

## Advanced Micro Devices (AMD)

### Remains Overlooked in AI Play

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#### Advanced Micro Devices

##### Company profile

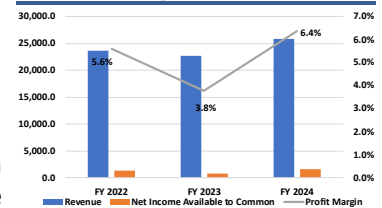
Advanced Micro Devices operates through its four segment: Data Centre, Client, Gaming as well as Embedded.

##### Technical Data

|       |        |
|-------|--------|
| Price | 259.68 |
| R1    | 285.65 |
| R2    | 300.00 |
| S1    | 246.70 |
| S2    | 240.00 |

M+ Research, Bloomberg

##### Financial Snapshot



M+ Research, Bloomberg



Tradingview

### Technical Outlook

**Approaching its 52-week highs.** AMD has formed a rounding bottom pattern approaching 52-week highs. Price may consolidate around this zone and may surge higher in the coming weeks, given RSI is hovering in the overbought levels. Resistance is set around USD285-300, while the support is located around USD240-246. Meanwhile, a violation below the USD240 would invalidate our technical BUY setup.

### Trading Catalysts

- **Poised for solid growth.** TSMC's earnings, along with hyperscalers' expected USD600bn outlays through CY26, suggest the AI bubble is far from bursting, in our view, as this collectively indicates continued growth in demand from chip companies like NVDA and AMD.
- **China should unlock more value.** With China clears Alibaba, Tencent, and ByteDance to prepare NVIDIA H200 AI chip orders, we believe this should unlock for AMD as well, especially given to understand that AMD is developing chips to specifically cater for Chinese market, with notably the Radeon PRO W7900D Workstation GPU. While there's no official announcement yet, any progress on this front could be another re-rating catalyst for AMD.
- **Solid collaboration and more to come.** AMD also secured a major deal with OpenAI, which plans to use primarily MI450 chips with a total capacity of around 6GW. This collaboration is expected to pave the way for more deals going forward.

### Peer Comparison

| Company Name                   | Ticker | Price (USD) | Market Cap (USD'bn) | P/E (x)     | Forward P/E (x) | ROE (%)     | NP Margin (%) | RSI           | ST Trend |
|--------------------------------|--------|-------------|---------------------|-------------|-----------------|-------------|---------------|---------------|----------|
| ADV MICRO DEVICE               | AMD    | 259.7       | 422.8               | 124.6       | 45.9            | 5.6         | 6.4           | Overbought    | Up       |
| NVIDIA CORP                    | NVDA   | 187.7       | 4560.4              | 47.5        | 26.7            | 107.4       | 55.8          | Positive bias | Down     |
| INTEL CORP                     | INTC   | 45.1        | 225.1               | -           | 90.3            | -0.3        | -0.5          | Positive bias | Up       |
| <b>Avg ex-ADV MICRO DEVICE</b> |        |             | <b>2392.8</b>       | <b>47.5</b> | <b>58.5</b>     | <b>53.6</b> | <b>27.7</b>   |               |          |

Source: Bloomberg, M+ Research



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(a) nil.

