Semiconductors

July WSTS: Seasonal M/M Downtick Skewed by Memory Lumpiness; Industry Sales Outlook Now > $1.7T in 2026 and >$2T in 2027

Semiconductors & Semiconductor Capital Equipment / IT Hardware

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The WSTS (World Semiconductor Trade Statistics) released its latest set of industry data late last week, showing that total industry sales fell to $142B (-10% M/M) in July, with Y/Y growth decelerating to +129% Y/Y, down from +143% Y/Y in June. The weakness in sales was primarily ASP-driven, with blended industry ASPs declining -9% M/M, and total industry unit volumes remaining ~flat M/M. The M/M decline in sales was directionally in-line with seasonal trends and heavily skewed by monthly lumpiness in memory sales (total semiconductor sales ex-memory were ~flat M/M). We would also separately flag that company commentary across our sector over the last ~90 days points to demand continuing to accelerate from current levels, and thus we contend that fundamentals will likely follow suit. Our key takeaways from the latest set of data are as follows:

- **The M/M decline in July was in-line with seasonal norms…** Historically, semiconductor sales tend to decline -8% M/M in the month of July, which should partly contextualize the -10% M/M decline in the Jul-26 data. That said, the decline was slightly larger than expected due to greater month-over-month lumpiness in memory, with total industry sales ex-memory remaining ~flat M/M, versus total industry sales including memory being down -10% M/M.
- **Prior-month data revised higher, reflecting stronger memory data points…** While it isn't unusual for the WSTS to revise prior-month data, we would flag that aggregate industry sales for Jun-26 were revised ~4% higher to $157B, up from the $152B figure that was initially reported. Memory data points for June were adjusted meaningfully, with DRAM and NAND sales both being revised ~6% higher, further illustrating the strong and durable underlying economic setup across the memory space.
- **Memory pricing growth decelerated but remains objectively strong…** Memory revenues fell to $78.6B in July (down from a record $94.0B in June), driven by weaker bit shipments and partially offset by stronger pricing. For context, DRAM and NAND bit shipments fell -23% M/M and -22% M/M, while ASPs grew +6% M/M and +9% M/M, respectively. When viewed on a Y/Y basis, pricing trends decelerated, with DRAM ASPs growing +259% Y/Y (down from +268% Y/Y growth in June) and NAND ASPs growing +344% Y/Y (down from +368% Y/Y growth in June).

Upon updating our industry model, we now see the industry growing to $1.73T (+118% Y/Y; +32% Y/Y ex-memory) in 2026 and >$2T in 2027. However, there is likely upside risk to our estimates, as we conservatively assume seasonal growth across all major product categories (ex-memory, where our team uses a more granular, bottom-up approach). All told, despite the M/M downtick in the data, we believe that underlying fundamentals and Y/Y growth trends remain highly constructive, and we continue to view compute (**NVDA**, **AVGO**, **AMD**, **INTC**, **MRVL**), memory (**MU, SNDK**), networking (**AVGO**, **MRVL**, **ALAB**), and industrial analog (**TXN, ADI, MCHP**) as the most favorable verticals levered to the incremental growth in spending.

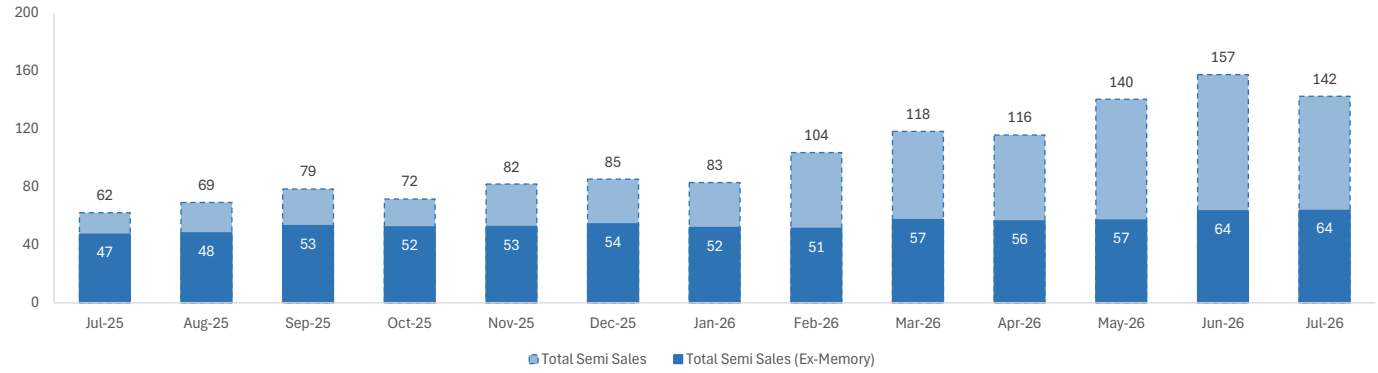
See page 10 for analyst certification and important disclosures.

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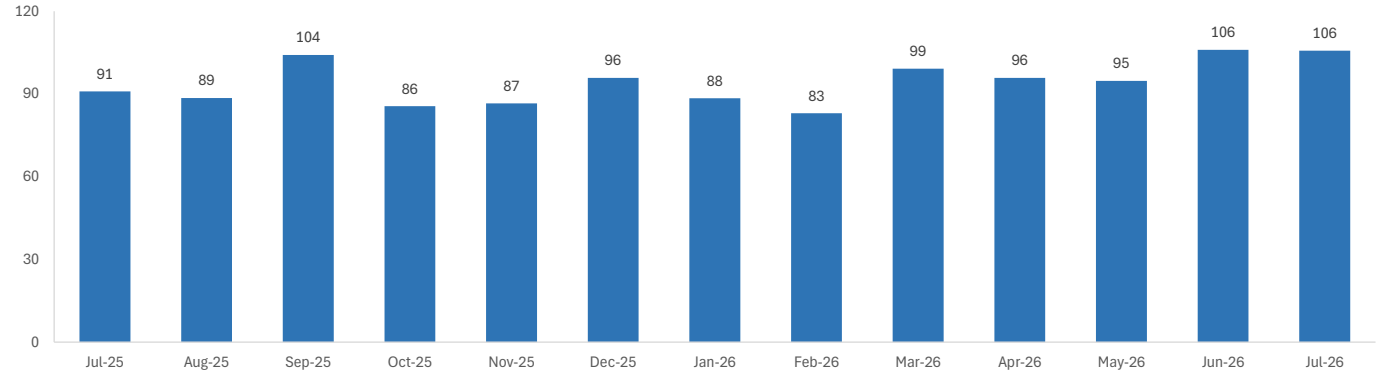
High-Level Industry Trends

Figure 1: LTM Semiconductor Industry Sales ($B)



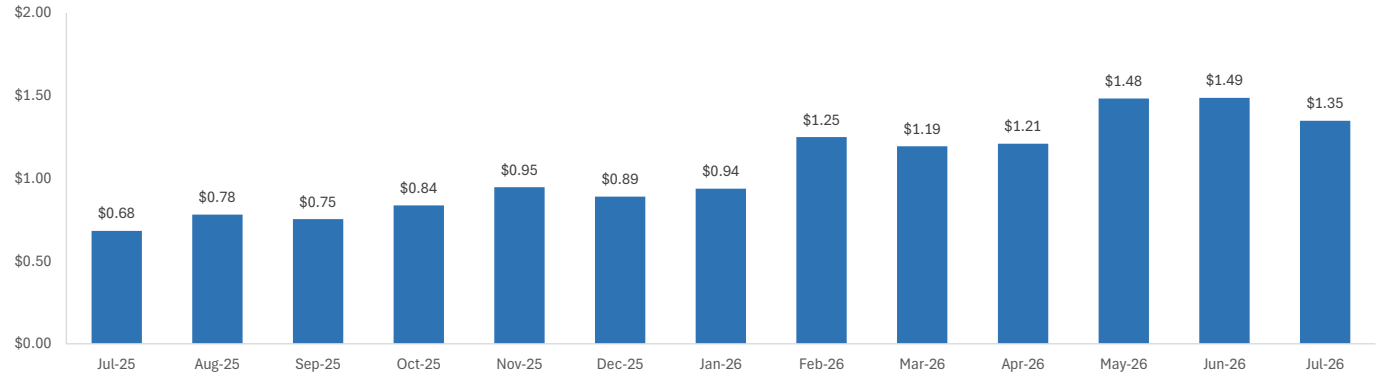
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 2: LTM Semiconductor Shipment Volumes (mn units)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

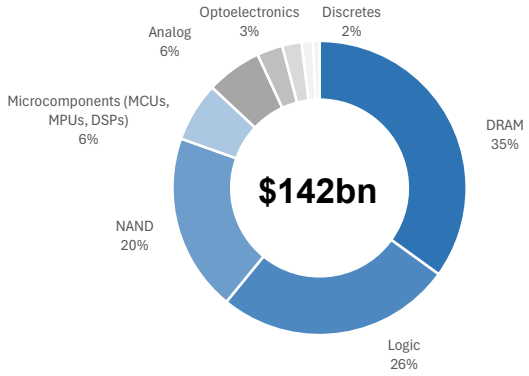
Figure 3: LTM Blended Semiconductor ASPs ($/unit)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

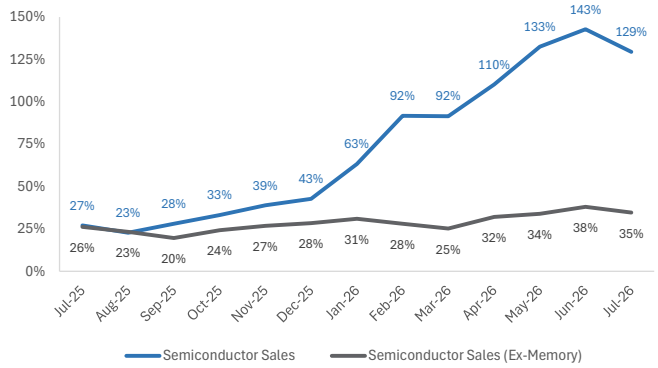
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Figure 4: Monthly Sales Mix by Segment (%)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 5: Y/Y Growth in Semiconductor Sales (%)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 6: Monthly Sales Growth vs. Seasonality (%)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Discretes	-5.1%	2.7%	3.3%	0.4%	-0.4%	2.6%	3.4%					
Optoelectronics	-4.6%	-2.1%	-0.4%	6.7%	-4.6%	2.0%	1.9%					
Sensors & Actuators	-4.5%	-1.4%	3.3%	-0.7%	-1.6%	4.4%	-0.6%					
Analog	2.5%	-2.4%	-0.2%	3.9%	-3.8%	4.9%	4.1%					
Microcomponents (MCUs, MPUs, DSPs)	13.0%	-6.3%	0.7%	7.1%	2.0%	8.7%	0.1%					
Logic	1.2%	4.0%	0.3%	4.0%	0.7%	2.2%	2.8%					
Memory	16.4%	48.1%	-1.3%	16.1%	10.6%	4.8%	5.1%					
DRAM	11.7%	53.9%	-7.6%	18.4%	2.8%	5.3%	3.1%					
NAND	26.2%	34.4%	13.2%	12.3%	18.9%	3.2%	9.3%					
Other (SRAM, NOR, etc.)	14.7%	8.9%	-3.0%	33.8%	5.5%	8.3%	9.1%					
Total Semiconductor Revenues	6.6%	21.1%	0.8%	7.7%	12.6%	4.4%	-1.5%					
Total Semiconductor (Ex-Memory)	2.9%	1.1%	-0.6%	5.1%	0.3%	2.8%	2.9%					

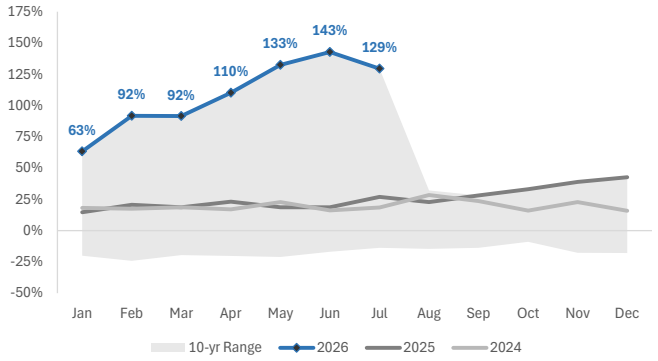
Note: We calculate seasonality using the last 10 years worth of m/m change data
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

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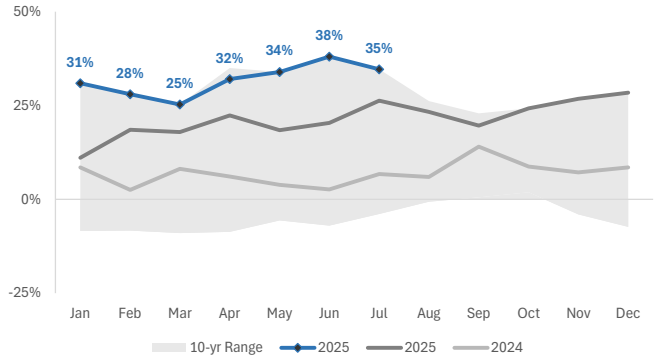
Annual Sales Growth vs. Historical Norms

Figure 7: Semiconductor Industry Sales Growth (%)



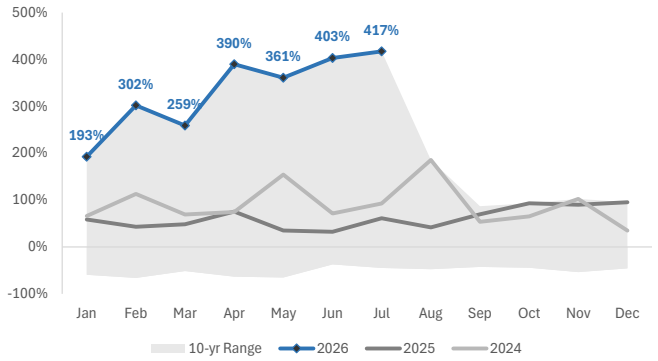
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 8: Semiconductor Industry Ex-Memory Sales Growth (%)



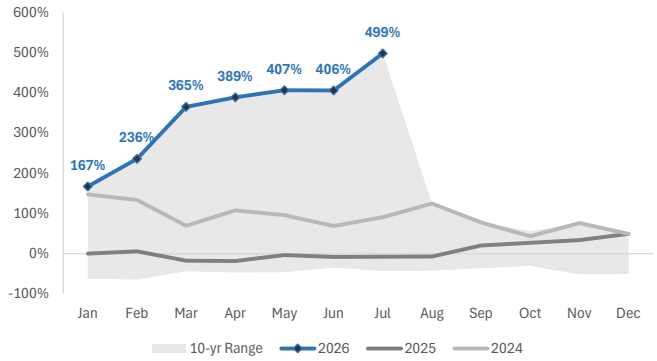
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 9: DRAM Sales Growth (%)



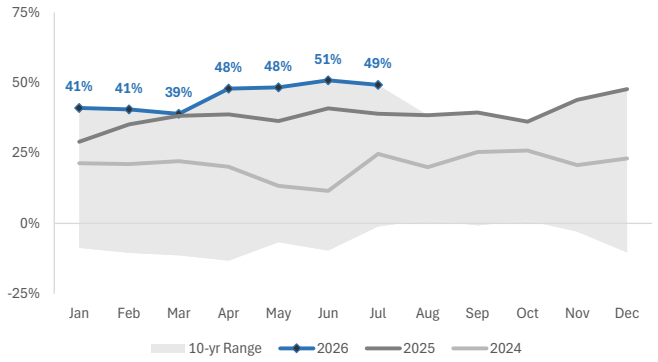
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 10: NAND Sales Growth (%)



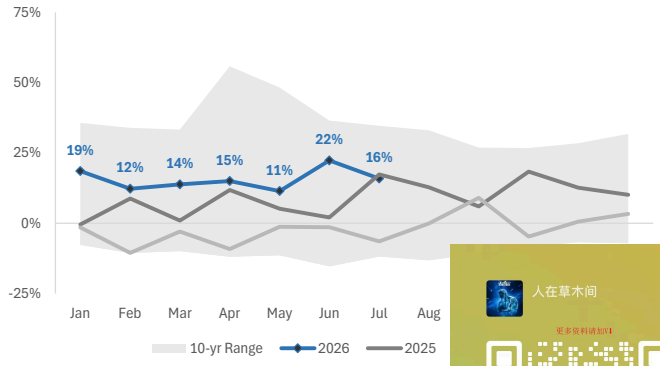
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 11: Logic Sales Growth (%)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 12: Analog Sales Growth (%)



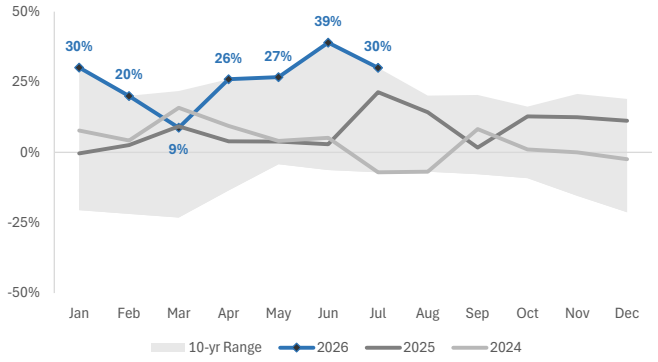
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morga

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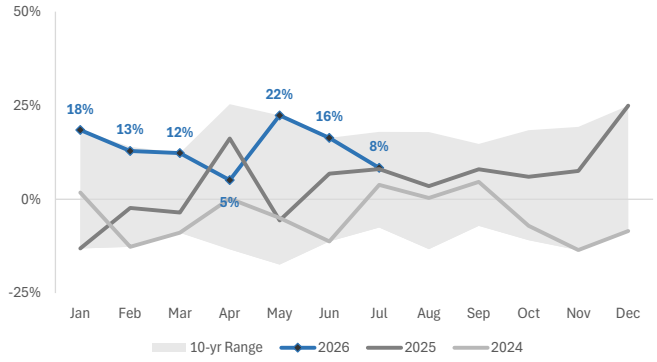
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Figure 13: Microcomponents Sales Growth (%)



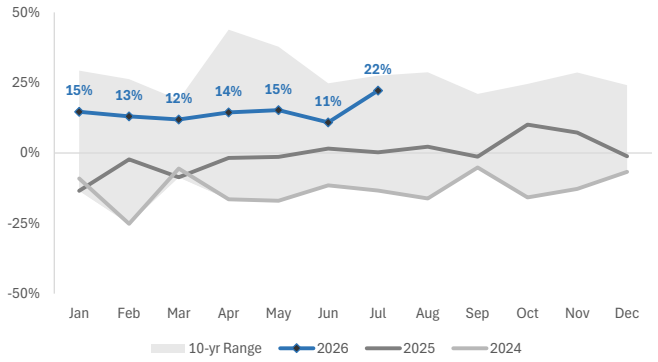
Note: Microcomponents includes MCUs, MPUs, DSPs
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 14: Optoelectronics Sales Growth (%)



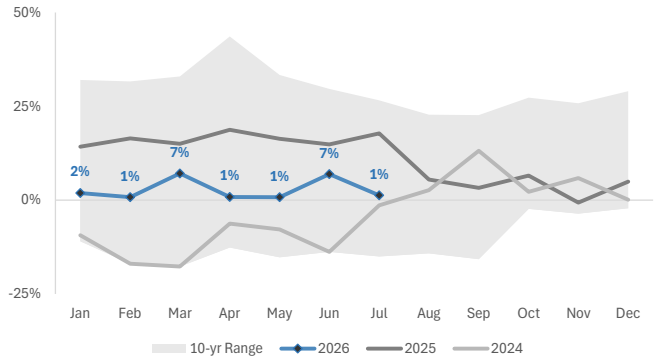
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 15: Discrete Devices Sales Growth (%)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 16: Sensors & Actuators Sales Growth (%)

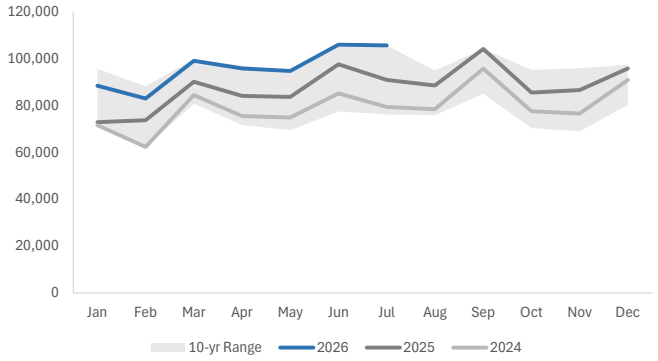


Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

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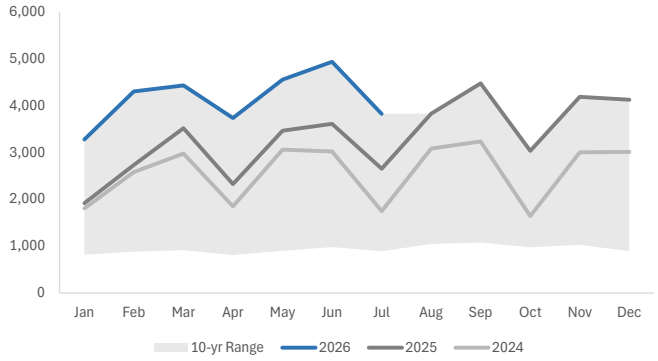
Monthly Semiconductor Shipments vs. Historical Norms

Figure 17: Semiconductor Industry Shipments (k units)



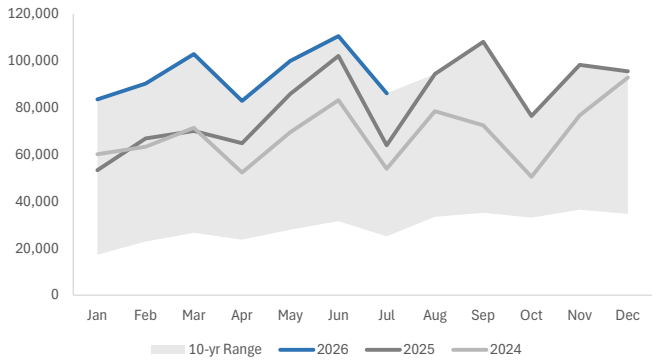
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 18: DRAM Bit Shipments (GB Millions*)



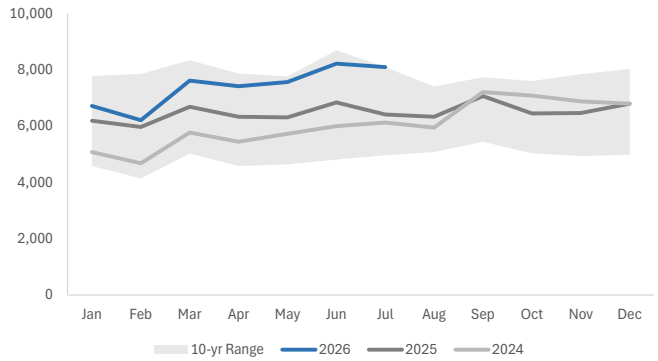
Note: We track shipments for memory verticals (DRAM and NAND) in bits, as it normalizes for variations in capacities across different products
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 19: NAND Bit Shipments (GB Millions*)



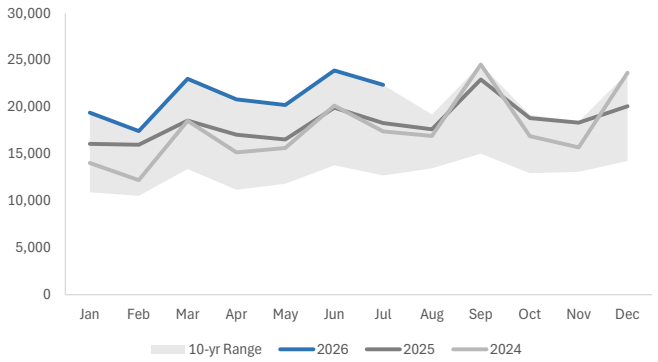
Note: We track shipments for memory verticals (DRAM and NAND) in bits, as it normalizes for variations in capacities across different products
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 20: Logic Shipments (k units)



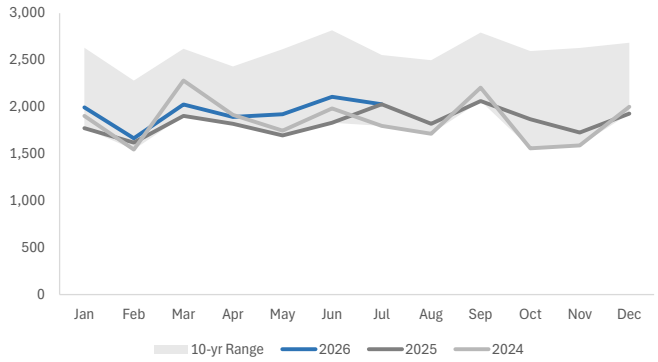
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 21: Analog Shipments (k units)



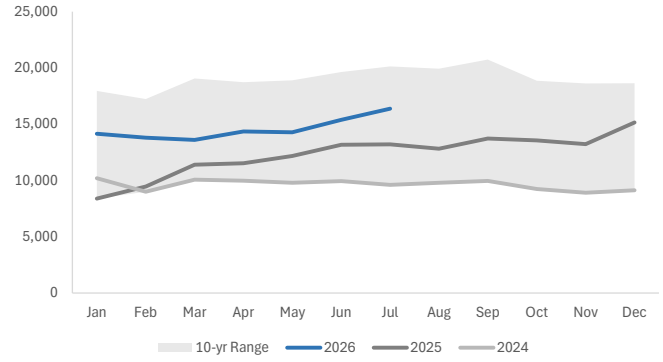
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 22: Microcomponent Shipments (k units)



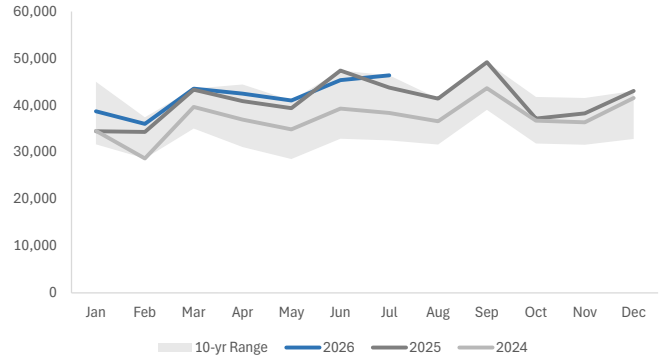
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 23: Optoelectronic Shipments (k units)



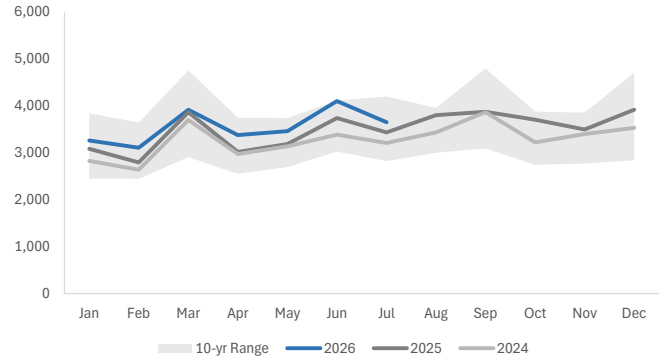
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 24: Discrete Device Shipments (k units)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 25: Sensor & Actuator Shipments (k units)



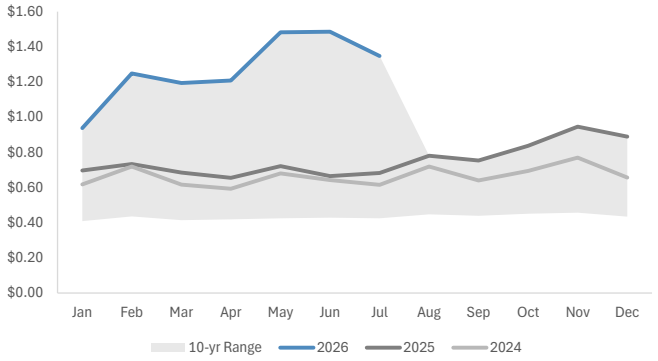
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

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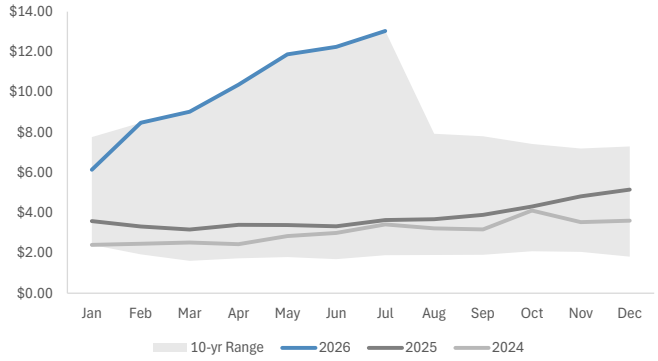
Monthly Semiconductor ASPs vs. Historical Norms

Figure 26: Blended Industry ASPs ($/unit)



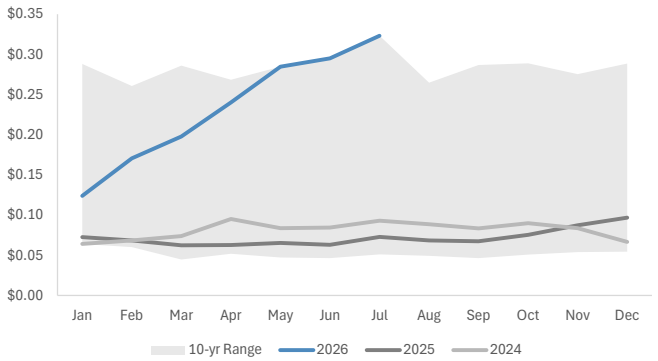
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 27: DRAM ASPs ($/GB*)



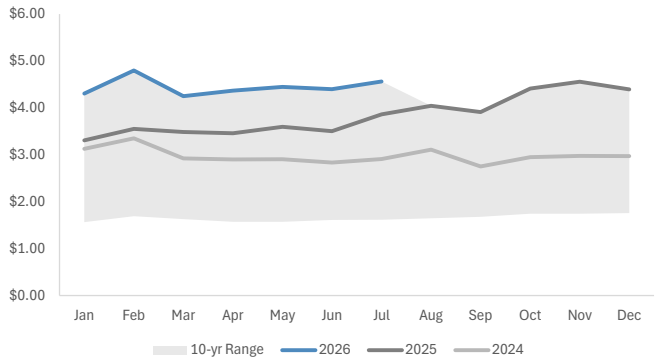
Note: For DRAM and NAND, we specifically calculate ASPs on a $ per GB basis as it normalizes for variations in capacities ($/unit is skewed by changes in memory density and capacity mix)
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 28: NAND ASPs ($/GB*)



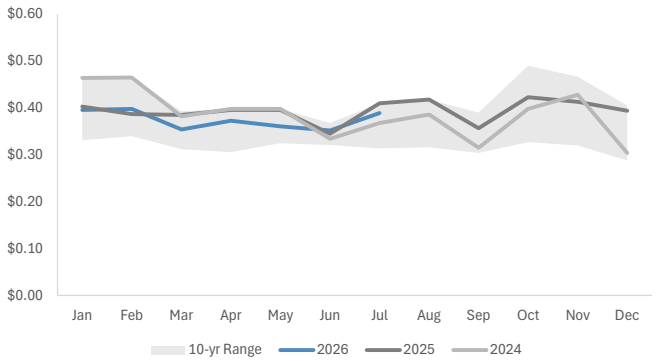
Note: For DRAM and NAND, we specifically calculate ASPs on a $ per GB basis as it normalizes for variations in capacities ($/unit is skewed by changes in memory density and capacity mix)
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 29: Logic ASPs ($/unit)



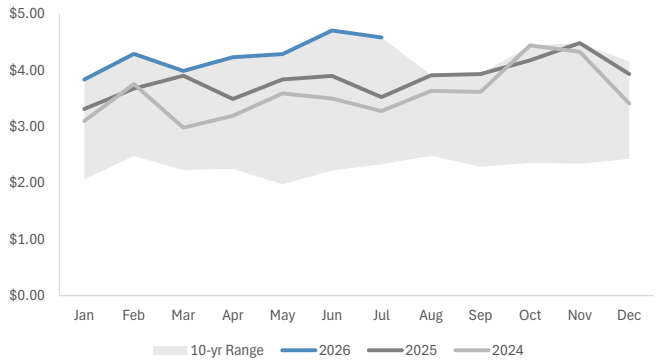
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 30: Analog ASPs ($/unit)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

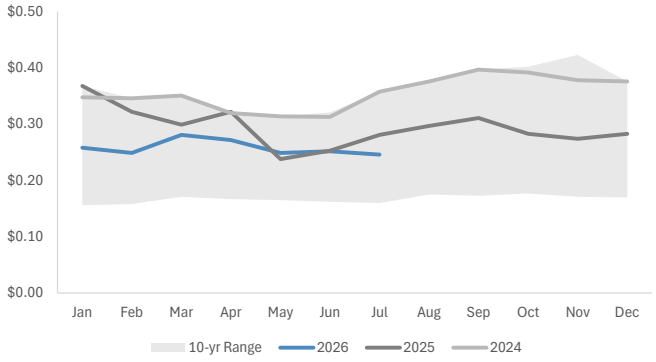
Figure 31: Microcomponent ASPs ($/unit)



Note: Microcomponents includes MCUs, MPUs, DSPs
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

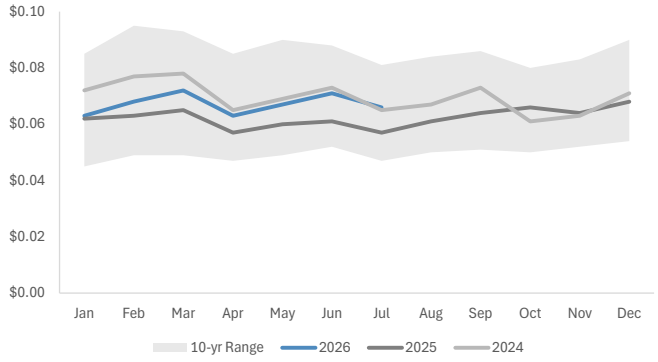
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Figure 32: Optoelectronic ASPs ($/unit)



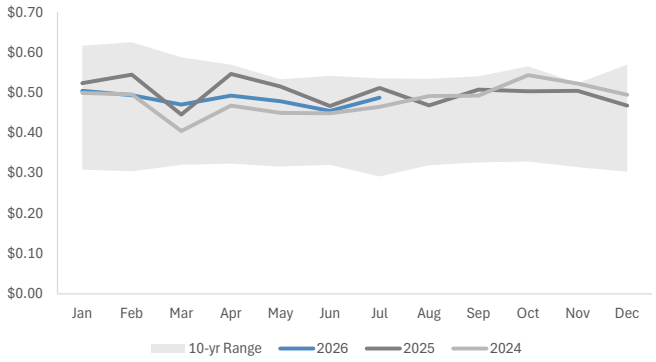
Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 33: Discrete Device ASPs ($/unit)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research

Figure 34: Sensor & Actuator ASPs ($/unit)



Source: World Semiconductor Trade Statistics (WSTS), J.P. Morgan Research