Asian Semis

June WSTS:YoY growth accelerates to new record on surging memory ASPs and logic price hikes

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Overall semi revenues rose 134%YoY in June(vs 128%YoY in May),with logic semis increasing 38%YoY(vs 34%YoY in May)and memory increasing 369% YoY(vs 353%YoY in May).Semis marked the tenth consecutive month of acceleration and a new record for YoY growth,driven primarily by:1)sustained AI compute demand,with TSMC visibility now extending into 2029-30,2) memory ASPstrength amid structurallytight supply-demand,and3)strengthening mature foundry pricing power driven by surging AI peripheral demand.

Logic semi revenue rose 38%YoY(vs 34%in May),marking 34 consecutive months of YoY growth.We believe the primary driver remains leading-edge demand intensity,with TSMC accelerating capacity expansion plans further.We now expect TSMC capex to reach $62/$81/$90bn in FY26/27/28(vs.prior $58/ $78/$84bn),with leading-edge capacity(N5 and below)expected to grow at a24% CAGR over 2026-28.At mature logic foundries,pricing momentum is accelerating,driven by rising utilization rates and tight capacity for AI peripheral applications.PSMC saw 10-15%price hikes across both 8"and 12"in 1H,while we believe VIS also implemented 5-15%price hikes for 8"in 1H26.We expect a further round of mature foundry price hikes in 2H26 and 2027.

Overall semi units increased 8%YoY(vs 13%YoY in May).Memory units increased 44%YoY(vs 41%YoY in May),and logic semi units rose 6%YoY(vs 11%YoY in May).Within memory,we expect DRAM wafer allocation to HBM to continue to increase,reaching 32%capacity mix by 2028E-end,with AI CPU unit TAM expected to grow at a 155%CAGR.Memory demand broadening out from GPU to CPU appears to have been underestimated by investors and remains a key source of potential upward revisions.We forecast DRAM WSPM to reach 2.85M by 2028 end from 1.9M at 2025 end,stillbelow the expected demand due to 2-2.5 years of lead time from groundbreaking to production ramp.Logic unit growth was mainly supported by AI demand alongside pockets of strength in industrials,with resilient iPhone 17 demand helping to offset weakness in mid-to-low-end smartphones.

Overall semiASPs were up117%YoY(vs 102%YoYin May),with memory ASPs rising 225%YoY(vs 222%YoY in May)driven by structurally tight supply-demand.LTAs in 2Q26 showed favorable terms for memory makers,with prepayment mix(20-25%of LTA value)and large volume contribution(50-70%) indicating strong supplier bargaining power.The majority of LTAs are centered around AI/server compute,carrying a 30-40%price premium over the rest.We see DRAM ASP rising 29%/7%in 2027/28E after a 235%rally in 2026E as flexible pricing structures allow memory makers to leverage the current shortage market. Logic semiASPsrose 30%YoY(vs20%inMay),supportedby continuedmix shift towards advanced nodes(higher N3/N5 mix)and accelerating pricing hikes from mature foundries.

Looking ahead,we expect the AI-driven semiconductor upcycle to continue, supported by strong hyperscaler capex growth(aggregate CSP capex is forecast to grow 65%in 2027,sustaining the strong 100%+pace in 2026)and extended demand visibility.On the logic side,we believe TSMC is likely to raise its

See page 5 for analyst certification and important disclosures,including non-US analyst disclosures.

Datacenter AI CAGR expectations (JPMe 69%from 2024-29),driven by stronger accelerator demand and likely inclusion of new categories like agentic AICPUs.We believe mature foundries will also see continuedbenefit fromASPimprovement and sustained strong AI-peripheral demand.On memory,we continue to see upward revisions to memory TAM forecasts and expect supply-demand shortage to continue,with the degree of shortage worsening in 2027E followed by a slight improvement into 2028E.

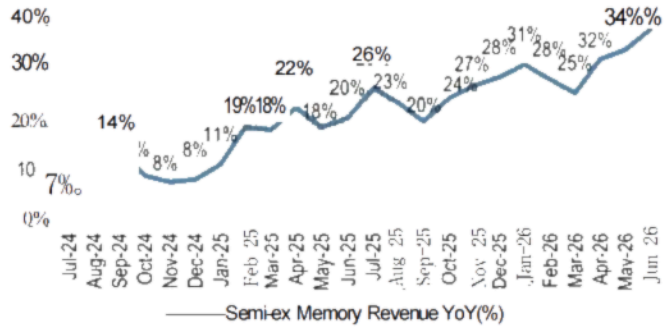
Stock picks: We reiterate our top picks among major AI beneficiaries:TSMC,MediaTek, Unimicron,ASMPT,ASE,Alchip,VIS,Tokyo Electron,SEC,AMEC,Naura,Hon Precision,Chroma,Accton and Delta.

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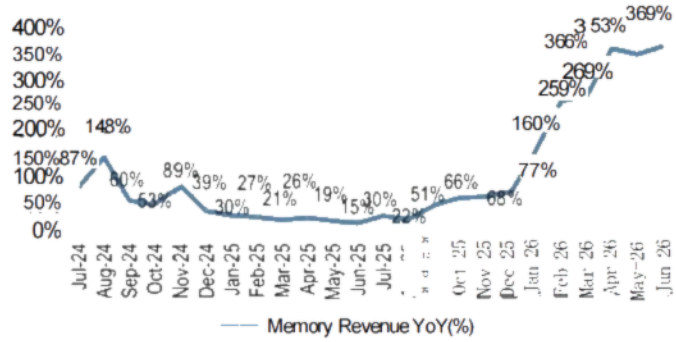
Key charts

Figure 1:Semi ex-memory revenue YoY (July-2024 onwards)



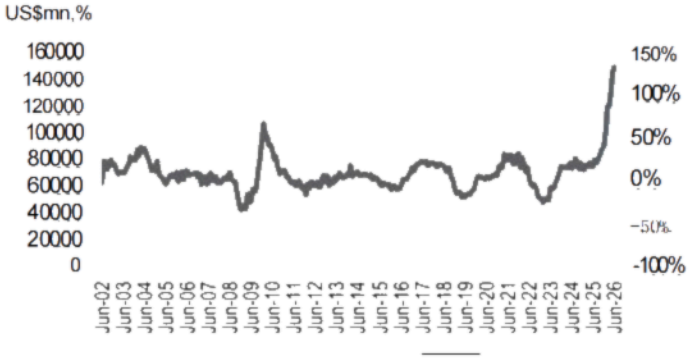
Source:WSTS.

Figure 2:Memory revenue YoY (July-2024 onwards)



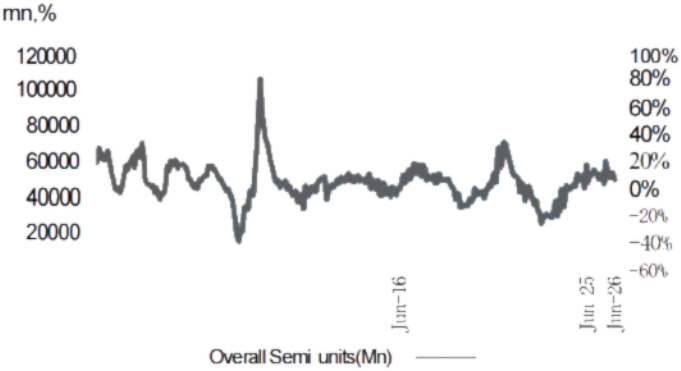
Source:WSTS.

Figure 3:Semi revenue(monthly)and YoY



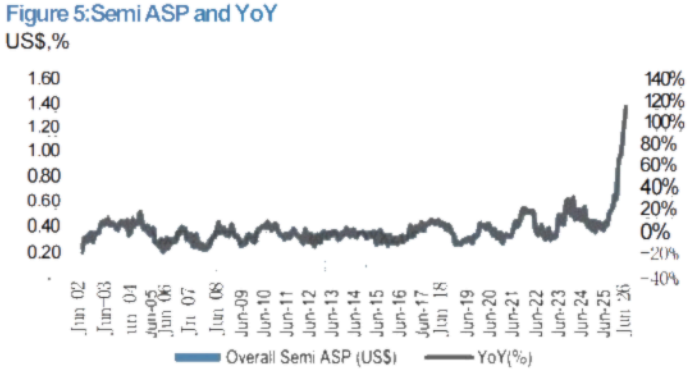
Source:WSTS.

Figure 4:Semi units (monthly)and YoY



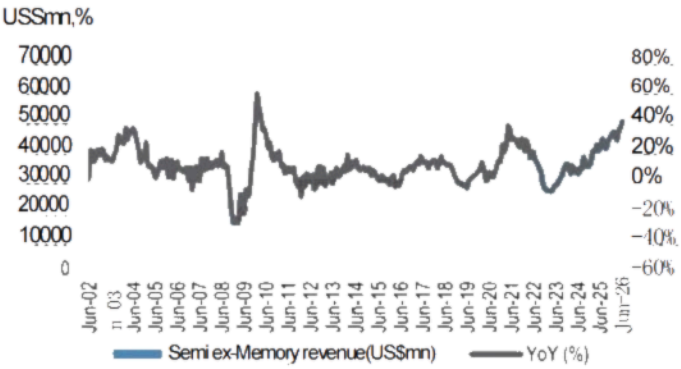
Source:WSTS.

Figure 5:Semi ASP and YoY



Source:WSTS.

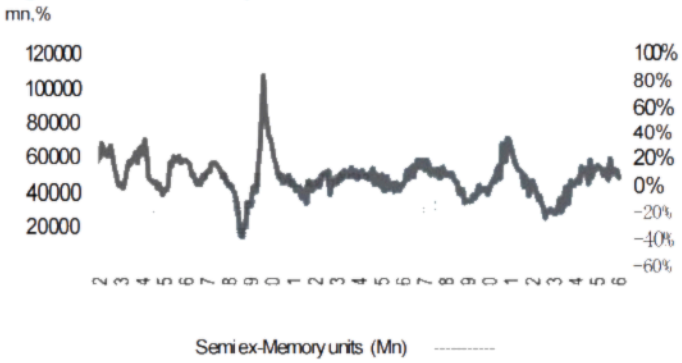
Figure 6:Semi ex-memory revenue(monthly)and YoY



Source:WSTS.

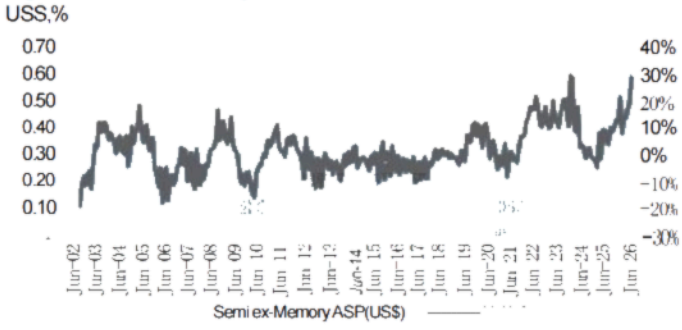
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Figure 7:Semi ex-memory units and YoY



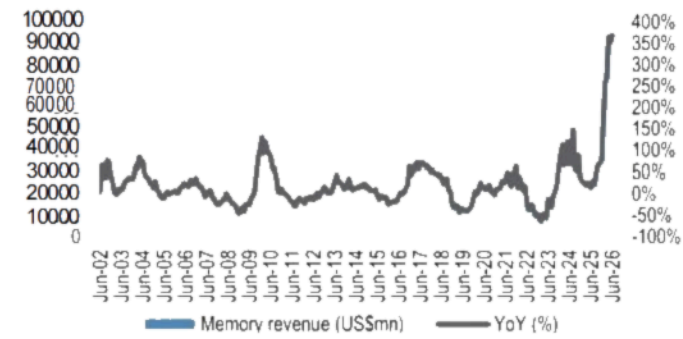
Source:WSTS.

Figure 8:Semi ex-memory ASP and YoY



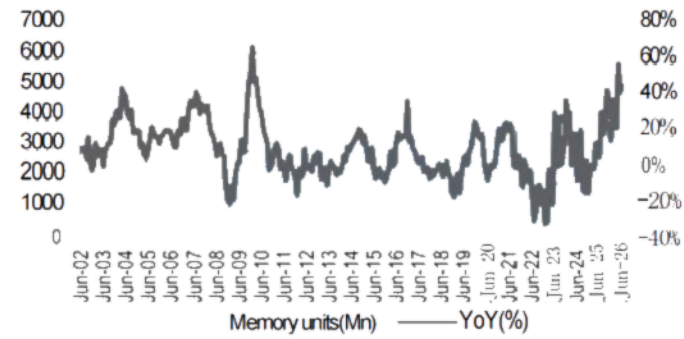
Source:WSTS.

Figure 9:Memory revenue(monthly)and YoY



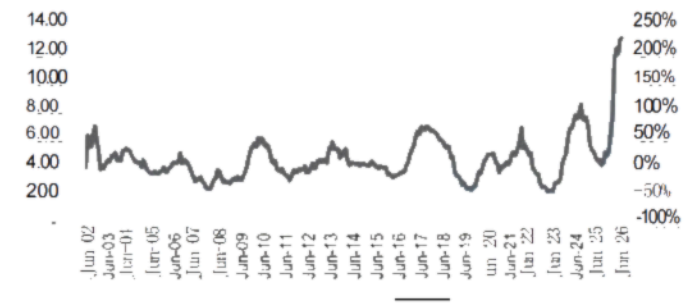
Source:WSTS.

Figure 10:Memory units and YoY



Source:WSTS.

Figure 11:Memory ASP and YoY



Source:WSTS.