# Tech Tidbits
## – *Technology Insights from the Field*


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**Please refer to Appendix – Important Disclosures and Analyst Certification**

**Semiconductors**

**Semiconductors (Industry Sources)**. Per our recent Taiwan Monthly report, aggregated revenue in April 2015 declined 10% vs. January 2015, significantly below the 10-year average of up 4%, primarily due to significant weakness in the PC supply chain, along with below-seasonal results at TSMC and Mediatek. Aggregated revenue decreased 5% MoM in April, about in line with the 10-year average. Companies we track that were above seasonal MoM in April included Foxlink, Giantplus, Amtran, Sampo, Power Quotient International, Senao, Supreme Electronics, Zenitron, Sunplus, Foxconn Technology, and Wistron NeWeb, while those below seasonal MoM included TSMC, Elitegroup, HTC, Arima Communication, Unitech Printed Circuit Board, Innolux, AU Optronics, Hannstar, Tatung, TPK, Nanya, Winbond, Macronix, Kinsus, Ardentec, VIS, Richtek, MediaTek, Novatek, Pegatron, and D-Link. Tier-one notebook ODM shipment units decreased 23% MoM in April, and were down 5% YTD YoY. TG

**Semiconductors (China Mobile Phone)** China's April mobile phone shipment units rebounded 21% MoM to a 3-month high and near double the February shipment run rate. 4G phone units increased 27% MoM reaching an all-time high. This rebound should bring inventories down at TSMC in 2Q. Elevated inventories at TSMC had investors concerned in 1Q about a potential slowdown in the semiconductor cycle. We view the shipment data as incrementally positive for RF components (QRVO SWKS), Mediatek, and semis in general. TG

**IT Solutions & Networking**

**IT Systems & Networking/CSCO/VMW**. We attended the ONUG conference in NY last week. ONUG is the open networking user group comprised mostly of large financial service organizations. A key theme of the conference was SD-WAN, which is a software solution that allows companies to save money on network bandwidth paid to Service Providers. We hear good things about Glue Networks and Viptela as a couple examples of SD-WAN leaders and view both as acquisition targets. Another key theme of the conference was the challenge of making organizational changes within the IT department when trying to drive next-gen network technologies. We continue to think SDN is a long-term phenomenon but we don't see any sign of aggressive adoption in the Enterprise and we continue to view Cisco and VMware as the leaders. JN

**Mobile Media**

Nothing this week.

**Software & Services**

Nothing this week

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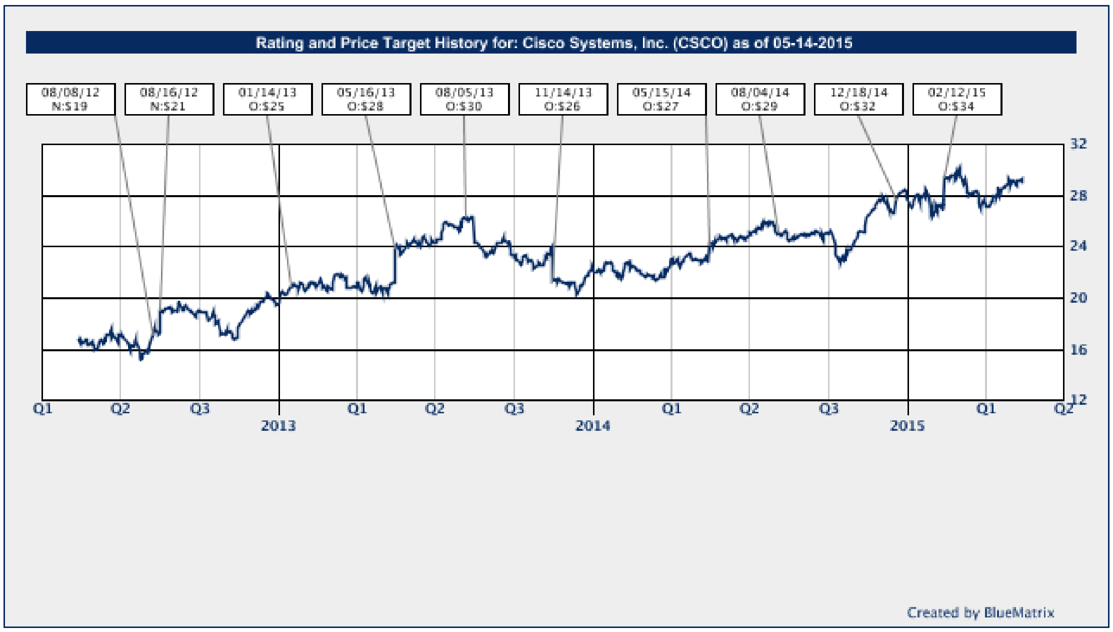
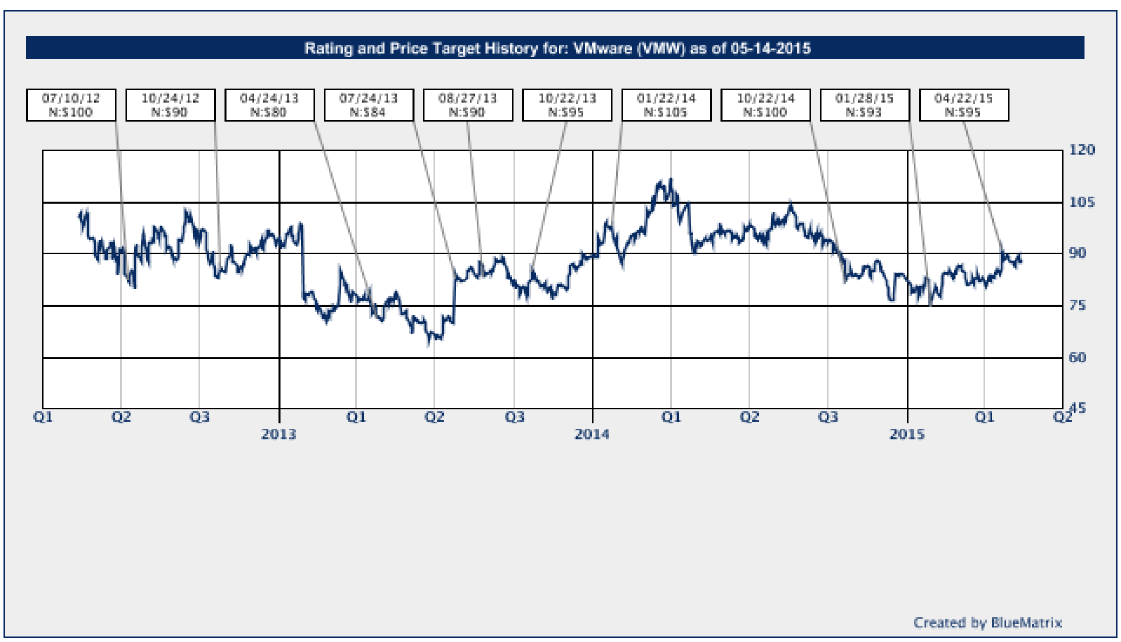
## Appendix – Important Disclosures and Analyst Certification

Covered Companies Mentioned:
(Stocks priced May 15, 2015)

Cisco Systems, Inc. (CSCO - $29.53 - Outperform)
VMware, Inc. (VMW - $87.46 - Neutral)

(See recent research reports for more information.)

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