

# AMD's Positive Outlook Shows Recovery For PCs

Jordan Robertson, AP Technology Writer

SAN FRANCISCO (AP) — Advanced Micro Devices Inc., the world's No. 2 maker of computer microprocessors, is scheduled to report its second-quarter results Thursday after the market closes.

**WHAT TO WATCH FOR:** Many investors are worried about the strength of the personal computer market with economic troubles in Europe and concerns about slowing demand in China. China has been a big driver of the PC industry as the U.S. sputtered.

AMD controls about 20 percent of the worldwide market for PC microprocessors. Intel Corp. owns about 80 percent and reports its second-quarter numbers two days earlier than AMD.

The results from both companies will help investors figure out how seriously the economic worries are hurting the PC market and technology spending in general.

Analysts will scrutinize AMD's gross margin — a key measure of profitability — for signs about how well AMD is managing its expenses.

"For AMD, that's the key thing — AMD is telling a gross margins story," said analyst Patrick Wang with Wedbush Securities.

**WHY IT MATTERS:** AMD's results often track Intel's in terms of what they say about the health of the PC market. Painful market conditions for one company will also be painful for the other. The industry has been strengthening, but recent economic worries have dampened some investors' enthusiasm. At the same time, market research firms Gartner Inc. and IDC are predicting that PC shipments will grow a robust 20 percent in 2010 over the previous year.

Wang said he is "very concerned" about the PC market after a recent visit to Asia and meetings with component suppliers to PC makers.

"PCs are definitely slowing," he said. "My concern is that China is slowing, there's obviously a lot of turmoil in Europe, and the U.S. and other developed geographies are still recovering."

Wang predicted that PC demand in the second half of 2010 will be weaker than usual because of those factors.

**WHAT'S EXPECTED:** Analysts polled by Thomson Reuters expect AMD to earn 6 cents per share on \$1.55 billion in revenue.

**LAST YEAR'S QUARTER:** In the same period last year, the company lost 49 cents per

## **AMD's Positive Outlook Shows Recovery For PCs**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

share on \$1.18 billion in revenue.

**Source URL (retrieved on 12/18/2014 - 6:16pm):**

[http://www.impomag.com/news/2010/07/amds-positive-outlook-shows-recovery-pcs?qt-most\\_popular=0](http://www.impomag.com/news/2010/07/amds-positive-outlook-shows-recovery-pcs?qt-most_popular=0)