



Wish there was an easy way to **design a custom IC?**  
**Now there is! Custom Designer** – The intuitive choice.

**SYNOPSYS**  
Predictable Success

[Learn More >>](#)



[EE Times: Latest News](#)

## Analysts stay cool as Wall Street woes unfold

[Rick Merritt](#)

(09/26/2008 1:03 PM EDT)

URL: <http://www.eetimes.com/showArticle.jhtml?articleID=210604199>

SAN JOSE, Calif. — Analysts remain hopeful the crisis on Wall Street may not have a strong negative impact on the electronics industry. Some are taking a wait-and-see approach on a day when another bank collapsed and a legislative rescue package is still being hammered out.

Government [regulators seized](#) on Friday (Sept. 26) the \$300 billion assets of the Washington Mutual bank and sold it for \$1.9 billion to JPMorgan Chase in what was described as the largest bank failure in U.S. history. Meanwhile Congress continued to debate details of a \$700 billion bail-out package.

"We haven't revised our semiconductor industry forecast, and I am not sure it's appropriate to make a knee-jerk reaction," said James Feldhan, president of Semico Research (Phoenix). "By Monday we may have a good [rescue] plan that could put us back on track, or a bad one that might trigger us to change our forecast," he said.

[In January](#), analysts issued forecasts for semiconductor growth in 2008 ranging from zero to 12 percent. Semico's forecast was at the top end of the range.

"Everyone is just waiting, and no one really knows yet how bad this [mortgage] crisis might be," said Feldhan. "For example, last week [Senator John] McCain was saying the economy was fundamentally sound and now he is saying we are in a crisis."

Feldhan said it could be good for legislators to take time to craft the right response to the failures of multiple banks, but if a good solution does not emerge soon it could impact stock markets, the availability of credit and consumer confidence.

Martin Reynolds, a senior analyst at Gartner, noted many of the top tech companies have significant cash reserves that will cushion them from any immediate fallout from the crisis. However, "companies with weak balance sheets won't get capital, and will be acquired at lower prices than might be expected," he said.

"We also have to worry about revenues, but technology spending is doing OK, except in financial services, where we think it will go flat," Reynolds added.

Gartner was anticipating growth of nearly ten percent in tech spending from the financial services sector which includes many commercial banks not directly affected by the mortgage crisis. "But with all the problems of the last few weeks, we are expecting low single digits in that segment in the second half," Reynolds said.

All materials on this site [Copyright © 2008 TechInsights, a Division of United Business Media LLC](#). All rights reserved.

[Privacy Statement](#) | [Your California Privacy Rights](#) | [Terms of Service](#) | [About](#)

# You want numbers?

EE Times

techonline

Embedded  
Systems Design