

Micron Technology, Inc. (MU)

Equity research report | 23 October 2026 | Price \$856.49 at the 22 October close | NASDAQ | Memory and storage

Verdict	Buy (unchanged), set by fundamentals	Fair value (probability-weighted)	\$1,065 , 24.3% above the price
Technical read (chart only)	Confirms: a pullback within an uptrend	Investment Score	72.0 / 100 (73.8 in the last report)
Ideal buy range	\$825 - \$870, entry \$850	Cut-loss (closing basis)	\$735
Targets	\$1,095 / \$1,250	Next results	Fiscal Q1 2027, date not yet announced; mid-to-late December is the usual pattern

Levels in US dollars. The \$860 cut-loss from the 16 October report was triggered by the 22 October close; the levels above belong to a new entry.

Summary

Micron fell 6.3% on 22 October to close at \$856.49, after trading as low as \$849.25. The 16 October report set its cut-loss at \$860 on a closing basis, so that close ended the trade it described. A holder who followed the plan exits close to \$856, about 8% below the \$930 recommended entry. The stop is not moved after the fact. It did its job.

The fall was not about Micron alone. The Philadelphia Semiconductor Index lost 6.7% the same day. Lam Research said supply constraints held back its guidance, Meta's heavier spending plans revived questions about the return on AI investment, and Brent crude rose about 4% to \$113 on Middle East tensions. None of this changed what Micron has guided to. Fiscal Q1 2027 guidance stands at \$61.5bn of revenue and \$38.15 of non-GAAP EPS, and consensus fiscal 2027 EPS is \$176.50.

At \$856.49 the stock trades at 4.9 times consensus fiscal 2027 EPS and 4.1 times fiscal 2028. The probability-weighted fair value is \$1,065, 24.3% above the price, against \$1,165 in the last report. The verdict stays Buy, on partly different grounds. The Taiwan strike risk is lower: the larger Taichung union signed an agreement on 21 October, and the Taoyuan union's one-day warning strike on 22 October did not halt production lines. Against that, Micron conceded a global quarterly bonus tied to profit, which adds a recurring cost, and the market has started to question how AI spending gets funded.

The new plan is a fresh entry, not a widened stop. The buying range is \$825 to \$870. The cut-loss is \$735 on a close, below the 29 July closing low of \$739.00 and the 200-day average at \$729.41. A close there would end the pullback pattern the chart still shows. That stop is 2.5 average daily ranges below the price, so the position size is halved to a 1% starter and 2% at most. Targets are \$1,095, just under the base-case value, and \$1,250, just under the 25 June record high of \$1,255.

Verdict: Buy, from fundamentals. Technical read (chart only): Confirms. The stock sits in a pullback within an uptrend, above a rising 200-day average, so the chart supports acting inside the buying range; a close under the 200-day average would end that read.

Do the published levels still hold?

Each level from 16 October is checked against the averages and the price it was tied to. Most no longer describe the chart.

Level	16 October	Now	What happened and why
Cut-loss (closing)	\$860	Triggered	Closed at \$856.49 on 22 October. Its anchor was a level under the 100-day exponential average; that average is now \$912.18 and the price closed 6.1% beneath it. The trade ended as planned.
Ideal buy range	\$910 - \$960	\$825 - \$870	The old range leaned on the 50-day and 100-day simple averages, now \$984.17 and \$974.67, 13% and 12% above the price, so they no longer mark support. The new floor is the 31 July closing low of \$823.03, the 60-day closing low, rounded to \$825.
Recommended entry	\$930	\$850	Set inside the new range, near the 22 October close.

Level	16 October	Now	What happened and why
New cut-loss	n/a	\$735	Below the 29 July closing low (\$739.00) and the 200-day simple average (\$729.41). 2.5 average ranges from the price; sizing is halved to allow for it.
Target 1	\$1,190	\$1,095	Both sit at the base-case value. The base case is now \$1,097 on a 6.0x multiple, against 6.5x before.
Target 2	\$1,450	\$1,250	Set under the 25 June record high of \$1,255, the first major resistance. The bull case of \$1,554 needs fiscal 2028 EPS well above consensus.
Position size	1.5% starter, 3% full	1% starter, 2% full	A wider stop and an open labour dispute at Taoyuan.

Averages from completed daily sessions to 22 October 2026; price of record is the 22 October close.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Taiwan labour: Taichung agreement, global profit-linked bonus, Taoyuan open	Agreement 21 Oct; plan announced 22 Oct; Taoyuan unresolved	Taichung union (about 11,000 members) signed an agreement on fiscal 2027 pay; mediation cancelled. A global quarterly bonus pool starts in fiscal 2027, tied to profit after tax less next quarter's planned capex, half cash and half shares vesting after a year; the share of profit is not disclosed. Taoyuan held a 24-hour warning strike on 22 Oct; lines were not halted.	Union seeks 15% of operating profit. Our estimate: the pool costs 0.7% to 2.0% of fiscal 2027 EPS.	High
CXMT 4F2 server DRAM (competitor)	Confirmed 10 Oct; modules targeted before end-2026	No specifications, yields or customers disclosed. CXMT guided to a nine-month profit swing (19 Oct). NVIDIA's chief executive said on 22 Oct that NVIDIA has an open mind on using CXMT products.	HSBC and Daiwa (15 Oct) expect limited price impact for two to three years.	High
Technology roadmap webinar	Held 21 Oct	4F2 is not on Micron's roadmap; 6F2 is extended, with 3D DRAM as the longer-term path. The 1-gamma node is in volume; 1-delta reaches volume in the second half of 2027 with a mid-20% bit-density gain and supports DDR6, LPDDR6 and HBM5. G11 NAND, above 400 layers, ramps in the second half of 2027.	Wedbush (22 Oct) reads it as a deliberate split from CXMT's route.	Medium
Repurchase authorization raised to \$35.16bn	Effective 9 Dec 2026	Total authorization of \$35.16bn; purchases are discretionary.	None stated.	Medium
Custom HBM4E with NVIDIA	Disclosed 30 Sep	Work on a custom HBM4E for next-generation GPUs; volumes and timing not disclosed.	None stated.	Medium
Capacity timeline	Disclosed 30 Sep	Idaho ID1 and Taiwan Tongluo mid-2027, Singapore HBM packaging early 2027, Idaho ID2 and Hiroshima late 2028, New York 2030.	None stated.	Medium
Comments from the largest HBM buyer	22 Oct	NVIDIA's chief executive said he does not expect a memory glut in 2029.	His view of demand, not a contract.	Low

Company releases and filings, the company's technology webinar of 21 October, and named press reports; forecasts are attributed in the table.

Taiwan labour: a settlement, a new bonus plan, and one union still out

What is known. Micron reached an agreement with its Taichung union on 21 October after talks both sides called constructive, and the mediation set for 22 October was cancelled. On 22 October Micron announced a global quarterly bonus pool from fiscal 2027. The pool is tied to profit after tax less the next quarter's projected capital spending, with fiscal 2026 as the baseline, and is paid half in cash after results and half in shares that vest after a year. Micron did not disclose

the share of profit that goes into the pool. In Taiwan it also raised employer retirement contributions from 8% to 10%, added three paid days off and tripled the day-shift allowance to NT\$4,500 from 1 December. The Taoyuan union (about 2,400 members of a 3,000-person site) held a 24-hour warning strike on 22 October, carried out by a small group of union officials, and production lines were not halted. It plans to put Micron's latest proposal to its members.

Why it matters here. Most of Micron's DRAM is made in Taiwan, where it employs about 15,000 people. The question was never the cost of a settlement, which is small against fiscal 2027 profit, but whether output stops. With Taichung settled, the remaining exposure is one site of about 3,000 people whose union has so far used a symbolic stoppage.

What success and failure look like. Success is a Taoyuan vote that accepts the proposal and no lost output. Failure is a full stoppage at Taoyuan or a later reopening of the Taichung terms. The first hard numbers arrive with the fiscal Q1 results, expected in mid-to-late December: operating expenses against the \$2.06bn non-GAAP guide, gross margin against 86.25%, and any disclosed bonus accrual.

Economics (our estimate). Consensus fiscal 2027 EPS of \$176.50 on 1.149bn shares implies about \$203bn of net income. Assuming capex of about \$40bn a year, the pool base is about \$163bn. A pool of 1% to 3% of that base, taxed at an assumed 15%, costs 0.7% to 2.0% of EPS. The base case deducts 2%, the top of that range rounded, to cover the pension, allowance and leave changes too. Because capex is deducted before the pool is set, payouts shrink in heavy build years, which is when cash is needed.

Input or case	Value	Basis
Consensus fiscal 2027 EPS	\$176.50	Analyst consensus, 22 Oct
Diluted shares	1.149bn	Fiscal Q4 2026 non-GAAP
Net cash per share	\$59.4	\$73.48bn cash and investments less \$5.18bn debt
Capex and tax rate	\$40bn; 15%	Our assumptions
Success: pool near 1%	EPS \$174.7; value \$1,108	6.0x plus net cash
Base: 2% deduction	EPS \$173.0; value \$1,097	6.0x plus net cash
Failure: union's 15% of operating profit	EPS \$150.3; value \$961	About 15% of EPS at the same multiple

Our calculation. Fiscal 2027 operating profit estimated from net income at the fiscal Q4 2026 ratio of non-GAAP operating income to net income.

Precedent. SK Hynix pays 10% of annual operating profit into its pool and Samsung 10.5% of its chip division's, subject to targets. Micron's formula, net of capex, will likely pay a smaller share than either. The union's 15% demand is the outlier, and the failure row shows why it matters: at that level the cost is about 15% of EPS.

What the price already assumes. The stock is 8.0% below its 16 October close of \$931.24. The bonus plan was announced on the same day the whole chip sector fell 6.7%, so the share of the drop that belongs to labour cannot be separated. At 4.9 times earnings the price already assumes a harder fiscal 2028; a full Taoyuan stoppage would mainly cost a few weeks of one site's output and would move the multiple more than the earnings.

Effect on the verdict and levels. Without the bonus cost, the base case would be worth \$1,118 and the weighted value \$1,075 rather than \$1,065. The verdict is Buy either way, and target 1 would sit near \$1,115 instead of \$1,095. The levels assume Taoyuan does not stop production; the reduced position size allows for a gap through the stop if it does. Still unknown: the pool's share of profit and the Taoyuan vote.

Business and industry

Micron makes DRAM, including high-bandwidth memory (HBM) for AI accelerators, and NAND flash. It sells to data-center builders, PC and phone makers, and the auto and industrial markets. Three suppliers control nearly all DRAM: SK Hynix, Samsung and Micron, with China's CXMT growing behind them. Memory is a commodity business with a cycle. Prices rise when supply is short and fall hard when new fabs arrive. The current upturn rests on AI servers, which need far more memory per system and have pulled capacity away from conventional DRAM. Micron reports HBM sold out through 2027 under multi-year agreements with price floors. The industry's next supply wave lands from mid-2027 into 2028, Micron's own new fabs included.

Financials

Metric	Fiscal Q4 2026	Fiscal 2026	Fiscal Q1 2027 guide
Revenue	\$54.23bn	\$133.19bn	\$61.5bn +/- \$1.5bn
Non-GAAP gross margin	87.0%	81.1%	about 86.25%
Non-GAAP operating income	\$44.64bn (82.3%)	\$101.19bn (76.0%)	Opex about \$2.06bn
Non-GAAP diluted EPS	\$33.42	\$75.52	\$38.15 +/- \$1.00
GAAP diluted EPS	\$32.87	\$74.33	\$37.84 +/- \$1.00
Operating cash flow	\$43.97bn	\$89.68bn	n/a
Net capex	\$10.77bn	\$27.37bn	n/a
Adjusted free cash flow	\$33.20bn	\$62.31bn	n/a

Company results release of 30 September 2026 for the quarter ended 3 September 2026. Non-GAAP figures are company measures.

The numbers describe a business at full stretch. A gross margin of 87% is far above anything memory has earned in past cycles, and the guide for fiscal Q1 implies another 13% sequential rise in revenue. Cash and investments of \$73.48bn against \$5.18bn of debt leave net cash of about \$68.3bn, or \$59 a share. The balance sheet is not the risk. The risk is that today's earnings are a peak, and the multiple the market pays reflects that.

Competitors

Company	Position	Recent moves	Read for Micron
SK Hynix	HBM leader and NVIDIA's lead HBM supplier	Pays 10% of operating profit to staff	Sets the HBM benchmark Micron competes against on yield and timing
Samsung	Largest DRAM maker by capacity	Pays 10.5% of chip-division profit, subject to targets	Its capacity is the swing factor when the cycle turns
CXMT	State-backed Chinese DRAM maker	4F2 server DRAM claim; nine-month profit swing; NVIDIA open to its products	Price risk in conventional DRAM, first in China; Micron chose not to follow 4F2

Company statements and named press reports, October 2026.

Management

Management has delivered on the HBM roadmap and on capital return, and the webinar showed a clear technology plan through the 1-delta node in the second half of 2027. The labour dispute is the weak spot. It ran from a rejected September award through a strike mandate to a warning strike, and the final answer was a global bonus plan that management had resisted. That plan is sensible in design, since it nets out capex, but it was conceded under pressure, and Taoyuan is still open.

Growth drivers

Driver	Status and date	Fact or forecast	Likelihood	Impact
HBM4 and custom HBM4E for NVIDIA	HBM4 in volume; HBM4E timing not disclosed	Fact: work disclosed 30 Sep. Volumes not given.	High	High
Contracted fiscal 2027 pricing	Agreements in place	Fact: multi-year agreements with price floors. Fiscal 2027 revenue of about \$274bn is the analyst consensus.	Medium-High	High
1-delta DRAM node	Volume in the second half of 2027	Management target: mid-20% bit-density gain.	Medium	Medium
G11 NAND	Ramp in the second half of 2027	Management target: twice the density of G9.	Medium	Low-Medium
Share repurchases	\$35.16bn authorization from 9 Dec	Fact; pace discretionary.	High	Medium

Company disclosures; consensus revenue as of 22 October 2026.

Risks

Risk	Probability	Severity	Comment
Cycle turn as capacity arrives, mid-2027 to 2028	Medium	High	New fabs at Micron and peers land together; the bear case lives here.
AI spending funding stress	Medium	High	Buyers' spending plans now face questions on returns and financing; a pause would hit HBM orders first.
CXMT advances, including 4F2 server DRAM	Medium	High	No yields disclosed; NVIDIA has said it is open to CXMT products.
Taiwan labour action at Taoyuan	Low-Medium	Medium	Taichung settled; Taoyuan's warning strike did not halt lines.
Profit-linked pay	High	Low	A recurring cost that grows with profit; share not disclosed.
Rates and the multiple	Medium	Medium	10-year Treasury at 4.96%; Fed meets 27-28 October.
Gap through the stop	Medium	Medium	The stop is 2.5 average ranges away; news can open the stock below it.

Probability and severity are this report's judgement.

Taken together, this is a high-risk business at a cyclical high: earnings near a peak, most DRAM output in one geography, a state-backed challenger and customers whose spending depends on capital markets. The Risk score of 4 out of 10 (10 = lowest risk) agrees with that list.

Valuation

Memory makers are valued on earnings across the cycle, not on the peak. A multiple applied to peak earnings has to be low, because the earnings will not last, and the market agrees: at 4.9 times fiscal 2027 consensus and 4.1 times fiscal 2028, the price assumes that profits fall sharply after 2027. The base case applies 6.0 times to fiscal 2027 EPS of \$173.0 (consensus less 2% for the bonus pool) and adds \$59 of net cash, for \$1,097. The multiple is half a turn below the last report's 6.5 times, because the sector has since de-rated on AI-funding doubts and Micron's own earnings now carry a profit-linked cost. Weighted across the three cases the stock is worth \$1,065, 24.3% above the price. On this evidence the shares are undervalued, but only if the base case's fiscal 2027 holds and fiscal 2028 does not collapse.

Macro drivers. Two variables matter most. The first is the cost and availability of capital for AI data-center builders, who buy most of Micron's HBM. The 10-year Treasury yield closed at 4.96% on 22 October, its first close under 5% since late September, after the Fed raised rates in September; a hold is expected at the 27-28 October meeting. The second is energy-driven inflation, which squeezes PC and phone demand and keeps rates high. Brent rose to about \$113 on 22 October, and September consumer prices rose 3.7% on the year. The labour market is firm, with initial claims at 194,000.

Sentiment

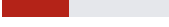
Firm	Date	Action	Target
D.A. Davidson	22 Oct	Buy reiterated	\$3,000
Rosenblatt	22 Oct	Buy maintained	\$1,900
Needham	22 Oct	Buy reiterated	\$1,650
RBC Capital	22 Oct	Buy maintained	\$1,500
Fubon Securities	21 Oct	Initiated at Buy	\$1,260
BofA Securities	15 Oct	Buy maintained	\$1,550
KeyBanc	15 Oct	Buy maintained	\$1,750

Broker actions as published by each firm, 15 to 22 October 2026. Consensus of 49 analysts as of 22 October.

The street is almost uniformly positive: of 49 analysts, 36 rate the stock Strong Buy, 9 Buy, 3 Hold and 1 Sell, with an average target of \$1,561 and a range of \$361 to \$3,000. One new Sell rating appeared on 19 October. Brokers held their targets through the 22 October fall, which says the selling came from positioning and sector fear rather than from cuts to estimates. Options turnover was heavy, at about 1.06 million contracts on 22 October. A crowd this one-sided is not by

itself a reason to buy; it means estimate cuts, if they come, would land on a consensus with little room to absorb them.

Scorecard

Criterion	Score	Weight	Change	Basis
Business Quality	 7/10	15%	-1 vs last report	Record 87.0% non-GAAP gross margin and contracted HBM, but a commodity cycle; profit-linked pay now scales labour cost with the cycle.
Financial Strength	 9/10	15%	-1 vs last report	Net cash of \$68.3bn and fiscal 2026 adjusted free cash flow of \$62.31bn; capex steps up sharply in fiscal 2027 and the new bonus pool takes a share of what is left.
Competitive Advantage	 7/10	15%	unchanged	HBM position and custom HBM4E work with NVIDIA; a 6F2 roadmap against CXMT's 4F2 claim, which still has no disclosed yield or customer.
Management	 7/10	10%	-1 vs last report	Guidance and capital return delivered, but the Taiwan dispute reached a warning strike and a global bonus plan was conceded under pressure, with Taoyuan still open.
Growth Potential	 7/10	15%	-1 vs last report	Fiscal 2027 revenue expected to roughly double, but the two-year window holds a fiscal 2028 at risk and AI spending now faces funding questions.
Valuation	 8/10	20%	unchanged	4.9x consensus fiscal 2027 EPS; probability-weighted value \$1,065 is 24.3% above the price.
Risk (10 = lowest risk)	 4/10	10%	unchanged	Cyclical earnings near a peak, most DRAM output in Taiwan, CXMT, and AI-funding stress; Taichung's agreement lowers the strike risk without removing it.
Investment Score		100%	72.0 vs 73.8	Weighted sum of the seven factors.

Scored 1-10, where 10 is always best, including Risk. Weights 15/15/15/10/15/20/10.

The Investment Score is 72.0, against 73.8 in the last report. Factor weights changed on 18 October 2026, so part of the change in the Investment Score reflects the new weights. The last report weighted Risk at 19% and Valuation at 21%; this one uses 10% and 20%. Four factor scores fell by one point. Business Quality and Financial Strength fall because profit-linked pay now scales a cost with the cycle and takes a share of cash after capex. Management falls on the handling of the Taiwan dispute. Growth Potential falls because the funding of AI spending is now in question. Competitive Advantage, Valuation and Risk are unchanged: the HBM position and the CXMT picture are the same, the multiple is still about five times earnings, and a lower strike risk is offset by AI-funding risk. The last report already scored Risk on the 10 = lowest risk scale, so no restatement is needed. No score moved because of institutional positioning or the chart.

Recommendation and trade plan

Buy, unchanged. The verdict rests on a fiscal 2027 that is largely contracted and guided to \$61.5bn of revenue in its first quarter, a price of 4.9 times consensus earnings, and \$59 a share of net cash. The reasoning has shifted. A week ago the Taiwan strike was the main event risk; it is now smaller, while the funding of AI spending has become the larger question and a profit-linked bonus has become a permanent cost. The old trade ended at the \$860 stop, and the new plan below is a separate entry with half the size.

Item	Level	Basis
Recommended entry	\$850	Inside the buying range, near the 22 October close
Ideal buy range	\$825 - \$870	Floor at the 31 July closing low of \$823.03, the 60-day closing low

Item	Level	Basis
Cut-loss (closing basis)	\$735	Below the 29 July closing low and the 200-day average; -13.5% from entry
Target 1	\$1,095	Base-case value \$1,097; +28.8% from entry
Target 2	\$1,250	Under the \$1,255 record high; +47.1% from entry
Expected upside / downside	+28.8% / -13.5%	To target 1 and to the cut-loss
Risk/reward	2.1:1 to T1, 3.5:1 to T2	Measured from the entry to the cut-loss
Holding horizon	12-18 months	Through the fiscal 2027 earnings peak
Position size	1% starter, 2% full	Add after the December results and a settled Taoyuan dispute; size for a gap through the stop
Suggested portfolio allocation	2%	Cyclical, single-name memory exposure

Levels in US dollars; the cut-loss applies to a daily close.

What would change the view

Condition	Direction
Taoyuan accepts Micron's proposal with no lost output, and the bonus accrual in fiscal Q1 sits near 1% to 2% of profit	Up
Fiscal Q1 2027 results (expected mid-to-late December) at or above the \$61.5bn revenue guide with gross margin near 86%	Up
CXMT's year-end server modules arriving late, using 4F2 only in part, or staying with Chinese buyers	Up
A full stoppage at Taoyuan, or a pool share that approaches the union's 15% of operating profit	Down
CXMT qualifying 4F2 server modules with a named customer outside China, NVIDIA included, by end-2026	Down
A large AI buyer cutting or deferring its capex plan, or a customer deferring contracted volumes	Down
Further Fed tightening at the 27-28 October meeting or after, alongside weakening consumer device demand	Down
A close below \$735, the cut-loss	Down

Conditions are directional; the only price level is the cut-loss.

Technical read

[Chart as of the 22 October 2026 close.](#)

Verdict: Buy, from fundamentals. Technical read (chart only): Confirms. The chart supports acting inside the \$825-\$870 range. A close below the 200-day average at \$729.41 would end the pullback reading; the cut-loss at \$735 sits just above it, so the stop would be hit first.

The chart state is a pullback within an uptrend. The 50-day average is still rising, there has been no close under the 200-day average in the past ten sessions, and no new 60-day closing low in the past five. The price is 17.4% above the 200-day average and below the 20, 50 and 100-day averages, the MACD line is under its signal, and RSI at 34.7 is weak without being oversold. The 22 October fall came on 31.9 million shares, above the 20-day average of 26.9 million.

Measure	Value	Reading
Trend	Pullback in an uptrend	50-day rising; above the 200-day
20-day SMA / EMA	\$996.93 / \$961.25	Price 14.1% / 10.9% below
50-day SMA / EMA	\$984.17 / \$969.49	Price 13.0% / 11.7% below
100-day SMA / EMA	\$974.67 / \$912.18	Price 12.1% / 6.1% below
200-day SMA / EMA	\$729.41 / \$741.91	Price 17.4% / 15.4% above
RSI (14)	34.7	Weak, not oversold
MACD (12,26,9)	-33.20 vs signal -14.08	Below signal, histogram -19.12

Measure	Value	Reading
ATR (14)	\$48.80	5.7% of price
Volume, 20-day vs 50-day	26.9m vs 26.5m	Participation rising; 22 Oct volume 31.9m
Support	\$849.25, \$823.03, \$729.41-\$739.00	22 Oct low, 31 July closing low, 200-day average and 29 July close
Resistance	\$912.18, \$961-\$997, \$1,255	100-day EMA, 20-day averages, record high

Computed from completed daily sessions on unadjusted closes to 22 October 2026, measured against the 22 October close of \$856.49.

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

Scenario analysis

Case	Probability	Revenue and earnings outlook	Fair value
Bull	22%	Shortage runs into 2028 and AI buyers keep funding capex; Taoyuan settles with no lost output and the bonus pool stays near 1%; CXMT stays in China. Fiscal 2028 EPS \$230 at 6.5x plus \$59 of net cash.	\$1,554
Base	48%	Fiscal 2027 delivers consensus less 2% for the bonus pool; Taoyuan settles without a stoppage; CXMT ships small volumes, mostly in China. Fiscal 2027 EPS \$173.0 at 6.0x plus \$59 of net cash.	\$1,097
Bear	30%	AI capex slows in 2027 as funding tightens, new capacity arrives and pricing rolls over; CXMT gains share; or a long Taoyuan stoppage. Fiscal 2028 EPS \$85 at 7.0x, a trough multiple, plus \$59 of net cash.	\$654
Weighted	100%	Probability-weighted value	\$1,065

Our calculation. Fiscal 2027 consensus EPS \$176.50 as of 22 October 2026; net cash per share from the fiscal Q4 2026 balance sheet.

The bull case needs the shortage to outlast the capacity now under construction, which the past cycles rarely allowed, and AI spending to stay funded while buyers' cash flows are under strain. The base case is what the company has guided to and the street expects. The bear case gets 30% because memory upturns have usually ended within two to three years of a peak, new fabs at Micron and its peers start arriving in mid-2027, and the question over AI funding is new. A lower strike risk after the Taichung agreement roughly offsets that added funding risk, so the weights are unchanged from the last report.

Final verdict

Would this report put its own money into Micron today? Yes, but smaller than a week ago. At 4.9 times fiscal 2027 earnings, with \$59 a share of net cash and a first quarter already guided to \$61.5bn of revenue, the price assumes a hard fiscal 2028. That is the right assumption, and it is already paid for. Why now: the sector fall on 22 October cut the price without changing the earnings in view. What invalidates the thesis: AI buyers cutting capex, CXMT winning a customer outside China, or a pricing roll-over in fiscal 2027. The earlier trade hit its stop and is closed. The new position starts at 1%, with a stop at \$735 on a close. The Taiwan labour developments lowered one risk and added one cost; they did not change the verdict.

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