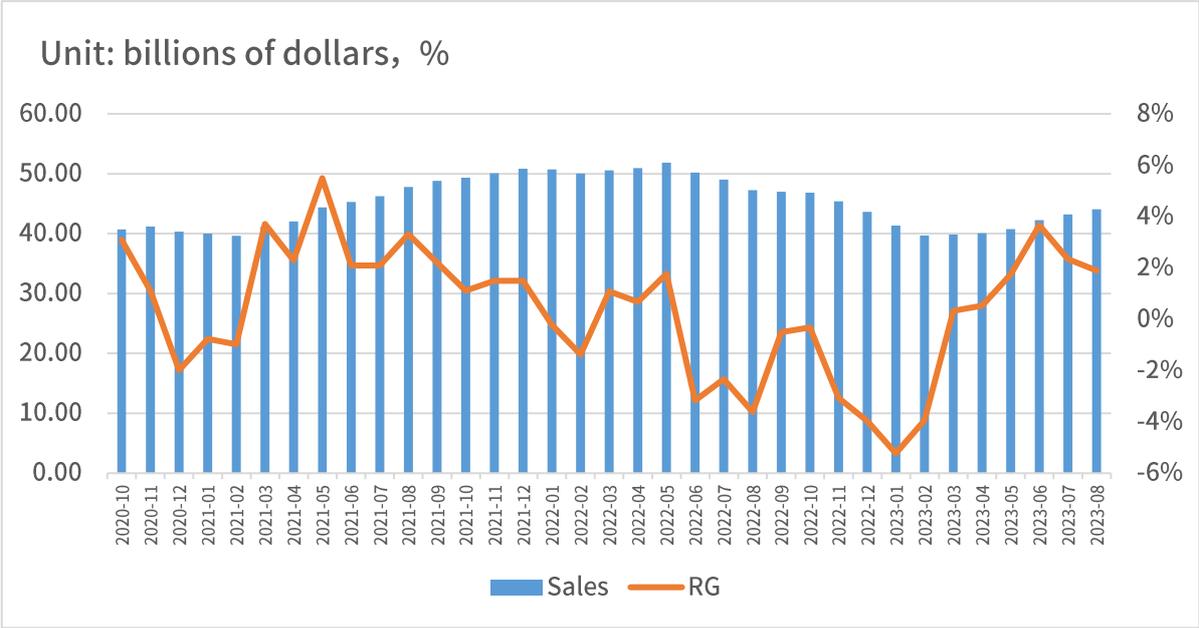


Source: MIIT

### 1.3 The Semiconductor Sales and Production Slowly Rebounded

In August 2023, global semiconductor industry sales reached \$44.04 billion, a month on month increase of 1.9%. Global chip sales have risen slightly for six consecutive months, indicating optimistic development prospects in the coming months.

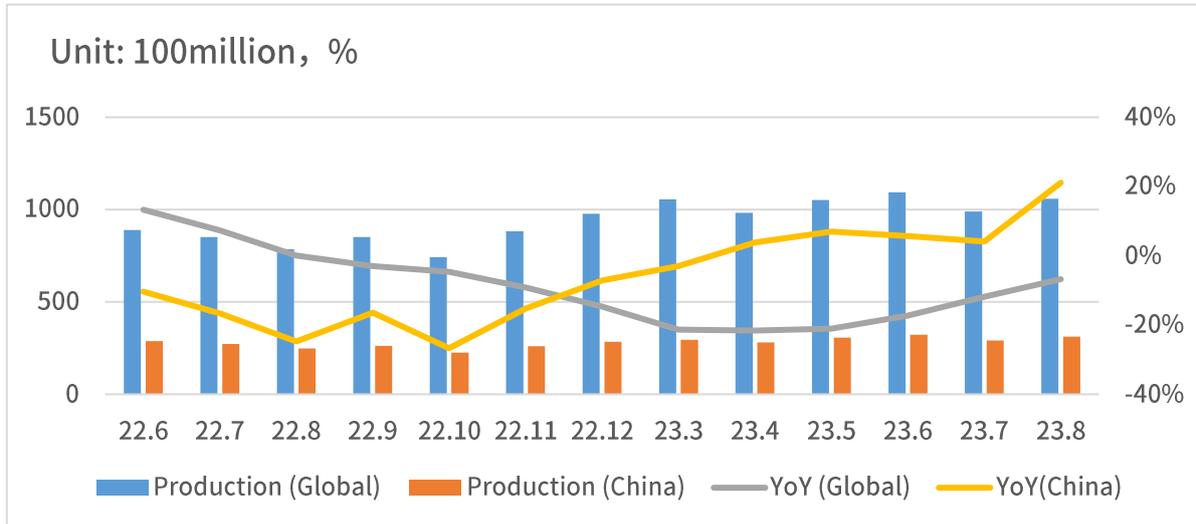
**Chart 3: Latest global semiconductor industry sales and growth rate in 2023**



Source: SIA, Chip Insights

From the perspective of integrated circuit production, the global integrated circuit production in August was about 115.9 billion pieces, with a narrowing decline. China's production reached 31.2 billion pieces, a year-on-year increase of 21.1%, reaching a new high in nearly two years.

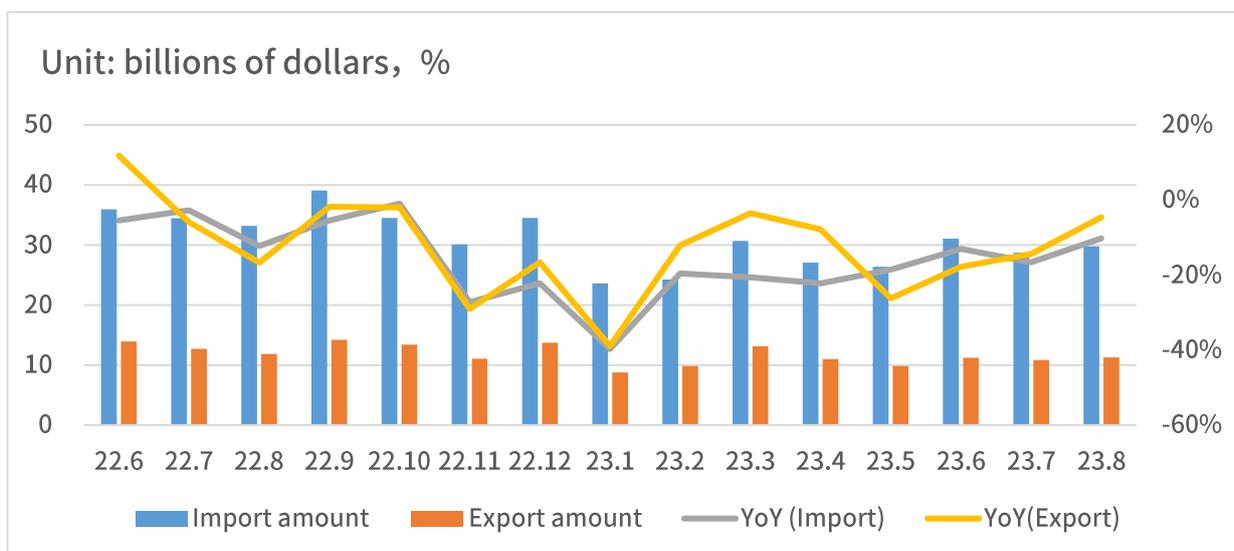
**Chart 4: Latest global and Chinese integrated circuit production and growth rate in 2023**



Source: MIIT,SIA, Chip Insights

In terms of import and export, the import and export amount of integrated circuits in China improved in August, but the growth rate is still at a low level.

**Chart 5: Latest import and export amount and growth rate of integrated circuits in China in 2023**



Source: MIIT,SIA, Chip Insights

From the perspective of the capital market index, the SOX fell 6.75% in September and the SW industry index fell 1.88%.

**Chart 6: Trend of SOX and SW Index in September**



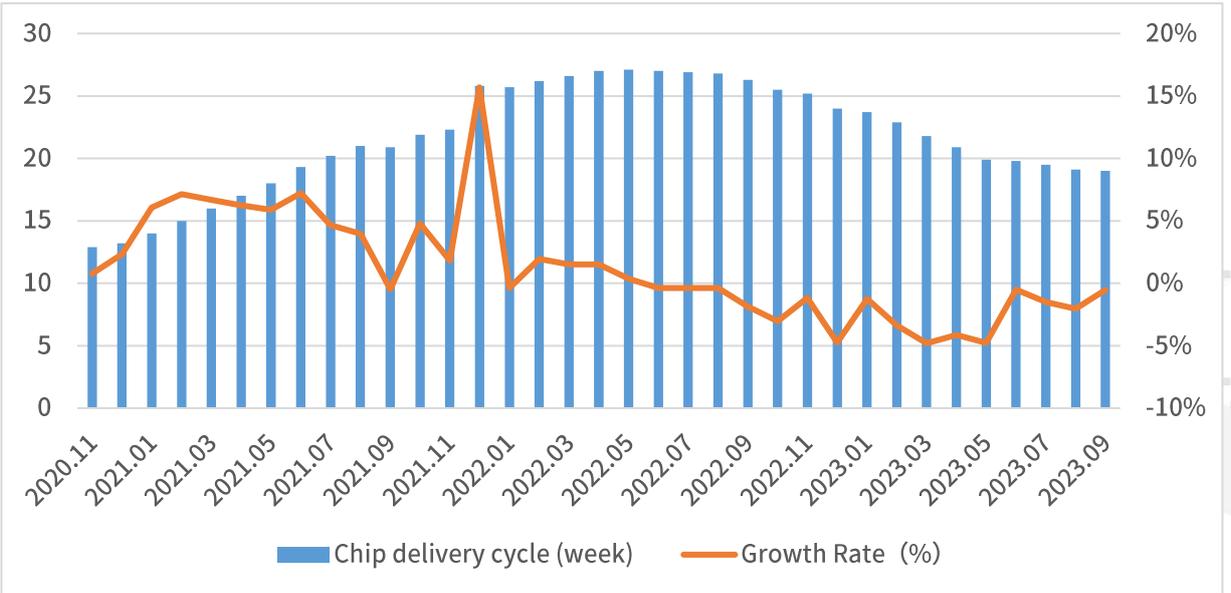
Source: Wind

## 2 Chip Delivery Trend in September

### 2.1 The Overall Chip Delivery Trend

In September, global chip delivery times stabilized.

**Chart 7: Chip Delivery Trends in September**



Source: Susquehanna Financial Group

## 2.2 List of Delivery Cycles of Key Chip Suppliers

From the perspective of various suppliers in September, the delivery time of PMIC, MCU, Memory and some discrete devices remained stable, and the prices of MCU and Memory showed a trend of bottoming out and rebounding.

**Chart 8: List of Major Manufacturers and Categories with Rising Prices in**

**September**

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
Analog	AMS OSRAM	Sensor	16-24	16-24	Stablize	Adjust according to the market
	Bosch	Sensor	12-20	6-12	Stablize	Stablize
	Diodes	Multi-source analog/power	30-40	30-40	Stablize	Stablize
		Switching regulator	25-45	25-45	Stablize	Stablize
	FTDI Chip	Interface	26-40	26-40	Shorten	Stablize
	Infineon	Sensor	18-52	18-52	Stablize	Rise
		Switching regulator	40-52	40-52	Stablize	Stablize
		Automotive Simulation and Power	45-52	45-52	Stablize	Stablize
	ADI	Amplifiers and Data Converters	20-30	20-30	Stablize	Rise
		Interface	20-30	20-30	Stablize	Rise

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
		Switching regulator	20-35	20-35	Extend	Stablize
	Microchip	Amplifiers and Data Converters	30-40	30-40	Stablize	Stablize
		Timing chip	30-40	30-40	Stablize	Stablize
		Switching regulator	40-50	40-50	Stablize	Rise
	MPS	Switching regulator	45-50	45-50	Shorten	Stablize
	NXP	Sensor	16-52	16-52	Extend	Rise
		Interface	26-30	26-30	Shorten	Stablize
		Automotive Simulation and Power	45-52	45-52	Stablize	Rise
	On Semi	Sensor	18-52	18-52	Stablize	Adjust according to the market
		Amplifiers and Data Converters	26-42	26-42	Stablize	Stablize
		Timing chip	35-42	35-42	Stablize	Stablize
		Multi-source analog/power	35-42	35-42	Stablize	Stablize
		Switching regulator	35-50	35-50	Stablize	Rise
	Panasonic	Sensor	16-26	16-26	Extend	Stablize

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
	Renesas	Amplifiers and Data Converters	36-40	36-40	Stablize	Stablize
		Timing chip	50	50	Stablize	Stablize
		Interface	36-40	36-40	Stablize	Stablize
		Switching regulator	36-40	36-40	Shorten	Rise
	ROHM	Sensor	24-52	24-52	Extend	Rise
		Switching regulator	50	50	Stablize	Stablize
	ST	Sensor	12-18	12-18	Shorten	Stablize
		Amplifiers and Data Converters	20-36	20-36	Shorten	Stablize
		Multi-source analog/power	40-50	40-50	Stablize	Stablize
		Switching regulator	40-50	40-50	Stablize	Stablize
		Automotive Simulation and Power	40-52	40-52	Stablize	Stablize
	TE	Sensor	16-52	16-52	Extend	Rise
	Vishay	Sensor	24-52	24-52	Extend	Stablize
RF and wireless	Infineon	Bluetooth module	26-36	26-36	Shorten	Stablize
	Microchip	WiFi module	24-26	16-26	Shorten	Stablize
		Bluetooth module	24-26	12-26	Stablize	Stablize

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
		Transceiver/Receiver	18-20	18-20	Stablize	Rise
	Murata	WiFi module	26-50	26-50	Stablize	Stablize
		Bluetooth module	26-50	26-50	Stablize	Stablize
	Laird	WiFi module	26-52	26-52	Stablize	Stablize
		Antenna Products	16-20	16-20	Extend	Stablize
	ST	Bluetooth module	12-16	12-16	Stablize	Stablize
		Transceiver/Receiver	52	52	Extend	Rise
		RFID	30-40	30-40	Stablize	Stablize
	NXP	Transceiver/Receiver	24	24	Stablize	Rise
		RFID	20-40	20-40	Stablize	Rise
		High power IC	52	52	Extend	Rise
	On Semi	Bluetooth module	16-30	16-30	Stablize	Stablize
	Discrete	Diodes	Low Voltage MOSFETs	18-52	18-52	Shorten
TVS diode			18-24	8-14	Shorten	Stablize
Bridge Rectifier			12-40	8-30	Stablize	Stablize
Schottky diodes			14-35	14-35	Stablize	Adjust accordin

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
						g to the market
		Rectifier	14-40	8-30	Shorten	Stablize
		Switching diodes	12-52	12-52	Stablize	Adjust according to the market
		Small Signal MOSFETs	30-45	20-30	Stablize	Stablize
		Zener diode	14-35	14-35	Stablize	Adjust according to the market
		Bipolar transistor	14-45	14-30	Stablize	Adjust according to the market
		Digital Transistor/RE TS	14-35	14-35	Stablize	Adjust according to the market
		General purpose transistor	14-35	14-35	Stablize	Stablize
		logic device	20-22	8-10	Stablize	Stablize
	Infineon	Low Voltage MOSFETs	18-48	18-48	Shorten	Stablize
		HV MOSFETs	39-56	39-56	Shorten	Stablize
		IGBT	39-50	39-50	Stablize	Stablize
		Wide Bandgap MOSFETs	42-52	42-52	Stablize	Stablize

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend	
		Digital Transistor/RE TS	12-52	12-52	Stablize	Stablize	
		general purpose transistor	12-52	12-52	Stablize	Stablize	
		Military-Aerospace Transistors	22-45	22-45	Stablize	Rise	
	ST		Low Voltage MOSFETs	50-54	50-54	Stablize	Stablize
			HV MOSFETs	47-52	39-52	Stablize	Stablize
			IGBT	47-52	47-52	Stablize	Stablize
			ESD	30-45	30-45	Stablize	Stablize
			Wide Bandgap MOSFETs	42-52	42-52	Stablize	Stablize
			Thyristor/Triac	15-16	15-16	Stablize	Stablize
			TVS diode	30-40	30-40	Stablize	Stablize
			Rectifier	44-46	14-30	Stablize	Stablize
			Bipolar transistor	40-52	40-52	Stablize	Stablize
	MCU	Renesas	8-bit MCU	18-24	18-24	Shorten	Stablize
32-bit MCU			18-24	18	Shorten	Stablize	
Car			45	45	Stablize	Stablize	
32-bit MPU			18-26	18-26	Stablize	Stablize	
ST		8-bit MCU	35-52	35-52	Shorten	Stablize	

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
		Automotive	40-52	40-52	Stablize	Stablize
		32-bit MPU	16-20	16-20	Shorten	Stablize
		STM32FO	16-20	10-12	Shorten	Stablize
		STM32F1	16-20	16-20	Shorten	Stablize
		STM32L	16-20	16-20	Shorten	Stablize
		32-bit MCU	35-48	20-28	Shorten	Stablize
	Infineon	8-bit MCU	26-52	26-52	Shorten	Stablize
		32-bit MCU	26-52	10-52	Extend	Stablize
		Automotive	32-45	Lack	Stablize	Stablize
	Microchip	8-bit MCU	36-52+	26-52+	Shorten	Stablize
		32-bit MCU	36-52+	26-52+	Shorten	Stablize
		32-bit MPU	30-52	30-52	Stablize	Stablize
	NXP	8-bit MCU	26-52	26-52	Shorten	Stablize
		32-bit MCU	13-52	13-52	Shorten	Stablize
		Automotive	35-52	35-52	Stablize	Stablize
		32-bit MPU	18-52	18-52	Shorten	Stablize
PLD	AMD (Xilinx)	FPGA	20-65	20-65	Stablize	Rise
	Intel (Altera )		30-55	30-55	Stablize	Rise
	Lattice		30-50	30-50	Stablize	Stablize
	Microchip (Microsemi)		32-42	32-42	Shorten	Stablize

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
Memory	Samsung	PC DRAM	52-54	52-54	Stablize	Stablize
		Memory module	52-54	52-54	Stablize	Adjust according to the market
		eMMC	52-54	52-54	Stablize	Stablize
		SSD	52-54	52-54	Stablize	Stablize
	SK Hynix	NAND flash	6-10	6-10	Shorten	Adjust according to the market
		eMMC	8-12	8-12	Stablize	Adjust according to the market
Passive components	Murata	Filter	12-16	12-16	Shorten	Stablize
		Inductor/Transformer	12-20	12-20	Stablize	Stablize
		Leaded Ceramic Capacitors	16-18	16-18	Stablize	Stablize
		Dedicated Capacitor	15-16	15-16	Stablize	Stablize
	TDK	Filter	40-55	40-55	Extend	Rise
		Inductor/Transformer	16-20	16-20	Stablize	Stablize
		Surface Mount General Purpose Ceramic Capacitor(Aut	30-42	30-42	Stablize	Stablize

Category	Supplier	Product	23.9 delivery/ week	23.10 delivery/ week	Delivery trend	Price trend
		omotive Grade)				

Source: Future Electronics, Wind, Chip Insights

### 3 Orders and Inventory in September

From the perspective of enterprise orders, there is a clear recovery in demand, but there are certain fluctuations in inventory.

Chart 9: Orders and inventories of leading companies in September

Company	Orders for September	Inventory in September	October Pricing Trend
Intel	Decline	Generally	Adjust according to the market
AMD	Decline	Generally	Stablize
Samsung	Decline	Generally	Rise
TI	Decline	High	Adjust according to the market
ST	Stablize	Low	Adjust according to the market
ADI	Stablize	Low	Stablize
Qualcomm	Decline	Generally	Adjust according to the market
Broadcom	Decline	Generally	Decline
NXP	Rise	Low	Rise
Infineon	Rise	Low	Rise
Renesas	Rise	Low	Adjust according to the market

Company	Orders for September	Inventory in September	October Pricing Trend
On Semi	Rise	None	Rise
Microchip	Stablize	Generally	Stablize
Micron	Decline	Generally	Decline
SK Hynix	Decline	Generally	Decline
Murata	Decline	Low	Stablize
MediaTek	Decline	Generally	Decline

Inventory status: higher > high > generally/ Stable > low > lower > none

Source: Chip Insights

## 4 Semiconductor Supply Chain in September

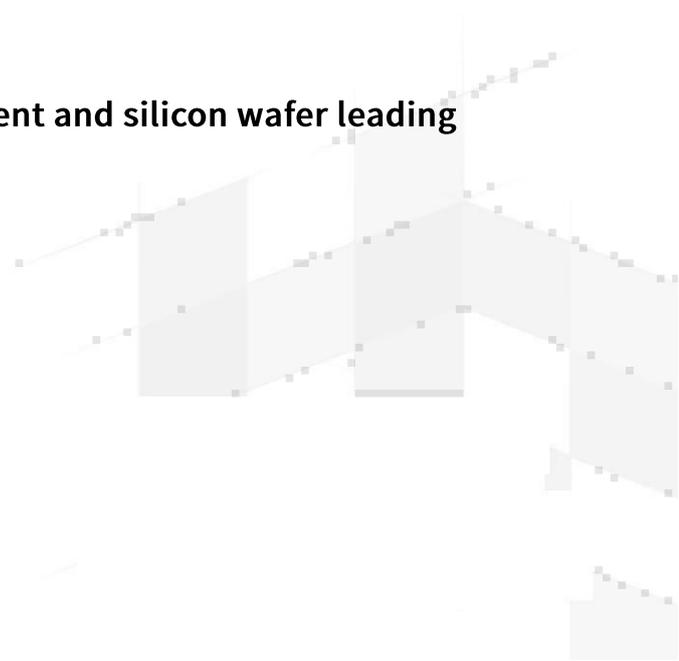
The equipment/materials demand is weakening, Foundry pressure is high, Fables/IDM inventory continues to fluctuate, and terminal demand is differentiated.

### 4.1 Semiconductor Upstream Manufacturers

#### (1) Silicon Wafer/Equipment

In September, the demand for equipment and raw materials was weak, and export control continued to upgrade.

Chart 10: Orders of semiconductor equipment and silicon wafer leading



**enterprises in September**

Type	Company	Order in September	Inventory in September	October Order Forecast
Equipment	ASML	Decline	Low	Stablize
	AMAT	Stablize	Low	Stablize
	Lam	Stablize	Low	Adjust according to market conditions
	TEL	Stablize	Low	Stablize
	KLA-Tencor	Stablize	Low	Adjust according to market conditions
	NAURA	Rise	Low	Rise
	Cmsemicon	Rise	Low	Rise
Silicon wafer	ShinEtsu	Decline	Generally	Decline
	Sumco	Decline	Generally	Decline
	Global Wafer	Decline	Higher	Decline
	Tai Win	Decline	Higher	Decline
	WAFER WORKS	Decline	Higher	Decline
	NSIG	Rise	Generally	Decline

Source: Chip Insights

**(2) Fabless/IDM**

In September, demand continued to differentiate, consumption remained weak, and demand for automobiles and new energy remained stable.

**Chart 11: Latest news of major Fabless/IDM manufacturers**

Company	News in September
Intel	Plan to invest over \$20 billion to build two chip factories in the United States
AMD	Data center business is very strong in the second half of the year
Nvidia	Q2 ranked second in the semiconductor market industry. AI chip supply is improving
TI	Chip demand may be affected by the US strike wave
Qualcomm	Affected by Huawei chips, a price war will begin as soon as Q4. Dismantle the Shanghai R&D Center
Samsung	Increase efforts to reduce production of NAND flash memory. Mobile phone storage chips may increase in price by 10-20%. Or supply HBM3 memory
MTk	Cut down on wafer production in 2024
Broadcom	Google may abandon purchasing Botong AI chips
ADI	The demand for automotive chips continues to grow
ST	Proposed to collaborate with Foxconn to build a chip factory in India
Infineon	Actively expanding the production capacity of car gauge chips
NXP	Stable demand for car specification chips
Renesas	Actively layout the Chinese car regulation market
Onsemi	This month's demand is concentrated in the automotive sector
Toshiba	2 trillion yen privatization finalized
WD	The bank is preparing a \$14 billion loan for its merger with Armor Xia
KIOXIA	Accelerate the layout of China's automotive electronics market
SK Hynix	Will receive indefinite exemption from US export controls
Apple	Planned to use self-developed baseband chips in 2025

Company	News in September
Micron	Plan to establish more chip departments in India. NAND Flash prices increased by approximately 10% in September
Macronix	The storage market may not improve in the first half of next year
Murata	The new factory in Thailand was completed and put into trial production in November
FUDAN	Consumer MCU demand recovers but prices remain sluggish
HiSilicon	Restore supply of monitoring chips
Holtek	Increased demand for MCU orders from some brand customers
Phison	Customers accept a 30% to 35% increase in NAND products
Nanya	Plan to dynamically reduce DRAM production capacity by less than 20%

*SSource: Chip Insights*

### (3) Foundry

In September, the recovery of advanced process Foundry was promising, and the domestic Foundry production capacity layout accelerated.

**Chart 12: Major foundry updates in September**

Company	Capacity Utilization in September	Dynamics in September	October Price Trend
TSMC	80%-90%	Obtaining Intel OEM orders will exceed \$19 billion. Next year, the 3nm production capacity will increase to 100000 pieces per month. Capital expenditure in 2024 may decrease by 20%	Stablize
Samsung	<80%	Automation of unmanned semiconductor packaging production line	Decline
UMC	71%-73%	CoWos orders will increase in price	Stablize

Company	Capacity Utilization in September	Dynamics in September	October Price Trend
SMIC	70%-80%	FinFET process patent has been granted	Decline
GF	80%-85%	Opening of a \$4 billion Singapore expansion factory	Stablize
VIS	60%-70%	It is expected that the average 8-inch production capacity utilization rate will be around 60%~70% in 2024	Decline
PSMC	60%	Faced with low capacity utilization	Decline
HUAHONG	102.7%	Proposed to use raised funds exceeding 12.6 billion yuan to increase HHGrace's capital	Stablize

Source: Chip Insights

#### (4) OSAT

In September, the industry's capacity utilization rate remained low, and advanced packaging capacity rapidly expanded.

Chart 13: Dynamics of major OSAT manufacturers in September

Company	Capacity Utilization in September	Dynamics in September	October Order Forecast
ASE	60%	CoWoS advanced packaging orders or doubling	Stablize
JCET	80%	Continuously strengthening technological investment in the field of power semiconductors	Stablize
TFME	80%-90%	The company is involved in the AMD Instinct MI300 testing project	Stablize

Company	Capacity Utilization in September	Dynamics in September	October Order Forecast
HT-Tech	80%-85%	Steadily advancing the expansion of advanced sealing and testing production capacity	Decline
Chippacking	75%-90%	CP business is still in its early stages	Decline
Small and medium OAST	40%-65%	Demand recovery	Decline

Source: Chip Insights

## 4.2 Distributor

In September, distributors are expected to improve and the overall recovery may be postponed to next year.

**Chart 14: Major component distributor updates in September**

Company	News in September
Avnet	Optimistic and layout of SiC market applications
Wintech	Proposed acquisition of 100% equity in Future for \$3.8 billion
CECpor	In the first half of the year, the agency product line mainly focused on the fields of IoT, storage, and new energy
SHANNON	Verification work carried out by subsidiary companies according to plan
SUNLORD	Net profit in the first half of the year decreased by 73.66% yoy
Yctexin	Business mainly focuses on automotive electronics
Bobinfo	Subsidiary has applied to join Spark Link

Source: Chip Insights

### 4.3 System Integration

In September, industrial control demand stabilized, automotive demand increased, and consumer demand improved.

**Chart 15: Latest developments of major system integrators in September**

Category	Company	News in September
Industrial control	ABB	Optimistic about the medium and long-term development of the Chinese robot market
	Honeywell	Sign a 10-year service agreement with ANA
	Schneider	Shanghai's air circuit breaker production capacity is expected to increase by 30%
	Rockwell	Strategic cooperation with TCL
	Inovance	New energy vehicle business continues to thrive
Automobile	Hyundai mobis	Proposed factory construction in Spain
	Magna	Plan to contract Chinese brand cars in Europe
	Bosch	Announcing the production of a new 800 volt powertrain solution
	Huawei	The sales of smart cars this year are expected to be 112000 units
	VALEO	Power system electrification business increased by 108% yoy in the first half of the year
	ZF	Layout of technology center and electronic factory in Guangzhou
	Borg Warner	Sign a 750V SiC device supply agreement with ST
Consumer Electronics	Wingtech	Suspend the acquisition of 100% equity in WINSKY
	Huaqin	Continuous high-speed growth of server business

Category	Company	News in September
	Luxshare	The revenue of the automotive parts sector increased by over 50% yoy
	GoerTek	Accelerated layout of automotive electronics
	Foxconn	India has reached 50 mobile phone production lines
	Quanta	Expand the layout of Southeast Asia

Source: Chip Insights

## 4.4 Terminal Application

### (1) Consumer Electronics

In September, demand for terminals such as PCs continued to rebound, and attention was paid to the impact of Huawei's new phones on the domestic mobile phone supply chain.

**Chart 16: The latest news from consumer electronics manufacturers in September**

Category	Company	News in September
Smart Phone	Apple	This year's sales are expected to decline by 5% compared to last year; Plan to expand its production capacity in India by more than five times
	Samsung	Returning to dual processor strategy
	HUAWEI	The estimated shipment of Mate 60 Pro has been increased by 20% to approximately 6 million units; Huawei is expected to order 30-40 million mobile phone components in 2024
	Oppo	Plan to restart chip business
	XIAOMI	Omni channel stocking order volume increased by 60% year-on-year
	HONOR	Sales growth in overseas markets may exceed 130% in 2023

Category	Company	News in September
PC	Lenovo	The Indian market accounts for 3% of total revenue in 2022
	HP	Using Chongqing as the company's main global production base
	ASUS	Has taken over the Intel NUC product line
	HUAWEI	Next year, HarmonyOS PC version may be launched
VR/AR	Meta	Collaborate with LG or launch high-end headsets in 2025
	Apple	We will adjust the production of VR headsets according to market conditions in a timely manner
	Goertek	Lead the development of AR/VR related acoustic technology standards

Source: Chip Insights

## (2) New Energy Vehicles

In September, competition in the automotive market intensified, and attention was paid to the risks of the EU's anti subsidy investigation into electric vehicles in China.

**Chart 17: Latest news from new energy vehicle manufacturers in September**

Company	News in September
BYD	Q2 BYD topped the Southeast Asian electric vehicle market with a share of 26%; Consider producing cars in Mexico
Tesla	Restructuring the battery material supply chain to exclude China
Hyundai	Significantly reduce the selling prices of some electric vehicle models in South Korea
Volkswagen	269 layoffs in German electric vehicle factories; Hefei Electric Vehicle Factory is about to start production
BMW	Production of electric vehicles in China investigated by the European Union

Company	News in September
Benz	Two major Beijing factories have successively ceased production for renovation
Toyota	Propose to invest \$3 billion to build a new production line in the United States
Ford	Plan to suspend the construction of battery factories using Ningde Era technology
GAC Aian	Taking over Mitsubishi Motors' Changsha factory
Gellyauto	In September, car sales exceeded 170000 units, and the proportion of new energy exceeded 31%
Chery	Multi technology route layout for new energy
NIO	15600 new cars were delivered in September, a year-on-year increase of 43.8%
LEADING IDEAL	Completed the delivery of the 500000 th new car
DENZA	The new model is expected to be launched in 2024
Gwm	Net profit dropped by over 70% in the first half of the year
XIAOMI	Automobile enters the production debugging sprint stage

Source: Chip Insights

### (3) Industrial Control

In September, demand in the industrial control industry continued to rebound and growth remained stable.

Chart 18: The latest news from industrial control manufacturers in

September

Company	News in September
Kawasaki	Layout the Chinese robot market around Chongqing

Company	News in September
KUKA	Focus on the development of the automotive market
DELTA	The expansion of factories and R&D centers in Jiangsu, Anhui, Hunan, Zhejiang, Hubei and other regions is currently planned
Inovance	The project of Nanjing's annual production of 400000 sets of robots and their supporting products has been capped
INVT	Suzhou Industrial Park Phase III Project Pending Approval
HCFA	The company's PLC has reached above the industry average level in parameters such as instruction speed, control cycle, and control scale
Estun	Maintain business cooperation with multiple domestic car companies such as BYD, Geely, and Gwm
STEP	The company's products are mainly used in 3C, new energy, white electricity, etc

Source: Chip Insights

#### (4) Photovoltaic

In September, the overseas photovoltaic market maintained a relatively high level of vitality, with significant growth in household photovoltaic products.

Chart 19: Photovoltaic manufacturers latest news in September

Company	News in September
Sungrow	The company has factories in India and Thailand overseas
Trinasolar	Invest 400 million US dollars to build a third factory in Vietnam
Ginlong	The new project with an annual output of 950000 series inverters is actively under construction
GoodWe	In the first half of the year, the sales volume of overseas inverters was approximately 308200 units, accounting for approximately 73.47%
INVT	Main customers include Skyworth, NPI, SHUIFA, CR Power, etc

Company	News in September
Deye	The gross profit margin of the 23H1 inverter continues to maintain good performance

Source: Chip Insights

## (5) Energy Storage

In September, the energy storage bidding market continued to remain relatively prosperous, and industry demand grew steadily.

Chart 20: Energy Storage Manufacturer Update in September

Company	News in September
Sungrow	The composite growth rate of energy storage market demand in the coming years will be above 100%
KSTAR	The overseas main business revenue of 23H1 was 1.852 billion yuan, a yoy increase of 178.71%
SINENG ELECTRIC	It is expected that the global large-scale energy storage development will continue to improve in the second half of the year
Clou	Establish a US branch to expand overseas markets
Deye	Q3 Slowing shipment of energy storage products due to seasonal impact
Trinasolar	Stable Q3 orders
CATL	Awarded a \$1 billion energy storage contract from the Western Australian government

Source: Chip Insights

## (6) Server

It is expected that the demand for Q4 servers will continue to increase, with AI server shipments increasing by over 38% year-on-year in 2023.

**Chart 21: Latest server machine manufacturer news in September**

Company	News in September
NVIDIA	EU launches anti-competitive review on company AI chips
DELL	AI servers will grow by approximately 7% in the next few years
HUAWEI	Launch a new architecture to support a trillion dollar model, promoting AI clusters
Quanta	The AI server orders are in short supply and there is a shortage of materials to be resolved
Foxconn	Optimistic sales performance of AI servers in the second half of the year

*Source: Chip Insights*

## (7) Communication

In September, industry demand remained sluggish.

**Chart 22: Latest news from communications manufacturers in September**

Company	News in September
SAMSUNG	Expand India's layout
ZTE	6G technology may achieve significant breakthroughs
Ericsson	Achieve open network capability API cooperation with DT
Fiberhome	In the first half of the year, 7 projects in the centralized procurement by operators ranked in the top two

*Source: Chip Insights*

# 5 Distribution and Sourcing Opportunities and Risks

## 5.1 Opportunities

In September, pay attention to the opportunities for Huawei's new phones to revive the domestic smartphone supply chain.

**Chart 23: The Market Opportunity in September**

Product	Opportunities	Company
GPU	NVIDIA AI chip supply is improving	NVIDIA, AMD, Intel, Huawei, etc
RF chips, etc	Huawei is expected to order 30-40 million mobile phone components in 2024	Maxscend, SMEI, Vanchap, Onmicro, etc

Source: Chip Insights

## 5.2 Risk

In September, the consumer MCU market is expected to recover, with a focus on the fluctuations in the Memory market.

**Chart 24: The Market Risk in September**

Product	Risk	Company
MCU	Consumer MCU demand recovers but prices remain sluggish	HOLTEK ,Nuvoton ,FUDAN,GigaDevice, etc
DRAM	Top memory manufacturers continue to reduce production and maintain prices	Samsung, SK Hynix, Micron, Nanya, etc
IPC	Changes in the domestic monitoring chip landscape after the return of HiSilicon	HiSilicon, Sigmastar, Fullhan, Ingenic, etc

Source: Chip Insights