



# Coverage Addition Report: AMD

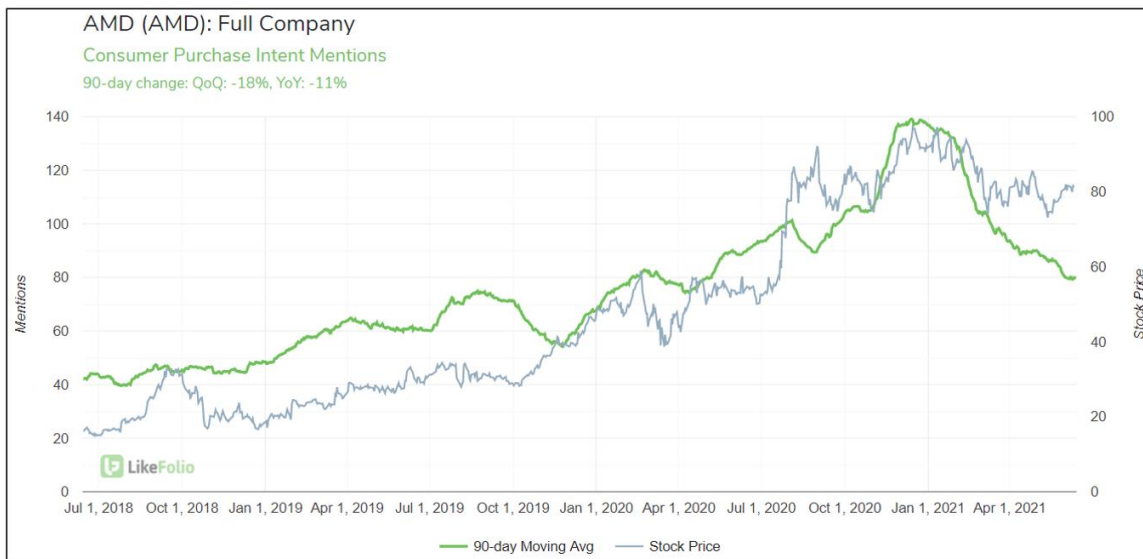
## Advanced Micro Devices, Inc. (NASDAQ:AMD)

Advanced Micro Devices is a global semiconductor company, servicing both individual consumers and enterprise clients alike with processing units, chipsets, and other related services. The company markets various consumer-grade CPUs and GPU brands including Ryzen, Radeon, Vega, and Athlon.

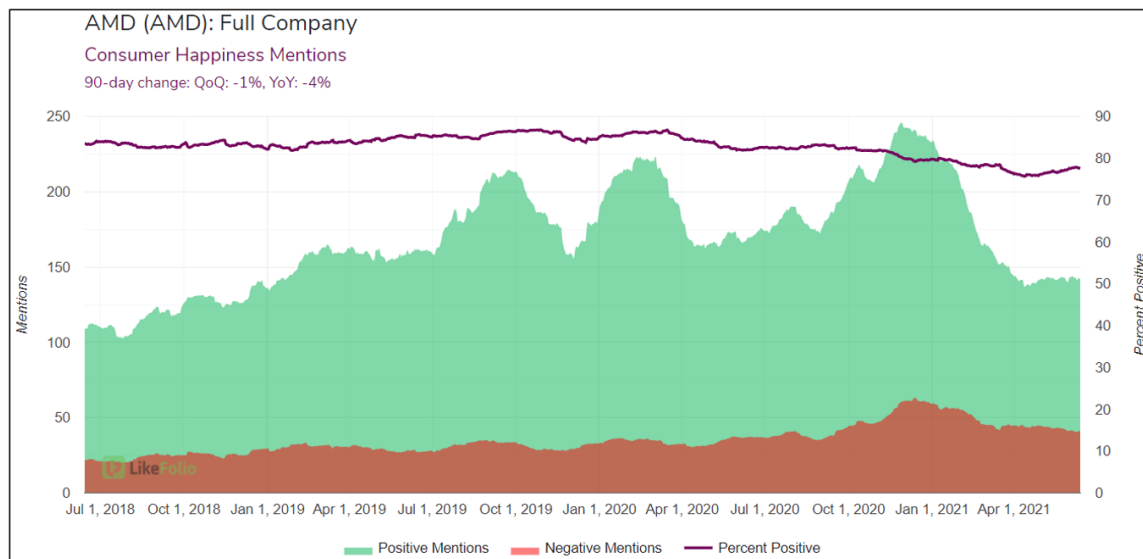
**Current Outlook:** *Leaning Bullish*

### Key Points

**Purchase Intent Mentions cooling off but holding a higher level: -11% YoY, +11% vs. 2019 (90d MA)**



**Consumer Happiness is down slightly – Still incredibly high: 78% positive in the past 90 days (-4% YoY)**



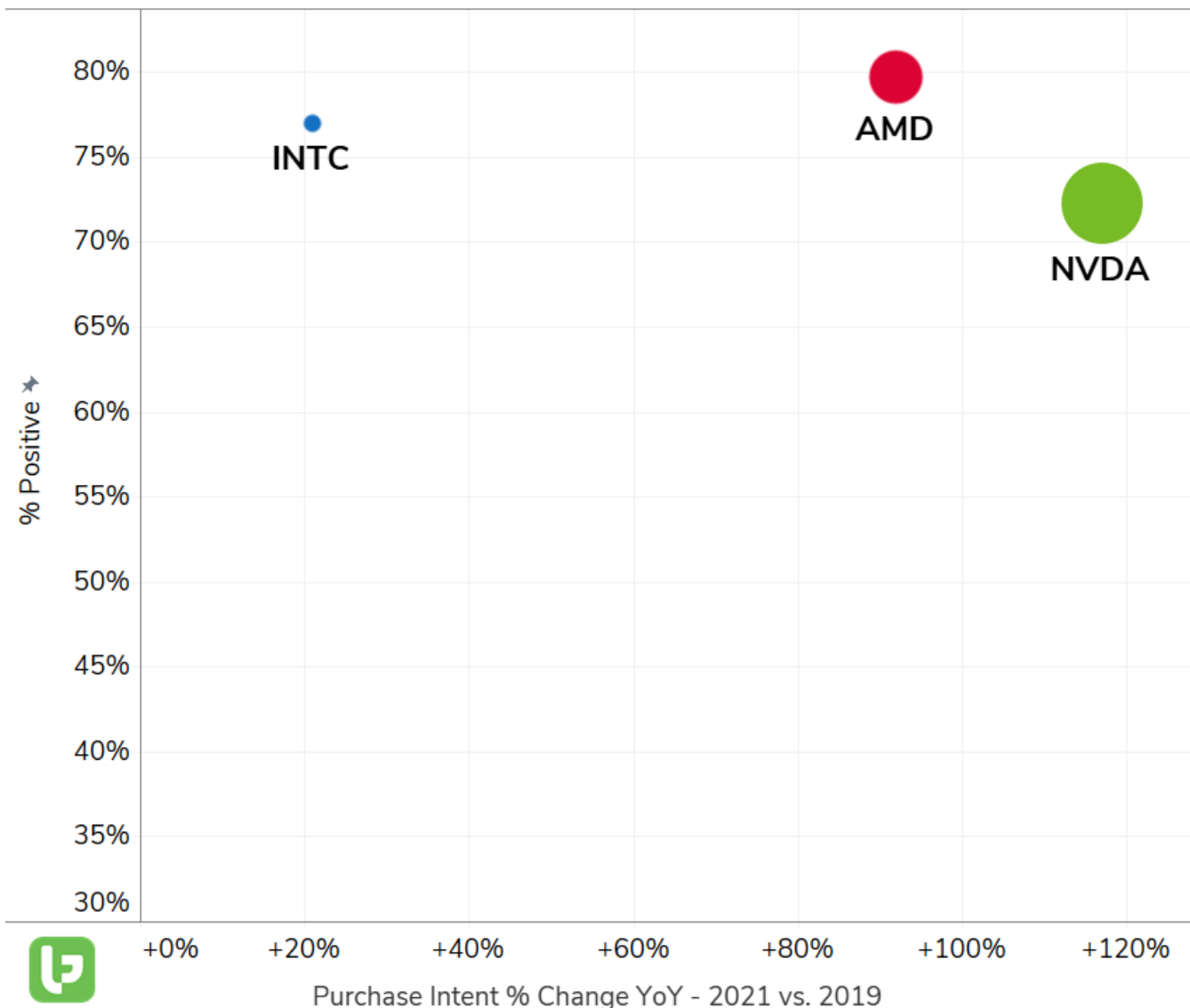
## Competitive Analysis:

The charts below plots Purchase Intent growth on the x axis and Consumer Happiness on the y axis. The ideal positioning is in the top right corner. It helps to view companies alongside relevant peers to understand where they sit in the eyes of consumers.

### Long-term Lens:

A Longer-term view shows a massive increase in Purchase Intent volume across the entire semiconductor industry. Increased interest in cryptocurrency mining and PC Gaming, among other factors, have driven a massive surge in consumer demand for high-powered Graphics Processing Units (GPUs), a product which Intel (INTC) lacks. In terms of PI growth, AMD and Nvidia (NVDA) are neck-and-neck. However, AMD has maintained a slightly higher level of Happiness over time.

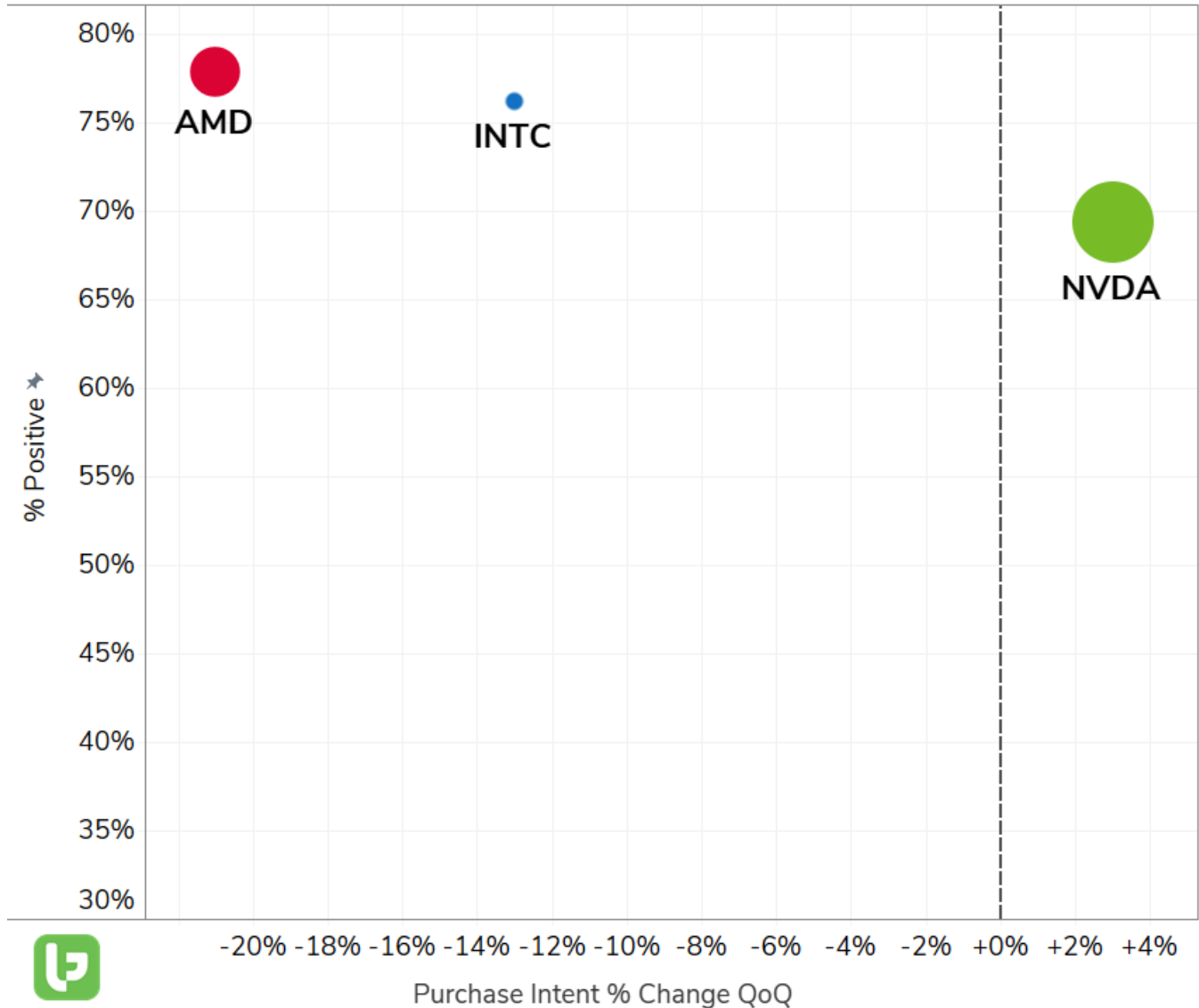
## Purchase Intent vs. Sentiment, 365-day Moving Average



## Short-term Lens:

In the short-term, the entire industry is experiencing a pullback, with an ongoing shortage of microchips limiting supply. AMD's lack of new product releases has caused it to fall behind NVDA, who are [launching a new 'RTX 30 Series' graphics card this month](#).

## Purchase Intent vs. Sentiment, 30-day Moving Average



## Key Takeaways:

- **AMD Purchase Intent Mentions surged to an all-time high In 20Q4**, corresponding with the launch of its 'Radeon RX 6000 series' GPUs.
- **Underlying trends have caused a massive influx of GPU and CPU demand last year** – Working from home, PC Gaming, and cryptocurrency mining have all contributed to the record levels of demand seen in the past year.
- **AMD had an edge in the crypto mining market**, with its [top-tier Ryzen CPUs](#) and [Radeon line of GPUs](#), deemed the most readily available and cost-effective option. NVDA has taken the lead with a dedicated cryptocurrency mining processor (CMP), as detailed in this [trend report](#).
- **Demand remains elevated** – Purchase Intent Mentions AMD are trending **+11% vs. 2019** on a 90-day moving average.
- **Supply is not adequate to meet consumer Demand** – The number of consumers actively searching for or having trouble finding GPUS and CPUs is up **+405% YoY** (90-day moving average), amidst a global shortage of microchips.
- **Consumer-facing sales are driving growth**, with increased sales from the Ryzen and Radeon brands leading a [46% YoY revenue improvement for 21Q1](#).

**We're Leaning Bullish.** Although AMD Purchase Intent has pulled back from the hype-driven highs seen in the final quarter of 2020, consumer demand remains elevated relative to prior year. Additionally, generic demand for processors is at an all-time high level, and AMD can continue to capitalize on the needs of both retail and enterprise consumers (assuming they aren't faced with a long-term supply shortage themselves).

Next Earnings: 21Q2 release (for the quarter ending 6/26/2021) is scheduled for late July 2021.

Last earnings release for [21Q1](#) (ended 3/27/2021) was on 4/27.