

Micron Technology, Inc.

NASDAQ: MU • Semiconductors – Memory & Storage

EQUITY RESEARCH • UPDATE • 10 SEPTEMBER 2026

HORIZON: 12–24 MONTHS

RECOMMENDATION	LAST PRICE	PROB-WEIGHTED FAIR VALUE	INVESTMENT SCORE
WATCHLIST Reaffirmed (was Watchlist)	\$1,027.77 Close 9 September 2026	\$805 –22% vs. last price	61/100 Down from 64 on 21 Aug

Fair value is the probability-weighted mean of the bull, base and bear scenarios set out on page 8. It is not a price target and does not represent the analyst consensus, which stands at \$1,513.

What has changed since 21 August 2026

The shares have added 5.5% in thirteen trading sessions, from \$974.33 to \$1,027.77, and reached \$1,042.40 intraday on 9 September, clearing the \$1,036.13 high of 17 August that the previous report named as first resistance. Since the report dated 1 August the advance is 24.9%. Nothing in Micron's reported financial position has changed across that span and nothing could: fiscal 2026 closed in early September and the results are not due until 30 September. Trailing revenue is still \$90.27 billion, trailing earnings per share still \$44.31, net cash still \$23.75 billion.

Four developments of substance arrived in the interval, and they do not point the same way. Counterpoint Research published a revised second-quarter DRAM series on 1 September that puts CXMT at 10% of industry revenue and Micron at 24%, against the 7% and roughly 25% the same firm published on 4 August for the same quarter. Micron announced on 26 August that fiscal fourth quarter results will be released on 30 September rather than the 22 September date the previous report worked to. The Federal Circuit upheld the invalidation of five Netlist patents on 2 September, removing a litigation tail. And chief executive Sanjay Mehrotra sold 40,000 shares on 21 August at approximately \$968.90, some \$38.8 million, in a Form 4 filed on 26 August.

The arithmetic of what an investor pays has moved against the buyer again, though less violently than in August. The previous report set a probability-weighted fair value of \$815 against a price of \$974.33, a shortfall of 16%. On refreshed scenarios that estimate falls to \$805 and the shortfall widens to 22%. The reward-to-risk ratio between the bull and bear cases has deteriorated from roughly 0.6 to 1 to roughly 0.5 to 1. The rating stays at Watchlist. One of the two named downgrade conditions has now been touched, and the section beginning on page 9 explains why that is not yet treated as met.

Do the published levels still hold?

Level published 21 Aug	Status at \$1,027.77	Assessment
Buy entry zone \$700–\$760	Never approached. The lowest trade since the report was \$887.61 on 24 August, and the market is 35% above the top of the zone.	Recalibrated to \$690–\$750. The zone was set so that at its floor the base case alone offers roughly 13%; the base-case estimate has moved from \$790 to \$780, which lowers the band by about \$10. Note that the zone no longer sits just below the 100-day average: that average has risen to \$874.59, so the band now falls into a gap with no technical structure in it.
Momentum route: reclaim \$963.09 (50-day) held five sessions, MACD cross, expanding volume, plus the fiscal Q1-27 guide	Two of four met, one failed further, one now untestable until 30 September.	Not triggered, but closer than the published number implies. The 50-day average was recomputed rather than reused: it now stands at \$933.29, not \$963.09. Measured against the rolling average, price has closed above it for five consecutive sessions from 2 to 9 September, so that condition is met; measured against the level as printed in August, only three. The MACD condition is satisfied. Volume fails outright and by more than before. The guidance condition moved out by eight days.

Level published 21 Aug	Status at \$1,027.77	Assessment
Structural upgrade: agreements covering materially more than 20% of DRAM shipments, or floors honoured through spot weakness	No new disclosure. The next opportunity is the 30 September results.	Unchanged. Nvidia's description of extreme memory pricing on its own call is customer testimony that the shortage persists, but it says nothing about how Micron's fixed-price agreements behave inside it.
Downgrade to Avoid: sequential gross margin decline with a revenue guide-down, or CXMT passing 10% of DRAM revenue share	The margin condition is untested. The CXMT condition has been reached at its boundary, on a restatement rather than a new quarter.	Held, with the reasoning set out on page 9. Counterpoint now measures CXMT at 10% of DRAM revenue in the same quarter it previously measured at 7%. The company's position did not change between the two publications; the measurement of it did.

Levels as published in the report dated 21 August 2026. Prices as of the close on 9 September 2026. Moving averages were recomputed from a 300-session daily series rather than carried forward from the previous report; the 20-, 50- and 100-day values reproduce that report's figures exactly for 20 August, which confirms the two runs share a price basis.

Key data and market snapshot

Prices and market data as of the close on 9 September 2026. Fundamentals are trailing twelve months through fiscal Q3 2026 (ended 28 May 2026) and are unchanged from the previous report, no results having been published in the interval. Fiscal 2026 ended in early September and will be reported on 30 September.

Market data		Fundamentals (TTM, unchanged)	
Last price	\$1,027.77	Revenue	\$90.27bn
Change on the session	+2.75%	Gross profit / margin	\$65.51bn / 72.6%
Price on 20 Aug 2026 (prior report)	\$974.33	Operating income / margin	\$59.28bn / 65.7%
Change since prior report	+5.5%	Net income / margin	\$50.47bn / 55.9%
52-week range	\$131.56 – \$1,255.00	Diluted EPS	\$44.31
52-week price change	+681.8%	Operating cash flow	\$51.43bn
Drawdown from 52wk high	–18.1%	Capital expenditure	–\$25.26bn
Market capitalisation	\$1.16tn	Free cash flow	\$26.17bn
Enterprise value	\$1.14tn	Return on equity	66.6%
Shares outstanding	1.13bn	Return on invested capital	67.6%
Beta (5Y)	2.22	Weighted average cost of capital	16.3%
Avg. volume (20d)	27.4m	Net cash	\$23.75bn
Short interest / % of shares	30.0m / 2.66%	Book value per share	\$89.22
Short interest, prior month	29.9m / 2.65%	Altman Z / Piotroski F	9.42 / 8

Valuation	Now	21 Aug	Estimates & sentiment	Now	21 Aug
P/E (trailing)	23.2x	22.0x	FY26E revenue	\$129.74bn	\$129.7bn
P/E on FY26E (\$73.40)	14.0x	13.3x	FY26E EPS	\$73.40	\$73.36
P/E on FY27E (\$155.03)	6.6x	6.3x	FY27E EPS	\$155.03	\$154.81
EV / EBITDA	16.7x	15.8x	Analysts covering	49	46
Price / book	11.5x	10.9x	Strong Buy ratings	36	32
Price / free cash flow	44.4x	42.1x	Consensus target (avg)	\$1,513	\$1,502
Dividend yield	0.06%	0.06%	Consensus rating	Strong Buy	Strong Buy

Sources: Alpha Vantage (last price), Twelve Data (daily price series), StockAnalysis.com / S&P Global Market Intelligence (fundamentals, estimates, targets, short interest). Fiscal-year estimates are non-GAAP adjusted. FY27E revenue is withheld by the estimates provider and is therefore not shown.

The framework, and what the interval tested

Micron sells bits. It designs and manufactures DRAM, roughly three quarters of revenue, and NAND flash, across four business units: Cloud Memory, Core Data Center, Mobile and Client, and Automotive and Embedded. It has essentially no product differentiation at the bit level and essentially no ability to set price independently of industry supply. Return on capital is therefore a function of the gap between industry bit supply growth and industry bit demand growth, levered by an extraordinarily high fixed cost base. That single relationship dominates every other consideration, and it is why a company earning a 67.6% return on invested capital trades at 6.6 times next year's consensus earnings.

Four variables determine the two-year return: the duration of the current shortage; whether the strategic customer agreements put a genuine floor under the trough; Micron's relative position against SK hynix, Samsung and China's CXMT; and the price paid. This interval produced substantial new evidence on the first and the third, in opposite directions, and moved the fourth against the buyer once more. It produced nothing on the second.

Competitive position: the same quarter, measured again

The single most important new fact in this interval is not a new fact about the business at all. It is a correction to the measurement of it. On 4 August, Counterpoint Research put second-quarter DRAM revenue share at Samsung 39%, SK hynix 26%, Micron approximately 25% and CXMT 7%. On 1 September the same firm published the same quarter as Samsung 38%, SK hynix 25%, Micron 24%, CXMT 10%, with the remaining 3% mostly Nanya. Every incumbent gave back a point and the Chinese entrant gained three.

Supplier	Q2 26, as published 4 Aug	Q2 26, as published 1 Sep	Change	Read
Samsung	39%	38%	−1pt	Still clear leadership on conventional DRAM pricing and volume.
SK hynix	26%	25%	−1pt	A fourteen-point fall over the year, attributed to long-term agreements struck early in the up-cycle at prices now below spot.
Micron	~25%	24%	−1pt	Still within about one point of second place, so the relative gain against SK hynix survives the restatement. The absolute level does not.
CXMT	7%	10%	+3pts	Fourth place on a 43% upward restatement. Monthly capacity of roughly 300,000 wafers against SK hynix's 590,000, with a stated 2028 target of 550,000 to 600,000 and HBM3E entering mass production this year.

Source: Counterpoint Research, Q2 2026 global DRAM market share, as published on 4 August 2026 and as revised on 1 September 2026. Shares are of industry revenue. Capacity figures via Seoul Economic Daily, 4 September 2026.

Two things follow, and they are easily conflated. The first is that Micron's *relative* achievement is intact: it remains about a point behind SK hynix, having been a long way behind a year ago, and the fivefold growth in DRAM revenue that produced that closure is measured rather than guided. The upgrade to the competitive-advantage score awarded last month rested on that closure, and the closure survives.

The second is that the industry has a fourth participant which is half again as large as the previous report believed, on a capacity path that reaches SK hynix's current wafer output before the end of the decade, with the technology gap now described as two to three years rather than more than five. The bear case in the previous report was built explicitly on CXMT adding supply at the pace implied by 716% year-on-year growth. The starting point for that extrapolation has been revised up by three percentage points of a market whose revenue is itself expanding at an extraordinary rate. That is a genuine increase in the probability of the bear path, and it is measured rather than forecast, which is why it carries more weight below than the forecasts pointing the other way.

Demand: two credible sources say the shortage runs longer

Gartner published a revised semiconductor forecast on 25 August putting worldwide memory revenue at \$837.3 billion in 2026 against \$220.1 billion in 2025, with DRAM revenue up 246.6% and NAND up 371.9%, and at \$1,075.5 billion in 2027. The 2027 figure matters more than the 2026 one, because it is the year the previous report identified as the point at which supply arrives. Gartner's own commentary is explicit that although additional capacity is expected to enter the market in 2027, supply and demand are projected to remain tight as AI infrastructure deployments increase memory consumption.

Nvidia's management said the same thing from the buyer's side of the table in late August, describing extreme pricing conditions in memory with increases that could climb further, and framing next year as demand growing roughly 100% against revenue growth held to roughly 70% by supply. A customer of that size complaining about memory prices is the

most direct evidence available that the shortage is real and not yet clearing. Neither source is a measurement, and Gartner in particular has been revising this cycle upward for four consecutive rounds, which is the pattern of a forecaster chasing prices rather than anticipating them. They support the duration of the shortage. They do not tell you what to pay for it.

Litigation, policy and insiders

On 2 September the Federal Circuit upheld the Patent Trial and Appeal Board's invalidation of five Netlist patents covering memory chip configurations, agreeing with Micron that they were obvious over prior art. Netlist shares fell 8.6% on the ruling. The decision removes a set of infringement claims from a long-running series of suits and lends weight to the board's methodology in whatever remains. It is a modest positive that does not move any score on its own, but it does retire one of the tail risks the bear case could previously reach for.

Running the other way, the administration was reported on 27 August to be weighing a second round of semiconductor tariffs extending the 25% Section 232 duty imposed in January from advanced accelerators to finished goods containing chips, including laptops, gaming consoles and data centre servers, and scrapping the exemptions that currently cover United States data centres. Nothing is enacted and a phase-in is under discussion. The effect on Micron is genuinely two-sided. Commerce Secretary Lutnick is reported to favour capping duty-free chip imports at a volume pegged to each company's committed domestic production, and Micron has committed more than \$250 billion to United States manufacturing and research through 2035, which under that design would leave it better placed than any Asian competitor. Against that, duties on servers and notebooks raise the price of the end products that consume memory, and the Mobile and Client and Automotive and Embedded units sell into exactly the consumer demand that such duties would compress.

Insider behaviour has deteriorated from adverse to conspicuous. Chief executive Sanjay Mehrotra sold 40,000 shares on 21 August at approximately \$968.90, some \$38.8 million, disclosed in a Form 4 filed on 26 August. That follows the sale by Executive Vice President Sumit Sadana of 15,000 shares at roughly \$934 on 18 August, and a director sale on 28 August. Three senior sales into strength inside a month, the largest of them by the chief executive and larger than the other two combined, is no longer a coincidence of separate personal circumstances. Executives sell for many reasons and none of this is a thesis. It is not the pattern of a management team that believes its own shares are cheap, and it lowers the management score.

Valuation: the same business, 5.5% dearer again

Every multiple has expanded by the full extent of the price move, because the denominator has not moved and cannot until 30 September. Trailing earnings put the stock at 23.2 times against 22.0 times three weeks ago. On the fiscal 2026 consensus of \$73.40 it trades at 14.0 times against 13.3 times. Price to book has gone from 10.9 to 11.5 times, and enterprise value to EBITDA from 15.8 to 16.7 times. The forward multiple of 6.6 times fiscal 2027 consensus continues to look arrestingly low and continues to mean what it meant in August: the market does not believe the \$155.03 estimate, which has itself barely moved while the price rose. A market that believed that number would not price the stock at more than eleven times the book value it already has.

The question a refresh has to answer is whether the estimate of intrinsic value should follow the price. It should not, and this time it moves slightly the other way. Counterpoint's restatement takes a point off the measured share that lifted the base case last month, which is worth roughly \$10 of base-case value on its own. Gartner's larger industry and Nvidia's commentary lift the bull case, because both bear on duration rather than on the level of the trough. CXMT at 10% rather than 7% raises the weight on the bear case. Net, the central estimate slips from \$815 to \$805 while the price rose 5.5%, and the shortfall widens from 16% to 22%.

Method	Now	21 Aug	Comment
P/E on FY27E consensus	6.6x	6.3x	Optically cheap on a number the market visibly discounts. Not usable as a standalone anchor.

Method	Now	21 Aug	Comment
P/E on normalised EPS –\$95	10.8x	10.3x	The base-case earnings power. At a mid-cycle multiple of 8.2x this supports roughly \$780, down from \$790 on the share restatement.
Price / book	11.5x	10.9x	Memory troughs have historically found support between 1.7x and 2.2x book. The distance to that anchor is the bear case.
EV / EBITDA	16.7x	15.8x	Full for a capital-intensive cyclical earning an EBITDA margin that cannot persist.
FCF yield	2.3%	2.4%	Depressed by a \$25.3bn capital programme that is itself the source of the 2027–28 supply wave.
Prob-weighted fair value	\$805	\$815	Estimate down 1.2%; price up 5.5%. The gap widened from –16% to –22%.

Normalised EPS of approximately \$95 is the analyst's own base-case estimate for fiscal 2027, well below the \$155.03 consensus, and is labelled as such rather than presented as a company or consensus figure.

The macro conditions that actually bear on this business

Two macro variables matter here and neither is the one usually reached for. The first is the discount rate applied to a peak-cyclical earnings stream. Micron carries a 16.3% weighted average cost of capital, a five-year beta of 2.22 and a capital programme running above \$25 billion a year, so it is among the most duration-sensitive equities in the market even though its balance sheet holds \$23.75 billion of net cash and needs nothing from the bond market. The Federal Reserve holds its target range at 3.50% to 3.75% and meets on 15 and 16 September with futures putting the odds of a quarter-point *increase* at roughly 60%, after Chair Warsh used his first Jackson Hole keynote on 28 August to say underlying inflation has not meaningfully improved. Core PCE held at 3.3% in July. The ten-year Treasury yield touched 4.814% on 2 September, its highest since November 2023. A multiple of eleven times book on peak earnings is being asked to hold against a rising discount rate, which is the opposite of the condition under which such multiples are normally granted.

The second is consumer demand, which drives the Mobile and Client and Automotive and Embedded units and is the mechanism by which the bear case begins. Here the readings are weak and have been weakening for a month: July retail sales fell 0.6% against a 0.2% consensus, real consumer spending was flat in July, new home sales dropped 10.5% to a 607,000 annual rate, and the Conference Board's expectations index sits at 68.2. The August labour report was strong, with payrolls up 162,000 against a 58,000 forecast and unemployment at 4.1%, so this is a consumer who is employed and not spending rather than one losing income. That distinction matters, because memory prices have themselves risen far enough to be one of the reasons notebooks and handsets are getting more expensive. Demand destruction in the non-AI half of the business is not a forecast in these numbers. It is visible in them.

Sentiment

Measure	Reading	Interpretation
Analyst ratings	49 covering, 36 Strong Buy, consensus Strong Buy	Three analysts added and four more Strong Buy ratings since 21 August. Consensus has been directionally right for a year and is a crowded position.
Consensus target	\$1,513 average, \$1,540 median, range \$361–\$2,200	Up \$11 in dollars while the price rose 5.5%, so implied upside compressed from 54% to 47%.
Recent actions	Bernstein maintains Buy \$1,300 (8 Sep); J. Safra Sarasin initiates Buy \$1,500 (2 Sep); Mizuho cuts \$1,375 to \$1,300 (25 Aug)	The composition matters more than the average. Three of the last four broker actions sit at \$1,300, and two of the four most recent target changes have been cuts. The \$1,513 average is being held up by older, higher targets that have not been revisited.

Measure	Reading	Interpretation
Short interest	30.0m shares, 2.66% of shares out, from 29.9m	The covering that ran through the August advance has stopped; short interest is fractionally higher. Days to cover of 0.70 leaves no squeeze fuel either way.
Institutional ownership	79.2% of shares; insiders 0.22%	Ordinary for a mega-cap. Insider ownership is negligible, which weakens the alignment argument before the sales below are considered at all.
Insider transactions	CEO Sanjay Mehrotra sold 40,000 shares at ~\$968.90 on 21 Aug (\$38.8m); director sale 28 Aug	Third senior sale into strength in a month and the largest by a wide margin. Adverse, and the reason the management score falls.
News flow (moomoo digest)	Mixed, with the balance tilting negative on new information	Supportive items: the Netlist ruling, the Gartner forecast, Nvidia's pricing commentary. Adverse: the Counterpoint restatement, the Mizuho cut, the CEO sale, and the tariff proposal. The raw feed carried the earnings-date change and the broker actions ahead of the interpreted view.

Technical position

All indicators below were computed from 300 sessions of daily open-high-low-close-volume data through the close on 9 September 2026 rather than read from third-party summaries. The series is long enough to compute a 200-day average directly, which the previous report could not do; that report cited a 200-day of \$567.44 from market data because its own series ran to only 100 sessions. The two are not comparable and no change should be inferred from the difference between them.

Indicator	Value	vs. price	Signal	Read
Close	\$1,027.77	—	—	Up 2.75% on 23.7m shares. Intraday high of \$1,042.40 cleared the 17 August high of \$1,036.13.
SMA 20	\$958.23	+7.3%	Bullish	Reclaimed and held; the average has itself turned up.
SMA 50	\$933.29	+10.1%	Bullish	Recomputed, not carried forward. The average has fallen 3.1% from \$963.09 on 20 August while the price rose 5.5%, so about 36% of the widening premium comes from the average declining rather than the price advancing. Held for five consecutive sessions.
SMA 100	\$874.59	+17.5%	Support	First structural support, and it has risen from \$801.95, which narrows the void beneath the market.
SMA 200	\$614.35	+67.3%	Extended	Computed on the same series as the shorter averages. No structural support anywhere near the market.
EMA 20 / EMA 50	\$957.14 / \$928.34	+7.4% / +10.7%	Bullish	Both exponential averages sit below price and are rising.
RSI (14)	60.6	—	Neutral	Up from 55.2. Constructive without being overbought; no divergence either way.
MACD (12,26,9)	+20.75	signal +12.06	Bullish	Above signal and above zero for a second consecutive report; histogram +8.68.
ATR (14)	\$53.75	5.2% of price	Elevated	Compressed again, from 7.1%. A typical day still moves more than most equities move in a year.
Volume (20d / 50d)	27.4m / 37.5m	−27.1%	Bearish	Participation is falling faster than price is rising. The shortfall was 13.6% three weeks ago and has doubled.

The technical improvement flagged three weeks ago has extended. Price sits above every average computed here, the MACD has held its bullish configuration, and the relative strength index has advanced to a constructive 60.6 without reaching a level that usually precedes exhaustion. Resistance is the 9 September high at \$1,042 and then the all-time

high at \$1,255; support is \$958 (20-day), \$933 (50-day) and \$875 (100-day), with very little beneath that until the mid-\$600s.

Two qualifications matter, and the first only became visible because the averages were recomputed rather than carried forward. The 50-day reclaim that the previous report set as a condition is met on the rolling average and not met on the level that report printed, because the average has fallen almost \$30 as the June peak rolls out of the window. Reusing \$963.09 would have understated the progress; treating the reclaim as equivalent to one achieved against a rising average would overstate its quality. Second, twenty-day volume is now 27.1% below the fifty-day, twice the shortfall of three weeks ago. An advance to new recent highs on steadily thinning participation is the signature of a move that fewer people are willing to fund at each higher price. Technicals do not override fundamentals and nothing above changes the assessment of the business.

Scorecard

Criterion	Score	Wt	vs 21 Aug	Rationale
Business quality	 7/10	12%	—	Unchanged. World-class execution, but a commodity manufacturer whose gross margin has ranged from –9% to +86% in four years. No results have been published since the previous report.
Financial strength	 9/10	12%	—	Unchanged. \$23.75bn net cash, 0.06 debt/equity, an Altman Z of 9.42 and a Piotroski F of 8. Trailing figures are identical to the previous report by construction.
Competitive advantage	 6/10	12%	–1	Lowered. Counterpoint's revised Q2 2026 series puts Micron at 24% of DRAM revenue rather than the ~25% published on 4 August, and CXMT at 10% rather than 7%. The measured share gain that justified last month's upgrade is partly restated away, and the fourth entrant is 43% larger than measured.
Management	 7/10	8%	–1	Lowered. Chief executive Sanjay Mehrotra sold 40,000 shares on 21 August at roughly \$968.90, some \$38.8m, the third and largest senior sale into strength inside a month. Execution and capital allocation are unchanged; the alignment signal is not.
Growth potential	 8/10	13%	—	Unchanged on offsetting evidence. Gartner now models memory revenue at \$837.3bn in 2026 and \$1,075.5bn in 2027, and Nvidia's management described extreme pricing conditions in memory. Against that, CXMT's measured scale caps the ceiling.
Valuation	 4/10	20%	–1	Lowered. Price +5.5% on financials that have not moved. Trailing earnings at 23.2x from 22.0x, book at 11.5x from 10.9x, and the discount to probability-weighted fair value widened from –16% to –22%.
Risk (10 = lowest risk)	 4/10	18%	—	Unchanged on offsetting moves. The Netlist appeal removed a litigation tail and ATR has compressed to 5.2% of price from 7.1%. Set against that, a new semiconductor tariff proposal, a live Federal Reserve decision on 15–16 September and CXMT's restated scale.

Criterion	Score	Wt	vs 21 Aug	Rationale
Technical setup	 6/10	5%	+1	Raised. The 50-day average, recomputed at \$933.29, has been held for five consecutive sessions, the MACD sits above signal and above zero, and RSI is constructive at 60.6. Held back by 20-day volume 27.1% below the 50-day, worse than the 13.6% shortfall three weeks ago.
Weighted investment score	61 / 100	100%	−3	Lowered. Three criteria fell and one rose. An outstanding business whose price has moved further from its value for a second consecutive report, and whose competitive standing has been restated down by the source that lifted it last month.

Scored 1–10, where 10 is always best, including Risk. Bars are drawn to the score, so a longer bar on the Risk row means a safer company. Weights are unchanged from the report dated 21 August 2026 so the two totals are directly comparable; that report used the same direction for Risk, so no restatement was required. Valuation and Risk together carry 38% of the score, and technical setup is deliberately limited to 5% and used only for entry timing.

The Risk score of 4 out of 10 means a high-risk business, and the risks set out above describe one: a commodity manufacturer at a cyclical peak, priced at eleven times book, 67% above its 200-day average, with a five-year beta of 2.22, a live central-bank decision inside a week, an unenacted tariff regime that could reach its customers' products, and a Chinese competitor measured at half again the scale previously believed. Those two readings agree. The balance sheet is the reason the score is 4 rather than 2: \$23.75 billion of net cash and an Altman Z of 9.42 mean that even the bear case is a valuation event rather than a solvency one.

Scenario analysis

Scenario	Prob	Revenue and earnings path	Valuation logic	Fair value
Bull — the shortage extends	25%	AI infrastructure spending holds through 2027 and tight conditions persist beyond it, as Gartner now projects and as Nvidia's pricing commentary implies. Micron holds its position against SK hynix, HBM4E ramps on schedule and the fixed-price agreements are renegotiated upward rather than capping participation. FY2027 revenue of roughly \$228bn with EPS near \$149.	Capitalised at 9x, the upper end of the peak-memory range. Raised from \$1,320 on Gartner's larger 2027 industry revenue and Nvidia's customer testimony, both of which bear on duration.	\$1,340
Base — plateau, then modest reversion	42%	Pricing plateaus through the first half of calendar 2027 as Q4 2026 contract growth of 3–8% fades toward zero, then declines modestly as Idaho and Yongin supply arrives alongside CXMT. Contract floors hold on the roughly 20% of DRAM they cover. FY2027 revenue of roughly \$173bn with EPS near \$95, far below the \$155.03 consensus.	Capitalised at 8.2x on earnings the market correctly identifies as approaching a peak. Lowered from \$790 because Counterpoint's restatement removes a point of the measured share gain that raised it last month.	\$780

Scenario	Prob	Revenue and earnings path	Valuation logic	Fair value
Bear — the cycle turns on schedule	33%	Consumer demand destruction, already visible in flat real spending and a 0.6% fall in July retail sales, compounds with a pause in hyperscaler capex just as the 2027–28 capacity wave lands, and CXMT scales from a base three points higher than previously measured toward its stated 550,000 to 600,000 wafer target. ASPs fall 35–45% into fiscal 2028 while depreciation from the \$25bn-plus annual capex programme steps up. Revenue retraces toward \$90bn at a ~35% gross margin, EPS \$18–25.	The market reverts to a book-value anchor of roughly 2.0x on a forward book value approaching \$215 per share, as it has in every prior memory trough. Value unchanged; probability raised from 30% because the supply side of this case is now better evidenced.	\$430
Probability-weighted fair value	100%	$0.25 \times \$1,340 + 0.42 \times \$780 + 0.33 \times \$430 = \804.50 , rounded to \$805.	Expected value sits 22% below the market, against 16% below on 21 August. Upside to the bull case is +30.4% and downside to the bear case is –58.2%, a reward-to-risk ratio of approximately 0.5 to 1 before adjusting for volatility. On 21 August the same calculation gave 0.6 to 1.	\$805

Probabilities sum to 100%. The weighted value was computed programmatically from the inputs shown and checked against the figure printed here. Scenario values are analytical constructs, not forecasts. The three points of probability moved from the base case to the bear case are the only probability change in this update, and they reflect a measured upward revision to CXMT's scale rather than any deterioration in Micron's own reported position.

Recommendation: Watchlist — reaffirmed, and closer to its downgrade than to its upgrade

The rating is unchanged for a third consecutive report. The balance inside it has shifted again, and this time toward the downside rather than away from it.

The case for waiting is stronger than it was three weeks ago on every measure that matters to a buyer. The price is 5.5% higher on financial statements that are identical, so trailing earnings are at 23.2 times rather than 22.0 and book at 11.5 times rather than 10.9. The central estimate of what the business is worth fell slightly rather than rising, so the shortfall widened from 16% to 22% and the reward-to-risk between the bull and bear cases slipped from roughly 0.6 to 1 to roughly 0.5 to 1. The chief executive sold \$38.8 million of stock. Two of the four most recent broker target changes were cuts, and three of the last four actions cluster at \$1,300, twelve per cent below where the reported average sits. And twenty-day volume has fallen to 27% below the fifty-day, so the advance is being funded by fewer participants at each higher price.

Set against that, the momentum route to an upgrade has genuinely progressed, and the progress is only visible because the moving averages were recomputed rather than carried forward from the previous report. The 50-day average now stands at \$933.29 rather than the \$963.09 printed in August, and the price has closed above it for five consecutive sessions, satisfying the condition as written. The MACD condition remains satisfied. That is two of four. The volume condition fails by twice the margin it failed by last time, and the guidance condition cannot be tested until 30 September, eight days later than the previous report anticipated because the company moved the date on 26 August. Two of four is not an upgrade, and reaching it partly because a declining average came down to meet the price is a weaker form of progress than the headline suggests.

Why the CXMT trigger is not being treated as met

The previous report named a downgrade to Avoid on, among other things, CXMT passing 10% of DRAM revenue share. Counterpoint now measures CXMT at exactly 10% for the second quarter of 2026. On a literal reading the line has been touched but not crossed, which would be a thin basis for a rating change on its own. The substantive reason is different

and worth stating plainly, because a reader is entitled to challenge it.

That trigger was calibrated in August against a Counterpoint reading of 7% for the very same quarter. Its purpose was to catch CXMT gaining roughly three further points of share, which would have signalled that Chinese supply was arriving faster than the bull case allowed. What has actually happened is that the same quarter has been remeasured. Micron's competitive position on 9 September is identical to its position on 21 August; only the estimate of it has changed. A threshold set at a level that the world turns out to have already occupied is not a threshold, and firing it would be reacting to the arrival of better information rather than to a deterioration in the business. The correct response is to carry the new information into the scenario weights, which this report does by moving three points of probability from the base case to the bear case, and to recalibrate the trigger against the corrected baseline. That recalibration appears in the table below.

The honest summary is that the reasoning behind Watchlist has changed for the second report running. In August the case against buying was valuation alone, momentum having improved. Today valuation has grown worse again and a second leg has returned underneath it: the competitive structure of the industry is measurably less favourable than the previous report believed, with a fourth participant at 10% of revenue rather than 7% and a stated capacity path toward SK hynix's current output. The rating has not moved. The distance to the next move down is shorter than the distance to the next move up.

Condition	Specific trigger	Action
Upgrade to Buy — valuation route	A decline into the \$690–\$750 area, lowered from \$700–\$760 because the base-case fair value moved from \$790 to \$780. At \$690 the base case alone offers 13.0% and reward-to-risk reaches 2.5 to 1; at \$750 it offers 4.0% and 1.8 to 1. Note that unlike the August band this one no longer sits beneath the 100-day average, which has risen to \$874.59, so a move into it would pass through a technical void rather than into support.	Initiate at 1.5–2.0% of portfolio; scale to 3% only on a confirmed base
Upgrade to Buy — momentum route	All four of: the 50-day average, recomputed at each observation rather than taken from this report, held for five consecutive sessions, which is currently satisfied; the MACD holding above signal and above zero, currently satisfied; 20-day volume expanding above the 50-day average, currently 27.1% below it; and the fiscal Q4 print on 30 September confirming revenue of at least \$50bn against guidance of \$50bn plus or minus \$1bn, with no sequential gross margin compression, plus a fiscal Q1 2027 guide at or above \$52bn with gross margin held above 80%.	Initiate at 1.5% with a stop beneath the 50-day average as computed on the day of entry
Structural upgrade	Strategic agreements expanding to cover materially more than 20% of DRAM shipments, or public confirmation that floor prices have been honoured through a period of spot weakness without the share loss SK hynix suffered.	Raise the base-case multiple and revisit the rating irrespective of price
Downgrade to Avoid — recalibrated	Any quarter combining sequential gross margin decline with a revenue guide-down; evidence of customers renegotiating strategic agreement pricing; CY2027 industry bit-supply forecasts revised up by more than 5 percentage points; or CXMT above 13% of DRAM revenue share in a subsequent quarter's Counterpoint print , replacing the 10% threshold set in August, which the corrected Q2 2026 series shows was already at the prevailing level when it was written.	Move to Avoid; the bear case becomes the base case
Macro condition	A Federal Reserve that continues to tighten into a consumer already showing flat real spending and falling retail sales, such that the discount rate rises while the non-AI half of the demand base contracts. Phrased directionally rather than as a level, because no threshold here is derived from anything real.	Widen the required discount to fair value before initiating

Condition	Specific trigger	Action
If already holding	The rating is not a sell instruction for a position established materially lower, and the shares remain 18.1% below the June high. Trailing risk management remains more appropriate than a valuation-driven exit while the bull case is a one-in-four outcome.	Consider trimming into any move above \$1,150; retain a core position

No entry price, stop-loss or target is provided, because the rating is not a Buy. The levels above are conditions for revisiting the rating, not a trade plan. The price at which this name becomes interesting is \$690 to \$750.

Final verdict

Would an investor commit personal capital to Micron at \$1,028 today? No, and for the second consecutive report the answer has moved further from yes rather than closer to it.

This remains a well-run, technologically credible, financially unassailable producer sitting at the centre of the most important hardware bottleneck in computing. The evidence on demand that arrived in this interval is real and it is good: Gartner now models memory revenue rising from \$220.1 billion in 2025 to \$837.3 billion this year and \$1,075.5 billion next, and expects conditions to stay tight through 2027 even as new capacity arrives. Nvidia's own management described extreme pricing conditions in memory and framed next year as demand it cannot fully supply. The Netlist appeal removed a litigation tail. The balance sheet carries \$23.75 billion of net cash and an Altman Z of 9.42. Nothing here is a criticism of the company.

The objection is the same one, and it now has a second leg back under it. The price has risen 5.5% since the last report and 24.9% since the one before that, on a business whose reported numbers have not changed and will not change until 30 September. The estimate of what it is worth moved down, not up, so the shortfall widened from 16% to 22% and reward-to-risk fell to roughly 0.5 to 1. And the competitive picture the August upgrade rested on has been partly withdrawn by the firm that supplied it: Counterpoint now measures CXMT at 10% of DRAM revenue rather than 7% in the same quarter, on a capacity path toward the output SK hynix runs today, with the technology gap described as two to three years rather than more than five. Micron is still about a point behind SK hynix and that relative achievement stands. The industry it competes in has a larger fourth entrant than anyone writing about it three weeks ago believed.

The biggest concern is unchanged and is worth restating plainly: an 86% guided gross margin is a shortage artifact, not a competitive equilibrium, at a company that reported a negative 9.1% gross margin as recently as fiscal 2023. The 2027–28 capacity wave that ends the shortage is already funded and under construction, Micron's own Idaho fabs among it, and CXMT is arriving from a higher base than the previous report allowed. Around that sits a Federal Reserve with a live chance of raising rates on 16 September, a ten-year yield at its highest since November 2023, a consumer whose real spending has stopped growing, and an unenacted tariff proposal that would reach the servers and notebooks Micron's bits go into. What would change the view is a price between \$690 and \$750, or the 30 September print delivering a fiscal Q1 guide above \$52 billion with margin held above 80% on volume that has actually expanded. The first is a long way from here. The second is three weeks away and is now the single event that decides this rating.

Disclaimer. This report is provided for informational and educational purposes only and does not constitute investment advice, a recommendation, or an offer to buy or sell any security. It was prepared without regard to the individual financial circumstances or objectives of any person who may receive it. Figures are drawn from public sources believed to be reliable, but accuracy is not guaranteed. Estimates and scenarios are analytical constructs and not forecasts of actual outcomes. Micron Technology has not reported results since the previous report dated 21 August 2026 and no earnings call has taken place in the interval, so no new call transcript was available or reviewed; the next scheduled report is 30 September 2026, after the close. Trailing financial data is therefore identical to the previous report by construction. Micron Technology is a highly cyclical, highly volatile security with a five-year beta of 2.22. Readers should conduct their own research and consider consulting a licensed financial adviser before making any investment decision.

Sources. Alpha Vantage GLOBAL_QUOTE (last price, 9 September 2026); Twelve Data time_series (300-session daily OHLCV series through 9 September 2026, from which all moving averages, RSI, MACD, ATR and volume figures were computed); StockAnalysis.com and S&P Global Market Intelligence (fundamentals, valuation ratios, estimates, analyst ratings and actions, short interest, ownership); Counterpoint Research, Q2 2026 global DRAM market share, as published 4 August 2026 and as revised 1 September 2026, via TechTimes and Seoul Economic Daily; Gartner, worldwide semiconductor revenue forecast, 25 August 2026; Micron Technology investor relations and GlobeNewswire, fiscal fourth quarter results date announcement, 26 August 2026; US Court of Appeals for the Federal Circuit, Netlist, Inc. v. Micron Technology, Inc., decided 2 September 2026, via Bloomberg Law; Benzinga, Micron consolidation and policy uncertainty, 28 August

2026; Tom's Hardware, reported expansion of Section 232 semiconductor tariffs, 27 August 2026; SEC Form 4 and Form 144 filings for Micron Technology, via MarketScreener; moomoo news search and moomoo stock digest; the Beating The Bull economic data archive for macro readings; and the previous Beating The Bull report on Micron Technology dated 21 August 2026.