

Inventory Tracker

Inventories Set on a Glide Path to Equilibrium in Q3 2009

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Forecast

Frequency, Time Period

- Monthly insights and analysis
- Quarterly data sets

Regions, Markets

- Global Perspective

Details

- Semiconductor Suppliers
- PC OEM Inventory
- Handset OEM Inventory
- Analog
- Memory
- Storage
- Fabless Semiconductor Manufacturers
- Semiconductor Foundries
- EMS Providers
- Distribution Companies
- Storage Manufacturers

Critical Questions Answered

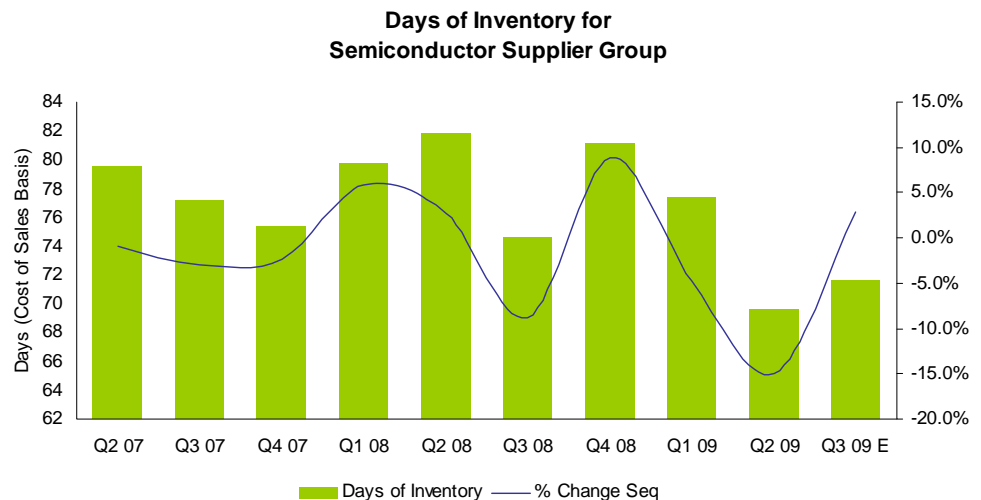
- Where is the inventory?
- What level of inventory is “normal”? Do actual inventory and days of inventory differ among various nodes in the supply chain?
- Are there identifiable trends with inventory and Days of Inventory?
- What areas of the supply chain are better/worse off than others?
- Should I lower prices to move inventory?
- Should I reduce utilization even more?

Who Should Read This?

- All Semiconductor Supply Chain
 - C-level Strategists
 - Procurement
 - Marketing
 - Operations
 - Sales

One of the most visible indicators of supply chain health is the level of inventory at the various points in the chain. At iSuppli, we begin our Q3 2009 Inventory study of the electronics supply chain at the highest level and conclude with granular analysis of ten specific nodes to help you manage your business. So what did we find?

- The semiconductor supply chain reduced inventory significantly over the past three quarters.
- Semiconductor Supplier inventory levels fell 23% in Q4 2008, 15% in Q1 2009 and another 4% in Q2 2009, with inventories of PCs and mobile handsets shrinking even more.
 - Semiconductor Suppliers came in below iSuppli’s seasonally adjusted target inventory levels for Q2 2009.
- The semiconductor supply chain should reach inventory equilibrium in Q3 2009.
 - Days of Inventory (DOI) were reduced as revenues exceeded forecasts.
 - Factory utilization rates picked up, but remain low.
 - Falling ASPs tortured PC manufacturers despite a boom in units shipped.
 - Barring an unforeseeable catastrophe, there is limited risk of excess inventory, with greater risk of under-producing demand in Q3 2009



iSuppli now offers absolute inventory values and comprehensive analysis of key nodes in the electronics supply chain, including PC OEMs, Mobile Handset OEMs, Analog manufacturers, EMS providers...and more.

Lead Analyst**Carlo Ciriello, Analyst**

Carlo is charged with investigating and creating investment theses based on iSuppli's broad technological market expertise. His duties include tracking semiconductor manufacturing companies and vetting investment themes. Carlo has experience as an equity research analyst covering technology, media and telecommunications, and holds his series 7 license.

Carlo earned an MBA, with a focus on Finance, from the University of Southern California in 2008, and a BA in the Liberal Arts from Occidental College.

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Q2CY09 Inventory Trends (Actual)
 Q3CY09 Inventory Trends (Forecast)

Inventory Insider

- Bi-quarterly publication
- Examines current happenings regarding inventory, and will attempt to identify and explain the dynamic changes in the supply chain
- Quantitative and qualitative, offering synthesis born out of a financial examination of the various factors affecting semiconductor inventory.