

Figure 1: Stock graph shows the stock's trend

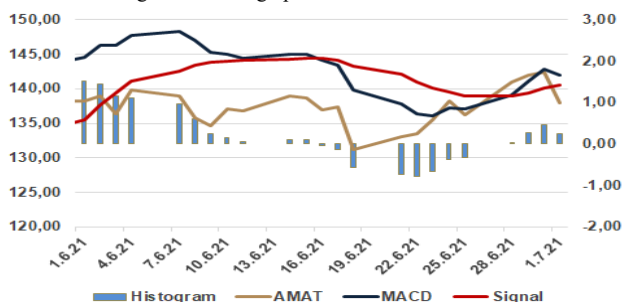


Figure 2: MACD shows a potential buy signal



Figure 3: Candle Bar shows more positive changes

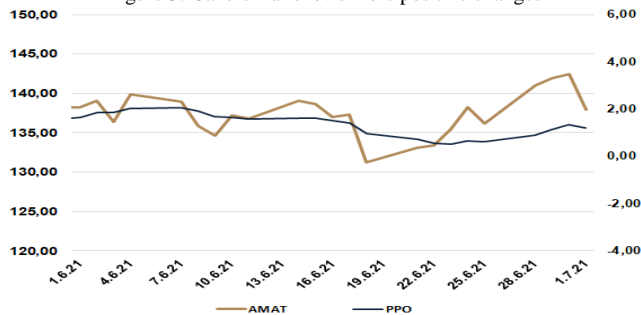


Figure 4: PPO hovers above the zero-line

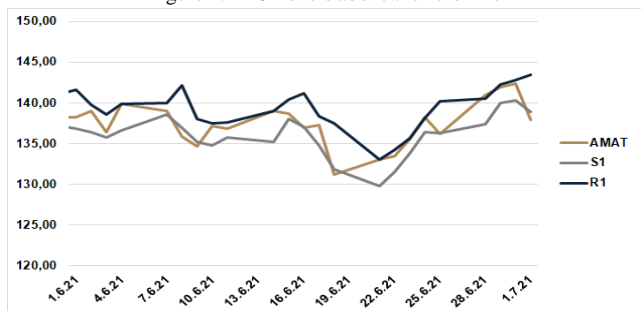


Figure 5: Support & Resistance levels

### Firm's Brief Description

Applied Materials, Inc. provides manufacturing equipment, services and software to the global semiconductor, display and related industries. The Company's segments are Semiconductor Systems, which includes semiconductor capital equipment for etch, rapid thermal processing, deposition, chemical mechanical planarization, metrology and inspection, wafer packaging, and ion implantation; Applied Global Services, which provides integrated solutions to optimize equipment and fab performance and productivity; Display and Adjacent Markets, which includes products for manufacturing liquid crystal displays, organic light-emitting diodes, upgrades and roll-to-roll Web coating systems and other display technologies for televisions, personal computers, smart phones and other consumer-oriented devices, and Corporate and Other segment, which includes revenues from products, as well as costs of products sold for fabricating solar photovoltaic cells and modules, and certain operating expenses.

### Fundamental Approach

- AMAT has a ROE of 42.18, ROA of 19.31 and ROC of 24.41 while the sector's average is 16.31, 10.09 and 11.53 respectively.
- Applied Materials declared a quarterly dividend of \$0.24 per share, or \$0.96 annualized.
- The World Semiconductor Trade Statistics expects the worldwide semiconductor market growth to rise from 6.8% in 2020 to outstanding 19.7% in the year 2021 and by 8.8% in 2022.

### Technical Analysis

During the examined period (1/06 – 1/07) AMAT stock fall by 0.19%. According to Figure 1, on June 24<sup>th</sup> the stock price crossed above the two MAs providing a potential buy signal. In Figure 2, on June 28<sup>th</sup> MACD surpassed the signal line indicating a bullish trend. Additionally, throughout the month of June there were more positive changes in the stock price compared to the negatives. Also, the PPO fluctuated above the zero line during the reporting period indicating a bullish trend. Lastly, support and resistance levels were formed at 138.86 and 143.46 respectively, as the fifth graphs depict.

### Prediction

Considering the prospects of the semiconductor sector in general combined with Applied Materials which is a leader business in the sector, we recommend a long position. This position is further supported through the technical analysis that is provided in the above paragraph, as the figures cited in this report show a bullish path of the AMAT stock.

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