

Micron Technology, Inc. (NASDAQ: MU)

Equity research report | 13 October 2026 | Semiconductors: memory and storage

Verdict	Buy (reaffirmed; from fundamentals)	Price (12 Oct 2026 close)	\$989.04
Technical read (chart only)	Confirms: uptrend, as of 12 Oct 2026	Fair value (probability-weighted)	\$1,146 (+15.9%)
Investment Score	71.9 / 100 (prior 72.7, restated)	Ideal buy range / entry	\$950 - \$1,000 / \$980
Cut-loss (closing basis)	\$860	Take-profit 1 / 2	\$1,150 / \$1,450

Verdict and scores come from fundamentals. The technical read reflects the price chart alone and only guides entry timing.

Summary

Micron is a Buy, unchanged from the 1 October upgrade, at a lower fair value and in a tighter buying range. The shares closed at \$989.04 on 12 October, 7.1% below the \$1,065.11 close before the fiscal fourth-quarter results. Take-profit 1 (\$1,190) was never reached: the post-results high was a \$1,097.39 close on 1 October. The cut-loss at \$860 was not tested. The core of the case is unchanged: fiscal 2027 is largely contracted and the shares trade at about 6.2 times base-case earnings for that year.

Two developments now shape the view. The first is a claim from China's CXMT, confirmed by the company, that it has a denser 4F2 DRAM design and will launch server DDR5 modules on it before the end of 2026. That is aimed at server memory, a core market for Micron, and it set off a global memory sell-off: Micron fell 3.9% on 12 October, and after the US close Samsung and SK hynix fell more than 7% in Seoul on 13 October, with the KOSPI down about 5.5%. CXMT has disclosed no specifications, yields or customers, and its last new generation arrived about two years late. The second is a strike mandate at Micron's Taoyuan plant in Taiwan, where most of its DRAM is made.

Both are sized in the scenarios. Neither moves the scenario probabilities, because neither has hard evidence behind it yet. Together they lower the probability-weighted fair value from \$1,187 to \$1,146: about \$26 for the Taiwan dispute and about \$15 for CXMT. Competitive Advantage falls a point on the CXMT claim and Risk a point on the Taiwan dispute. The verdict is a Buy with or without either item. It would be in question only if CXMT showed the design working at volume, which would shift weight toward the bear case.

The levels are tightened rather than reset. Take-profit 1 falls to \$1,150, near the new base-case value, and the top of the buying range falls to \$1,000 so that the trade still pays at least one for one against the stop. The cut-loss stays at \$860, beneath the 100-day exponential average, and take-profit 2 stays at \$1,450. A repurchase authorization raised to \$35.16bn from 9 December, and industry contract prices still forecast to rise in the December quarter, support the case.

Do the published levels still hold?

Level	1 October	Now	Anchor check at 12 October
Ideal buy range	\$950 - \$1,050	\$950 - \$1,000	50-day and 100-day simple averages now \$980 and \$972. Floor kept at \$950, above the stop. Top lowered so the trade pays at least 1:1 at the base case.
Recommended entry	\$1,000	\$980	At the 50-day average; the price of \$989.04 is already inside the range.
Cut-loss (closing)	\$860	\$860 (unchanged)	100-day EMA has moved to \$913; \$860 sits under it and about 2.5 ATRs (\$46.29) below the \$972-\$980 cluster. Not widened.
Take-profit 1	\$1,190	\$1,150	Lowered with the base-case value (\$1,153). Not reached since the last report.
Take-profit 2	\$1,450	\$1,450 (unchanged)	Between the base and bull values (\$1,153 and \$1,657).
Upside / downside	+19% / -14%	+17.3% / -12.2%	From the \$980 entry; risk/reward 1.4:1 to T1, 3.9:1 to T2.

Averages and ATR computed from daily closes through 12 October 2026. Price of record is the 12 October close.

Company developments

The period since the results was quiet on products: no launch, new memory product or contract price announcement came from the company. The items that matter are a competitor's technology claim, a labour dispute in Taiwan, a larger repurchase authorization and a patent settlement.

Development	Status and date	What is known	What is forecast (and by whom)	Impact
CXMT 4F2 server DRAM claim (competitor)	Company statement 9-10 Oct, confirmed by CXMT; not shipped	CXMT's president said at the 4th Integrated Circuits and Chiplet Conference in Shanghai (9-10 October), and a CXMT spokesperson confirmed, that CXMT has a 4F2 DRAM design using a vertical surrounding-gate transistor, with the cell array and periphery built separately and joined by wafer-level hybrid bonding on DUV tools. It plans server DDR5 RDIMMs on it before the end of 2026 and cites more than 300 4F2 patent families. No specifications, node, yields or customers were disclosed. CXMT held 9.5-10% of DRAM revenue in Q2 2026, up from 4% a year earlier.	CXMT: RDIMMs by end-2026. Reported: the products may only partly use 4F2. Morningstar expects a meaningful gap before viable yields. Samsung's 4F2 is not expected before 2028 (reported). Our estimate: FY2028 EPS -0.8% if it slips, -6.9% if it ships at scale.	High
Taiwan pay dispute and strike mandate	Strike authorised 7 Oct; no date set	The Taoyuan union's vote (1-6 October) passed with 1,994 of 2,258 members in favour. Unions at Taoyuan and Taichung represent over 80% of a Taiwan workforce of about 15,000 and seek a one-time bonus equal to 15% of global operating profit and a quarterly 15% profit-share from fiscal 2027. Taiwan holds 50-60% of Micron's production. Taichung mediation is set for 22 October; a Taipei rally is called for 19 October.	Union: a strike could be called at short notice. Our estimate: base-case EPS effect about -2.5%; failure case -9% in FY2027.	High
Repurchase authorization raised to \$35.16bn	Board approved; effective 9 Dec	The annual report shows the board raised the total repurchase authorization to \$35.16bn, effective 9 December 2026, the second anniversary of the CHIPS agreements. The prior authorization had about \$2.2bn left. Purchases are discretionary.	Management intends to step up capital return from 9 December (call, 30 Sep). Size and pace not given.	Medium
Netlist patent settlement	Signed; litigation released	Five-year licence to Netlist's portfolio, including server DIMM and HBM patents, for \$600m paid at \$30m a quarter from Q4 2026 to Q3 2031; all pending proceedings released.	None.	Low
Custom HBM4E with NVIDIA	Pending; no update since results	Micron is working with NVIDIA on a custom HBM4E implementation for next-generation GPUs and NVLink Fusion platforms; volumes and timing not disclosed.	None disclosed.	Medium
Capacity timeline	Unchanged since results	Idaho ID1 and Taiwan Tongluo mid-CY2027, Singapore HBM packaging early CY2027, Idaho ID2 and Hiroshima late CY2028, New York CY2030.	Company timing.	Medium

Company filings, releases and call; CXMT conference remarks and spokesperson; union and labour ministry statements as reported.

High item: CXMT's 4F2 server DRAM claim

Why it is rated High. The competitive-position test applies. This is a confirmed company statement from Micron's fastest-growing rival, aimed at server DRAM rather than the phone and PC memory CXMT has sold so far, and in the case where it works it moves fiscal 2028 earnings by more than 5%. The rating does not mean the claim is proven. The evidence is weak, so the sizing below is shown in full but the scenario probabilities do not move.

What is known. CXMT's president, Cao Kanyu, told the 4th Integrated Circuits and Chiplet Conference in Shanghai on 9-10 October that the company has laid the groundwork for a 4F2 DRAM cell, and a CXMT spokesperson confirmed the remarks. The design uses a vertical surrounding-gate transistor to limit leakage. The cell array and the peripheral circuits are built on separate wafers and joined by wafer-level hybrid bonding, using DUV tools rather than the EUV machines CXMT cannot buy. CXMT plans server DDR5 RDIMMs on the design before the end of 2026 and cites more than 300

related patent families. It disclosed no specifications, process node, yields or customers, and the first products are reported to use 4F2 only in part. The industry standard today is a 6F2 cell; a 4F2 cell is about a third smaller, so more bits fit on each wafer.

Why it matters here. Micron's two data-centre units made up 63% of fiscal fourth-quarter revenue (core data centre 33%, cloud memory 30%). The cloud unit carries Micron's HBM, where CXMT is far behind. The exposed part is conventional server DRAM, which sits in the core data-centre unit alongside data-centre SSDs. Micron does not disclose it separately; this report assumes about 15% of revenue. Mobile and client DRAM, already exposed to CXMT, would feel any price spillover. Micron is reported to have stopped supplying server chips to data centres inside China in 2025, after Beijing's 2023 ban, so CXMT's home server market is not Micron's to lose. The channel that matters is indirect: if Chinese cloud buyers take CXMT modules, Samsung and SK hynix bits move to other markets and pressure global server prices.

What success and failure look like. For CXMT, success means sampling RDIMMs with disclosed density by year-end, then qualifying them with a named server customer and showing yields in 2027. Failure means a late launch, products that use 4F2 only in a small part, or volumes limited to pilot lots. Signs to watch: CXMT's year-end launch, its share in the next restated DRAM rankings, and any change in Micron's commentary on server DRAM pricing at the December FQ1 print.

Economics. CXMT has the capacity to matter. Its server products rose from 8.4% of revenue in 2024 to 26.5% in 2025, it signed a five-year server DRAM agreement with ByteDance worth more than \$7bn in July, and research models put its wafer starts at about 350,000 a month by the end of 2026, close to Micron's. Its DRAM share rose from 4% to 10% in a year (Counterpoint; TrendForce has 9.5%, against Samsung 39.4%, SK hynix 24.9% and Micron 23.3%). Two limits apply. US federal agencies may not buy products containing CXMT chips from 23 December 2027, which makes CXMT a difficult supplier for US cloud companies that sell to government. And a new cell design without EUV has to prove yield at volume before it lowers cost per bit.

Precedent and competitors. CXMT targeted DDR5 volume in 2022 and reached the market in earnest in late 2024, about two years late. Samsung showed a 16Gb 4F2 prototype with wafer-to-wafer hybrid bonding at ISSCC 2026, and its mass production is not expected before 2028 (reported). SK hynix has a vertical-gate 4F2 roadmap. Micron is in volume on its EUV-based 1-gamma node, its largest DRAM node today. Management says the next DRAM and NAND nodes begin volume production in the second half of calendar 2027. Micron has not given a public date for a 4F2 or vertical DRAM node.

Case (CXMT outcome)	Assumption (our estimate)	FY2028 EPS effect	Scenario value
Slips (bull)	4F2 slips well beyond 2028 or yields stay poor; no price effect	0.0%	\$1,657
Partial, small volume (base)	Year-end RDIMMs only partly 4F2, sold mainly in China; server DRAM price -2%, other conventional DRAM -1%	-0.8%	\$1,153
Ships at scale 2027-28 (bear)	Displaced Korean bits cut FY2028 server DRAM prices a further 15% and other conventional DRAM 5%	-6.9%	\$709

Our calculation, computed in code. Inputs: FY2028 revenue \$300bn / \$240bn / \$160bn and EPS after the Taiwan item \$183 / \$131 / \$66 by case, from the 1 October scenarios; conventional server DRAM 15% and other conventional DRAM 30% of revenue (assumed; not disclosed); lost revenue falls fully to pre-tax profit; tax rate 15% (assumed); 1,131.4m shares.

What the price already assumes. Micron lost about \$40 a share on 12 October, roughly \$45bn of market value, and the Korean memory names fell further the next day. The probability-weighted effect on fair value sized here is about \$15 a share. The market is repricing the multiple on the chance that the shortage ends sooner, not only the earnings. That is a reasonable fear, but it runs ahead of the evidence. If CXMT does ship at scale, the bear-case value falls to \$709. On the full bear outcome alone, the stock would sit about 28% below the price of record.

Fair value with and without the item. With CXMT included the weighted value is \$1,146; without it, \$1,161. The verdict is a Buy either way. Probabilities stay at 25/45/30 because a conference claim without specifications or yields is weak evidence. If evidence arrived that moved 10 points from the bull to the bear case, the value would be about \$1,051, only 6% above the price, and the Buy would be in question. The entry range applies before CXMT's year-end launch, with the starter size reflecting that the launch could gap the shares either way.

Still unknown. The density, die size and yield of CXMT's 4F2 parts, how much of the first RDIMMs uses the new cell, who qualifies them, and how fast CXMT can convert capacity. The year-end launch and the next restated share rankings settle the first part; 2027 qualification news settles the rest.

High item: the Taiwan pay dispute

What is known. The Taoyuan union's strike vote ran from 1 to 6 October and passed with 1,994 of its 2,258 members in favour. The Taoyuan and Taichung unions together represent over 80% of Micron's Taiwan workforce of about 15,000 people. They ask for a one-time fiscal 2026 bonus equal to 15% of global operating profit and a profit-share of 15% of operating profit, paid quarterly, from fiscal 2027. Micron announced NT\$1 million cash bonuses for Taiwan staff and higher profit-sharing in September, which the unions called insufficient. Micron says it is committed to good-faith talks and mediation. Taiwan's labour ministry urged the company to make concrete proposals. No strike date has been set; the union has called a rally in Taipei on 19 October and Taichung mediation resumes on 22 October.

Why it matters here. Taiwan holds 50-60% of Micron's production, the majority of its DRAM output in 2026 came from its Taiwan fabs, and Taichung is a main HBM site now introducing HBM4E. DRAM was \$100.7bn of fiscal 2026 revenue of \$133.2bn. A dispute here touches the core line, which is why it is rated High even though the base-case sizing is small.

What success and failure look like. Success is a settlement before or at the 22 October mediation with no stoppage and no break in shipments; the FQ1 print in December would show it in gross margin and operating expenses. Failure is a strike that interrupts wafer starts or HBM assembly, which would show first in customer allocation notices and then in FQ2 guidance.

Economics. Profit-sharing is a cost of goods and operating expense item, so each point of operating profit paid out reduces pre-tax and net earnings by about one percent. The unions cite peers paying 10-12% of operating profit and put Micron near 4.4%; those are the union's figures, measured company-wide, while the demand covers Taiwan staff only. A stoppage costs output: two to four weeks at plants holding about 55% of production would remove roughly 2-4% of a year's bits (our calculation), partly offset by higher prices in a short market.

Precedent. Samsung averted a strike in South Korea by agreeing to pay semiconductor staff bonuses equal to 10.5% of operating profit. A strike at a Taiwan memory plant would be the first in the island's chip industry, so there is no local base rate.

Case (item outcome)	Assumption (our estimate)	FY2027 EPS effect	FY2028 EPS effect
Success	One-off bonus plus a small recurring change, about 1 point of operating profit	-1.0% (-\$1.6)	-1.0% (-\$1.3)
Base	Recurring Taiwan profit-share worth about 2.5 points of operating profit; no lasting stoppage	-2.5% (-\$4.0)	-2.5% (-\$3.4)
Failure	Two-to-four-week strike plus a peer-level profit-share	-9.0% (-\$14.3)	-6.0% (-\$4.2)

Our calculation. Inputs: base-case EPS \$159 (FY2027) and \$134 (FY2028) from the 1 October analysis, bear-case FY2028 EPS \$70 for the failure row; 1,131.4m shares outstanding (2 October); tax rate assumed unchanged, so a point of operating profit moves EPS by about 1%. The share of profit-sharing that Taiwan staff receive is not disclosed.

What the price already assumes. The shares closed higher on 7 October, the day the vote was reported, and the 7% fall since the results came mainly on 8 October, amid a broad technology decline, and on 12 October, after the CXMT news. The price does not appear to carry much of the dispute. If the failure case played out, the FY2027 earnings effect alone is worth about \$14 a share of earnings, and a gap lower on strike news could be larger in price terms, because the market would also reprice the 2028 risk.

Fair value with and without the item. Applied to the 1 October scenarios, the three outcomes move the weighted value from \$1,187 to \$1,161, about \$26. The inputs are assumptions built from union and peer figures, so the scenario probabilities are not moved on this item. The verdict would be a Buy with or without it; the item lowers take-profit 1 and the Risk score. The entry range is meant for use before 22 October as well as after, and the position-size guidance allows for a gap through the stop on strike news.

Still unknown. Micron's counter-proposal, the cost of any settlement, and whether the Taichung union moves to its own vote. The 22 October mediation and the December FQ1 print settle most of it.

Medium item: capital return

The board raised the total repurchase authorization to \$35.16bn, effective 9 December 2026, from about \$2.2bn remaining under the previous programme. That equals about 3.1% of the \$1.12 trillion market value at \$989.04. With \$68.3bn of net cash, the authorization is affordable without slowing the build-out. It adds per-share support from fiscal Q2 but does not raise the value of the business, since the cash is already credited in every scenario. Purchases are discretionary, so the pace is the open question.

Growth drivers

Driver	Status and date	Fact vs forecast	Likelihood	Impact
Fiscal Q1 2027 delivery	Guided 30 Sep; reported mid-to-late Dec (expected)	Guide \$61.5bn +/- \$1.5bn, gross margin about 86.25% (company). Delivery is a forecast.	High	High
Contracted 2027 output	Announced 30 Sep	26 agreements, \$32bn of commitments, over 75% of 2027 output committed (company).	High	High
Industry pricing	Q4 forecasts 30 Sep	Conventional DRAM contract prices +10-15% and NAND +15-20% quarter on quarter (TrendForce forecast).	Medium-High	Medium
Capital return	Effective 9 Dec	\$35.16bn authorization (fact); pace not given.	High	Medium
HBM4E and custom HBM	Pending	NVIDIA custom HBM4E work (company); no volumes.	Medium	Medium
New capacity	Mid-2027 onward	ID1 and Tongluo mid-CY2027 (company timing).	High	Medium (volume up, price risk later)

Company guidance and filings; industry price forecasts from TrendForce (30 September 2026).

Business and industry

Micron makes DRAM, including high-bandwidth memory for AI accelerators, and NAND flash. Fiscal 2026 revenue was \$133.2bn, of which DRAM was \$100.7bn and NAND \$31.8bn. By business unit, cloud memory was \$43.1bn, core data centre \$37.6bn, mobile and client \$36.6bn, and automotive and embedded \$15.9bn. Memory is a commodity business with a cycle set by supply, and the present cycle is defined by AI servers absorbing capacity. Industry contract prices are still rising in the December quarter, with server DRAM undersupplied, while consumer devices are under pressure from higher component costs. Management expects industry DRAM bit shipments to grow in the low-20s percent in each of 2027 and 2028, with the market supply-constrained in both years.

Financials

Metric	FQ4 2026	Fiscal 2026	FQ1 2027 guide
Revenue	\$54.23bn	\$133.19bn	\$61.5bn +/- \$1.5bn
Gross margin (non-GAAP)	87.0%	81.1%	about 86.25%
Net income (non-GAAP)	\$38.40bn	\$86.76bn	n/a
Diluted EPS (non-GAAP / GAAP)	\$33.42 / \$32.87	\$75.52 / \$74.33	\$38.15 / \$37.84 +/- \$1.00
Operating cash flow	\$43.97bn	\$89.68bn	n/a
Net capex	\$10.77bn	\$27.37bn	about \$11.5bn
Adjusted free cash flow	\$33.20bn	\$62.31bn	n/a
Cash and investments / debt	\$73.48bn / \$5.18bn		

Company results release and annual report for the fiscal year ended 3 September 2026. Non-GAAP figures are company measures.

The balance sheet is the strongest it has been: net cash of about \$68.3bn, or \$60 a share. Free cash flow of \$62.3bn in fiscal 2026 covered capex more than twice. The quarterly dividend of \$0.15 goes ex on 14 October and is paid on 29 October. The Netlist licence costs \$30m a quarter, which is immaterial against \$44bn of quarterly operating cash flow.

Competitors

Company	Position	Relevance to Micron
SK hynix	HBM leader; shipping 16-layer HBM4 for NVIDIA Rubin; vertical-gate 4F2 on its roadmap	Main rival in HBM; Micron's custom HBM4E work is a share test against it.
Samsung	Largest DRAM producer (39.4% in Q2 2026); 4F2 prototype shown, volume not expected before 2028 (reported)	Settled its own labour dispute at 10.5% of operating profit, which frames the Taiwan talks.
CXMT	9.5-10% of DRAM revenue in Q2 2026, up from 4% a year earlier; 4F2 server DDR5 RDIMMs promised by end-2026; behind in HBM	Pressure on conventional DRAM, mobile and client today, server DRAM if the 4F2 design works at volume.
Kioxia, SanDisk	NAND producers	NAND was 24% of Micron's fiscal 2026 revenue; enterprise SSD pricing strongest.

Management

Guidance accuracy remains the strongest mark: fiscal Q4 revenue of \$54.2bn beat the top of the \$49-51bn guide by \$3.2bn. Management also did what it said on capital return, moving from a \$2.2bn remaining authorization to \$35.16bn within ten days of saying more would be sought. The Netlist settlement closes a long patent dispute at a modest cost. Against that, a pay dispute at the company's largest production base reached a strike mandate, and the union says the September bonuses were announced while mediation was under way. Management holds at 8.

Risks

Risk	Probability	Severity	Comment
Capacity wave in late CY2028	Medium	High	ID2, Hiroshima and Singapore NAND land late 2028 alongside peer clean rooms; this is where the bear case lives.
Taiwan labour action	Medium	Medium	Strike mandate at Taoyuan with no date; Taichung mediation on 22 October. Taiwan holds 50-60% of production.
Contract credibility	Low-Medium	High	Take-or-pay terms and \$32bn of commitments raise the cost of walking away, but earlier-cycle agreements gave limited protection.
CXMT advances, including 4F2 server DRAM	Medium	High	Confirmed plan for 4F2 server RDIMMs by end-2026; mobile and client (24% of revenue) already exposed, server DRAM now in scope. No yields disclosed.
Capex escalation	Medium	Medium	About \$25bn in the first half of fiscal 2027 and more in the second.
Higher compensation costs	Medium	Low	Peers pay 10-12% of operating profit to staff on the union's comparison; a move toward that is a margin cost.
Macro: tightening into a weakening consumer	Medium	Medium	Affects device demand and the multiple on peak-cycle earnings.

Risk check: a score of 4 means above-average risk. The list above describes a cyclical business with a capacity wave ahead, an open labour dispute at its main production base and a state-backed competitor, offset by net cash and contracts. The two agree.

Valuation

Measure	Value	Basis
P/E, fiscal 2026 (non-GAAP)	13.1x	\$75.52
P/E, FQ1 guide annualised	6.5x	\$38.15 x 4
P/E, fiscal 2027 base case	6.2x	\$159 (our calculation); 5.8x net of \$60 of net cash per share
Market value / net cash	\$1.12trn / \$68.3bn	1,131.4m shares at \$989.04
Probability-weighted fair value	\$1,146	Scenario table below

Own calculations from company figures and the 12 October close.

A single-digit multiple on peak earnings is the norm for memory, so the low multiple is not the argument. The argument is that fiscal 2027 is mostly contracted, so the earnings the multiple is applied to are more certain than in past cycles, and the price still discounts a fall of roughly half in fiscal 2028 earnings. The stock is undervalued against the base case by about 17%.

Macro drivers. Two matter. The first is the discount rate on peak-cycle earnings: the Federal Reserve raised its target range to 3.75%-4.00% on 16 September and meets on 27 and 28 October; the 10-year Treasury yield was 5.22% on 9 October, and the 30-year yield touched its highest level since 2002 earlier that week. The second is consumer device demand, which drives mobile and client memory: Conference Board confidence fell to 81.9 in September, the lowest since 2014, payrolls rose only 29,000 in September, and core PCE inflation held at 3.0% in August. AI server demand, which is contracted, offsets the consumer side for now.

Sentiment

Broker	Date	Rating	Target
DA Davidson	7 Oct	Buy	\$3,000 (from \$2,100)
Phillip Securities	5 Oct	Buy	\$1,950 (from \$1,870)
UBS	2 Oct	Buy	\$1,625
J.P. Morgan	6 Oct	Buy	\$1,540
Baird	3 Oct	Buy	\$1,520
DBS	8 Oct	Buy	\$1,400
New Street	1 Oct	n/a	\$1,350 (from \$1,250)
Goldman Sachs	Post-results	Hold	n/a

Broker actions as published by each firm, 1-8 October 2026.

Brokers stayed constructive after the results, with every listed target above the \$1,146 fair value here and Goldman Sachs the main Hold. Recent news flow has turned more cautious, centred on CXMT and on comments that China could scale memory output, and options activity on 12 October leaned bearish. Insider filings since the results are three director reports on 2 October; the senior sales in August remain the most recent executive activity of note.

Institutional positioning: Mixed (low confidence). As of 30 June 2026, filings through 19 August 2026. Active managers made a net reduction of about 7.1% of reported shares over four quarters, almost all of it from one large holder; without it the net is roughly flat, and the latest quarter showed a small net addition. A cautionary read is the alternative. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure.

Investment scorecard

Criterion	Score	Weight	Change	Basis
Business Quality	8/10	13%	unchanged	Take-or-pay agreements with price floors cover an estimated 35% or more of revenue through 2030; non-GAAP gross margin of 87.0% in fiscal Q4.
Financial Strength	10/10	13%	unchanged	Cash and investments of \$73.5bn against \$5.2bn of debt; fiscal 2026 adjusted free cash flow of \$62.3bn funds both the build-out and a \$35.16bn repurchase authorization.
Competitive Advantage	6/10	12%	-1 vs last report	CXMT has confirmed a 4F2 server DRAM design aimed at year-end RDIMMs, ahead of the 2028 timing reported for Samsung, and its DRAM share rose from 4% to 10% in a year. HBM leadership and custom HBM4E work with NVIDIA keep the score from falling further.

Criterion	Score	Weight	Change	Basis
Management	8/10	8%	unchanged	Follow-through on capital return and the Netlist settlement offset an unresolved Taiwan pay dispute that reached a strike mandate.
Growth Potential	9/10	14%	unchanged	Fiscal Q1 2027 guided to \$61.5bn, up 13% sequentially, with sequential growth guided for every quarter of fiscal 2027; industry contract prices still rising in the December quarter.
Valuation	7/10	21%	+1 vs last report	6.2x base-case fiscal 2027 EPS (our calculation); probability-weighted value of \$1,146 sits 16% above the price, against 11% last time.
Risk (10 = lowest risk)	4/10	19%	-1 vs last report	A strike mandate at Taiwan plants that make over half of output adds an event risk to the 2028 capacity-wave risk. The CXMT claim is carried in Competitive Advantage and the bear case, so it does not lower Risk a second time.
Investment Score	71.9 / 100	100%	prior 72.7	Weighted sum of the seven factors.

Scored 1-10, where 10 is always best, including Risk. Weights carried from the previous report and rescaled to seven factors; valuation and risk weigh more for a cyclical memory producer.

The prior score is restated without the former chart-based factor for comparability: 72.7 on that basis, against 71.9 now. The previous report already scored Risk on the 10 = lowest risk basis, so no restatement of that factor was needed. Valuation rose a point on the lower price; Competitive Advantage fell a point on the CXMT claim and Risk a point on the Taiwan dispute.

Scenario analysis

Case	Probability	Outlook	Fair value
Bull	25%	CXMT: 4F2 slips well beyond 2028 or yields stay poor, no effect. Taiwan: settles without a stoppage at a small recurring cost (EPS -1%). Shortage persists into 2028; contract coverage rises toward 50%; HBM4E ramps on schedule. FY2028 EPS about \$183 (our calculation); 8.0x plus \$192/share of cash.	\$1,657
Base	45%	CXMT: year-end RDIMMs only partly use 4F2, ship in small volume to Chinese buyers, and scale slips past 2027 (FY2028 EPS -0.8%). Taiwan: recurring profit-share worth about 2.5 points of operating profit, no lasting stoppage. FY2027 tracks guidance; pricing eases in FY2028 to EPS about \$130 (our calculation); 7.5x plus \$181/share of cash.	\$1,153
Bear	30%	CXMT: 4F2 server DRAM ships at scale in 2027-28, displaced Korean bits cut FY2028 server DRAM prices a further 15% and other conventional DRAM 5% (EPS -6.9%). Taiwan: two-to-four-week strike plus a peer-level profit-share. ASPs fall about 35% into FY2028 as new capacity lands. FY2028 EPS about \$61 (our calculation); 9.0x plus \$157/share of cash.	\$709
Weighted	100%	Without CXMT: \$1,161; without either item: \$1,187.	\$1,146

Our calculations. Probabilities unchanged from 1 October; values restated for the CXMT and Taiwan outcomes each case assumes. Weighted value computed in code: 1145.8.

Recommendation and trade plan

Verdict: Buy, from fundamentals. Technical read (chart only): Confirms. The recommendation is unchanged and rests on the same grounds as on 1 October, a contracted fiscal 2027 bought at a multiple that already prices a hard fiscal 2028. Two items are added and sized: CXMT's 4F2 server DRAM claim, carried in the scenarios and the Competitive Advantage score, and the Taiwan dispute, carried in the scenarios and the Risk score. Tested without either item, or without both, the verdict is the same.

Item	Level	Basis
Recommended entry	\$980	At the 50-day average
Ideal buy range	\$950 - \$1,000	Floor at the prior range low, above the stop; top where take-profit 1 still pays at least 1:1

Item	Level	Basis
Cut-loss (closing basis)	\$860	-12.2% from entry; under the 100-day EMA (\$913)
Take-profit 1	\$1,150	Base-case value; +17.3% from entry
Take-profit 2	\$1,450	Between base and bull values; +48% from entry
Risk / reward	1.4:1 to T1, 3.9:1 to T2	From the \$980 entry
Holding horizon	12-18 months	Through the fiscal 2027 contract period
Position size	Starter 1.5%, scale to 3%	Add after the December FQ1 print, a settled Taiwan dispute and a first read on CXMT's year-end launch; size for a gap through the stop on strike or CXMT news
Suggested allocation	3%	Of a diversified portfolio

What would change the view

Condition	Direction
The Taiwan pay dispute settles without a stoppage and at a recurring cost near or below the base case; Taichung mediation is set for 22 October	Up
The December FQ1 print (date not yet announced; mid-to-late December is the usual pattern) delivers sequential growth with margin at or above the 86.25% guide	Up
A strike that halts output at the Taoyuan or Taichung plants, or a settlement that fixes profit-sharing near the 10-12% of operating profit cited for peers	Down
A fiscal 2027 quarter with flat sequential revenue, margin below the guided path, or a customer deferring take-or-pay volumes	Down
Management or industry trackers raising 2027-28 DRAM bit supply growth materially above the low-20s percent now guided	Down
CXMT sampling or qualifying 4F2 DDR5 RDIMMs with a named server customer by end-2026, or disclosing density and yields; a 10-point shift from the bull to the bear case would take fair value to about \$1,051	Down
CXMT's year-end RDIMMs arriving late, using 4F2 only in part, or staying with Chinese buyers; US federal procurement of products containing CXMT chips is barred from 23 December 2027	Up
CXMT DRAM share gains beyond 10% in a subsequent restated series, or an HBM4 qualification setback at NVIDIA	Down
Further Fed tightening at the 27-28 October meeting or after, into a consumer whose confidence keeps falling	Down
A close below \$860 (the cut-loss)	Down

Technical read

Chart as of 12 October 2026 close.

The fundamental verdict is Buy. **Technical read (chart only): Confirms.** The chart supports acting inside the \$950-\$1,000 range: the price sits just above a rising 50-day average, and a close below the 20-day low near \$918 would weaken that read. The chart state is an uptrend: the 50-day average is rising, the price is far above the 200-day average, there has been no new 60-day closing low in the last five sessions and no close under the 200-day average in the last ten. Momentum has cooled since the results, with the shares below the 20-day average, RSI at 44.7 and MACD under its signal line.

Indicator	Value	Reading
20-day SMA / EMA	\$1,041.51 / \$1,034.67	Price 5.0% / 4.4% below
50-day SMA / EMA	\$979.51 / \$994.13	Price 1.0% above / 0.5% below; 50-day rising
100-day SMA / EMA	\$972.18 / \$913.45	Price 1.7% / 8.3% above
200-day SMA / EMA	\$705.24 / \$733.48	Price 40.2% / 34.8% above
RSI (14)	44.7	Neutral

Indicator	Value	Reading
MACD / signal / histogram	15.71 / 26.09 / -10.38	Positive, below signal
ATR (14)	\$46.29	4.7% of price
Volume, 20-day vs 50-day	25.6m vs 27.5m	-7.1%: participation fading
Support	\$979.51, \$917.64, \$739.00	50-day SMA, 20-day low, 60-day closing low
Resistance	\$1,041.51, \$1,097.39, \$1,255.00	20-day SMA, post-results closing high, 52-week high

Computed from completed daily sessions through 12 October 2026 (raw closes, split-adjusted); distances against the \$989.04 close.

The technical read looks only at the price chart. It does not change the verdict or the Investment Score and only guides entry timing.

Final verdict

Yes, Micron is worth owning at \$989. The reason is the same as two weeks ago: fiscal 2027 is largely sold, and at about 6 times base-case earnings the price already assumes a deep fall after it. What has changed is the price, now 7% lower, and two new risks. CXMT's 4F2 claim is the larger question for fiscal 2028, but it is a claim, not a product, and the sell-off has priced more of it than the evidence supports. The Taiwan dispute is the nearer event. Together they lower the fair value to \$1,146 and argue for a starter position until the year-end CXMT launch and the 22 October mediation give hard information. The thesis fails if CXMT shows its design working at volume, if a strike interrupts output for more than a few weeks, or if a fiscal 2027 quarter stalls despite the contracts.

Sources

Micron Technology, results release for fiscal Q4 and full year 2026, 30 September 2026 (investors.micron.com) and Form 8-K exhibit 99.1

Micron Technology, Form 10-K for fiscal 2026, filed 9 October 2026 (sec.gov)

Micron Technology, fiscal Q4 2026 earnings call, 30 September 2026 (transcript, Benzinga)

Micron Technology newsroom (micron.com/about/press/news); New York fab release, 9 July 2026

Netlist, Inc., press release and Form 8-K on the Micron settlement, 6 October 2026 (sec.gov)

Reuters (Wen-Yee Lee), Micron's Taoyuan union in Taiwan secures authorisation to strike, 7 October 2026, via Business Day

AFP, Micron workers vote to strike, 7 October 2026, via Malay Mail

TrendForce News, Micron Taiwan's Taoyuan union secures right to strike; Taichung mediation set for 22 October, 8 October 2026

CommonWealth Magazine, A strike vote at Micron Taoyuan, 8 October 2026

Korea JoongAng Daily (Lee Young-keun), Global chip stocks tumble as China's CXMT unveils next-generation DRAM plans, 13 October 2026

TrendForce press release, memory contract prices in 4Q26, 30 September 2026

Broker actions and company notices via moomoo news search, 1-13 October 2026; daily prices via Twelve Data; quote via Alpha Vantage

Beating The Bull economic data posts, 11 September to 9 October 2026 (Federal Reserve, BLS, BEA, Conference Board, US Treasury)

Counterpoint Research, DRAM market share, Q2 2026 (restated)

Bloomberg, China's CXMT claims memory breakthrough ahead of Samsung, Hynix, 13 October 2026, via The Edge Malaysia

Seoul Economic Daily (Park Si-jin), Chinese memory maker's tech claim sinks Samsung, SK hynix shares, 13 October 2026

TrendForce News, CXMT accelerates 4F2 DRAM push, eyes year-end server DDR5 RDIMM launch, 12 October 2026 (incl. TrendForce Q2 2026 DRAM shares)

Tom's Hardware, CXMT closes up 466% in Shanghai debut, 27 July 2026 (prospectus figures; SemiAnalysis and Citrini capacity models)

The Next Web, Apple lobbying on CXMT, 27 June 2026 (1260H list status)

Inside Government Contracts, FAR Council proposed rule implementing Section 5949, February 2026

Reuters, Micron to exit server chips business in China after ban, 17 October 2025, via New Straits Times

Micron Technology, 1-gamma DRAM shipment release, 25 February 2025 (investors.micron.com)

Disclaimer: this report is for informational purposes only and is not financial advice. Figures marked as our calculation are estimates built from the inputs shown. Forecasts are attributed to the party that made them. Prices as of the 12 October 2026 close.