

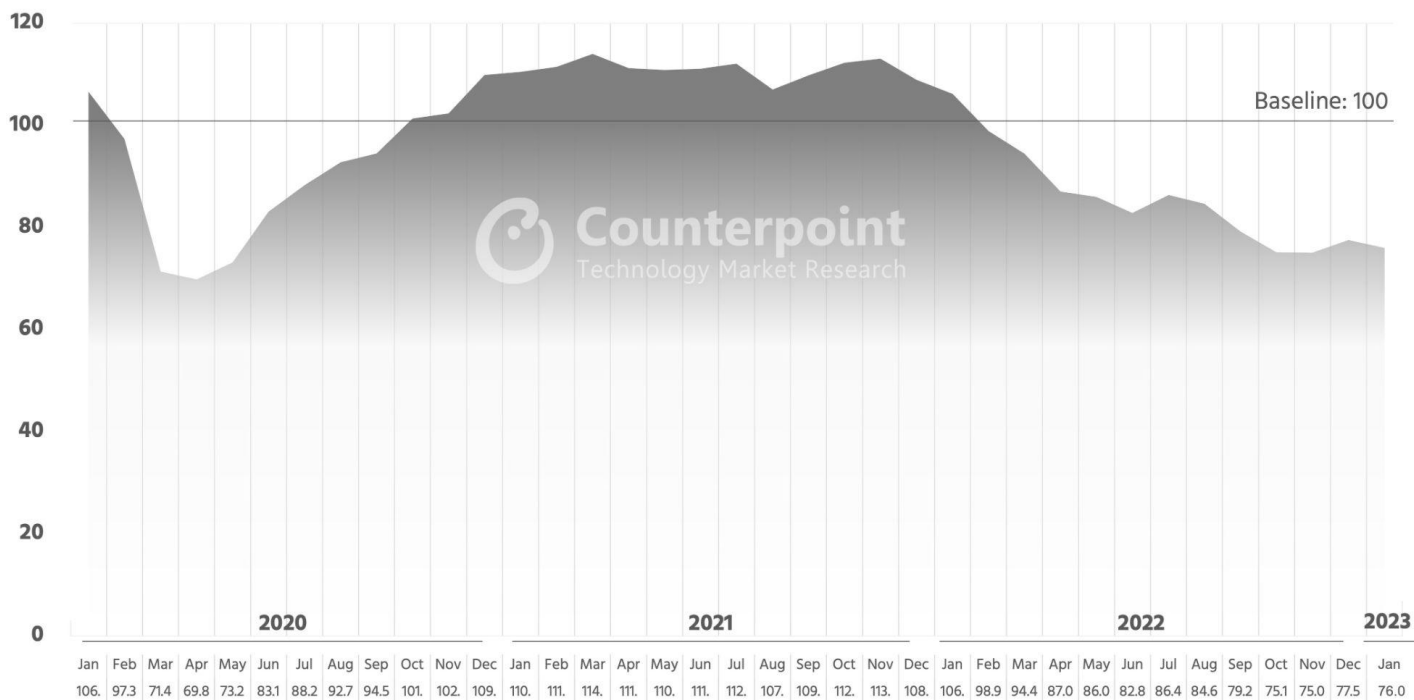


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Counterpoint Macro Index



Counterpoint Macro Index

Counterpoint Macro Index 2023

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
76.01	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA

Counterpoint Macro Index 2022

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
106.17	98.90	94.49	87.04	86.01	82.86	86.42	84.66	79.23	75.16	75.08	77.56

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Counterpoint Macro Index 2021											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
110.48	111.46	114.04	111.24	110.89	111.10	112.11	107.01	109.83	112.27	113.11	108.96

Counterpoint Macro Index 2020											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
106.61	97.35	71.40	69.87	73.20	83.13	88.28	92.78	94.54	101.36	102.37	109.90

Highlights:

- The CounterpointMacro Index registered a score of 76.01 in January, a decline from December 2022.
- The ongoing War in Ukraine remained the primary driver of negativity in January, as countries in Europe as well as the US decided to supply Ukraine with tanks, potentially escalating the conflict.
- Inflation numbers in the US were up, dashing hopes of monetary easing in the coming months and lessening the chances that the Federal Reserve can manufacture a soft landing.
- Meanwhile, China's economy continued to rebound as consumers spent money on activities out of the home as the country emerged from its Covid-19 restrictions.

Some insight into the Counterpoint Macro Index

Overview:

The Counterpoint Macro Index aims to capture the environment and sentiment for the global technology industry. We look at issues and measures in macroeconomics, domestic and international politics, supply chains, industry performance and outlook, and regulatory events and outlook.

Our analysts consider quantitative and qualitative data, in both public and private domains, as well as Counterpoint's proprietary datasets to measure the health and outlook of the global tech industry. Our Macro team comprises experienced analysts across Counterpoint's geographical coverage and sector disciplines.

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We expect the Index to assist participants in the tech industry to understand the current global macro environment, particularly in the short to medium term. In particular, we have in mind personnel responsible for business planning, forecasting, and strategic decisions at tech companies.

What are we tracking?

The Index captures more than 130 data points every month. The following are some of the key data points that we track (with weightings):

- **Macroeconomics (35%)** – GDP growth rate and forecast, composite PMI, major stock market performances, consumer confidence and sentiment, consumer and producer price changes, job creation and unemployment rates, retail sales growth, Counterpoint monthly smartphone sales data
- **Domestic, International Politics, Regulation & ESG (30%)** – Presidential approval ratings, central bank/fiscal policy updates, key policies and events, regulatory policies and events, ESG events and updates
- **Corporate & Supply Chain (35%)**
 - Key company announcements, performances and updates
 - Smartphone shipment forecast
 - Investor and business sentiment
 - Price changes in global energy (oil and gas), global logistics (air and container freight), key raw materials for the manufacturing of electronic components (general electronics, display, electric vehicles and batteries)
 - Key leading indicators for the semiconductor industry, including smartphone shipment forecast, semis billings, revenue, IC capacity, inventory level and inventory days, wafer pricing, key component pricing (memory and display), and smart device ODM/EMS outlook

These areas eventually culminate in the Macro Index. Each data point is weighted, depending on our interpretation of its impact on the global tech environment. Each of the above three areas (highlighted) account for between 30-35% towards the Macro Index weighting. We do not intend to change the weighting significantly over a period of time but may choose to do so if issues warrant extra attention.

How to read the Index?

For each data point or event, analysts consider the likely short- to medium-term impact on the global tech industry, based on the following principles:

- The smooth running and a **certain level of predictability in the global tech market**: Hindrances or additional costs to businesses generally are evaluated negatively.

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- A **healthy market for consumer tech products**: A positive score reflects customers’ reasonable expectation to pay a fair price for new and meaningfully upgraded tech products, with an abundance of choice.
- A **predictable operating environment for tech companies**: A positive score would mean senior managers and investors in the tech industry can expect to operate smoothly, with predictability, and expect reasonable financial returns in the short- to medium-term.

We further break the Macro Index down into four ‘constituent indices’:

- **Consumer sentiment** – which is separated into 4 segments – US, China, Europe & Developed Markets and Emerging Markets. We analyze each region’s headline GDP growth rates, consumer confidence & sentiment indices, consumer pricing trends, retail sales trends, unemployment numbers and devices markets’ sales numbers.
- **General business sentiment** – which is separated into 5 segments – US, China, Europe & Developed Markets, Emerging Markets and Transport & Manufacturing. We analyze each region’s GDP forecast numbers, purchasing manager indices, producer pricing trends, investor and business confidence surveys, and stock market movements. We also look at global energy pricing trends, and transport prices include air freight, container shipping and raw materials shipping.
- **Tech business sentiment** – which is separated into 5 segments – Tech Outlook, Semiconductor Outlook, Tech Commodities, Supply Chain and Smartphone Outlook. We analyze key events and developments for tech companies, the pricing, inventory, capacity, equipment billing and sales numbers for semiconductor and tech manufacturers, memory and display panel pricing trends, ODM/EMS outlook for PC and smartphone sectors, and prices of key raw materials for the manufacturing of electronic components.
- **Policy, world market and global environment** – Which is separated into 5 segments – US, China, Europe & Developed Markets, International, Regulation and ESG. We analyze domestic political events, fiscal and monetary policy agendas of the three regions, international politics events, and key updates by global and regional regulatory regimes, and the latest developments in ESG areas.

Our analysis strives to be company and country agnostic. Our conclusions will take a neutral position, and consider the interests of the global market, consumers and market participants.

The Counterpoint Macro Index and the constituent indices all have a baseline of 100. Any number above 100 reflects our interpretation of an optimistic/benevolent environment in the global tech landscape; any number below 100 reflects the opposite. We also provide forecasts for three months after the month of issue, and a forecast for the 12th month after the month of issue.

Background:

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Counterpoint Technology Market Research is a global research firm specializing in Technology products in the TMT industry. It services major technology firms and financial firms with a mix of monthly reports, customized projects and detailed analysis of the mobile and technology markets. Its key analysts are experts in the industry with an average tenure of 13 years in the high-tech industry.

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