



Q3 2026

Market Insights



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Electronics**
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Market Insights Buyers Guide

General Market Insights

Q3 2026 Semiconductor Market Insights

AI IS NO LONGER JUST DRIVING CHIP DEMAND. IT IS REPRICING THE SUPPLY CHAIN.

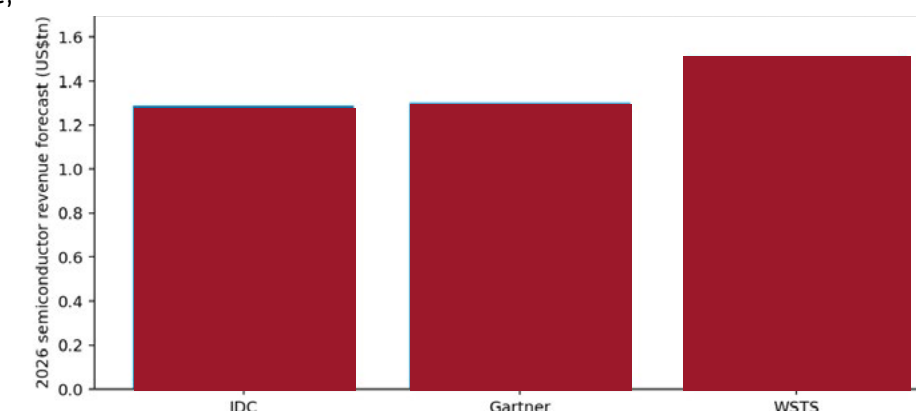
Q3 2026 is shaping up as an infrastructure race: AI is pulling capacity into advanced logic, HBM, SSDs, packaging, power and optics, while localisation, trade controls and rising input costs are pushing pricing pressure further downstream. The result is a market where supply visibility is becoming as valuable as demand visibility.

The Market in 30 Seconds

US\$1tn is no longer the milestone; it is the floor.

IDC forecasts US\$1.29tn and Gartner more than US\$1.3tn for 2026, while WSTS is more bullish at US\$1.51tn. The spread between forecasts matters less than the direction: AI infrastructure, memory inflation and semiconductor capital investment are collectively pushing the industry into a higher-value cycle. (IDC, April 2026; Gartner, April 2026; WSTS, June 2026.)

Three Industry Forecasts, One Direction: 2026 Breaks the Trillion-Dollar Barrier



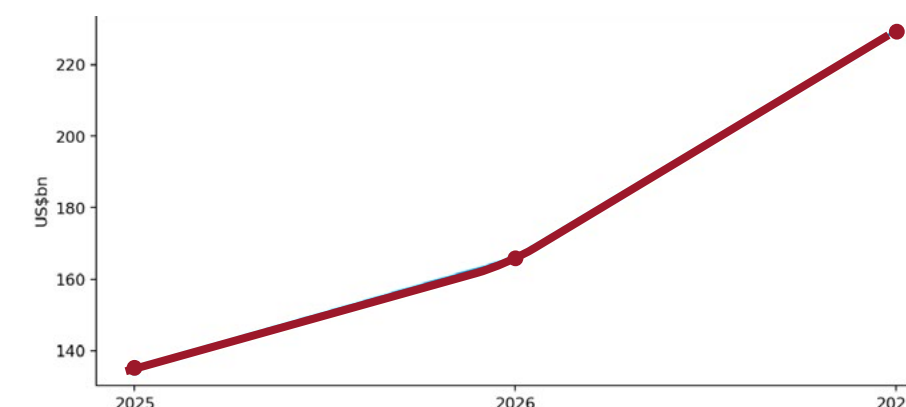
Q3 Global Semiconductor Outlook

AI remains the centre of gravity, but the bottleneck is broadening. TSMC delivered record Q2 revenue of US\$39.6bn, up 36% year on year, while Foxconn said AI servers and cloud/networking products reached 51% of Q2 revenue and expects strong Q3 AI demand. The next constraint is increasingly system-level: CoWoS packaging, HBM, SSDs, power management, optical connectivity and critical components must all scale with compute according to reports from Reuters.

Fab, Equipment & Advanced Node Investment

Capacity expansion is accelerating ahead of the next demand wave. SEMI forecasts total semiconductor manufacturing equipment sales of US\$165.9bn in 2026, up 23.2%, with 300mm fab-equipment spending reaching US\$133bn; memory equipment alone is expected to exceed US\$52bn. The message for 2027 is clear: today's capacity decisions are already being made around tomorrow's AI workloads.

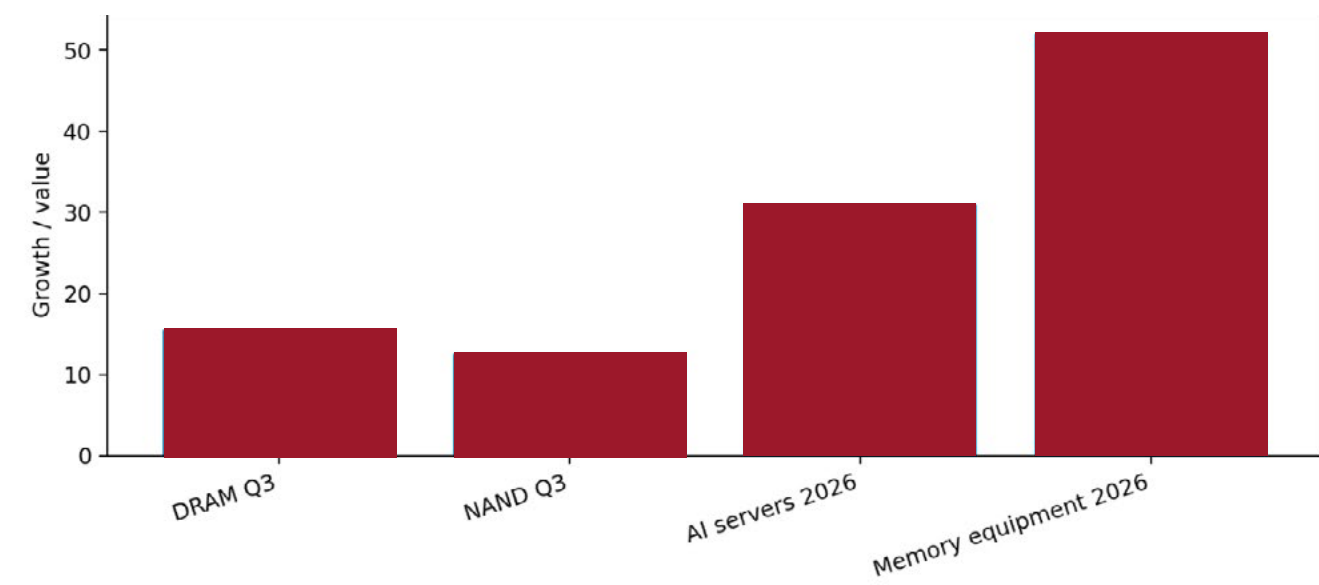
Semiconductor Manufacturing Investment Is Moving Into the Next Leg



Memory: The Inflation Cycle Is Slowing, Not Ending

HBM is changing the economics of conventional memory. TrendForce expects Q3 conventional DRAM contract prices to rise 13-18% QoQ and NAND Flash 10-15%, while IDC forecasts 2026 DRAM revenue at US\$418.6bn, up 177% year on year. AI-server procurement is absorbing premium memory capacity first, leaving mainstream OEMs to compete for what remains.

The Q3 Constraint is concentrated in AI, Memory and Capacity



Regional Market Dynamics



US

Semiconductor policy is moving from incentives to infrastructure: domestic fab investment, AI compute and critical-material resilience are increasingly being treated as one supply-chain agenda.



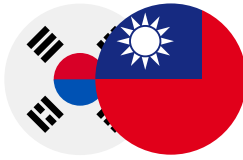
Europe

The EU's €10bn plan for seven AI gigafactories signals a move beyond wafer sovereignty towards a complete AI industrial stack, from processors and connectivity to data centres.



China

Domestic semiconductor momentum is strengthening while export controls and material restrictions are fragmenting technology flows, increasing the commercial value of second sources and regional inventory.



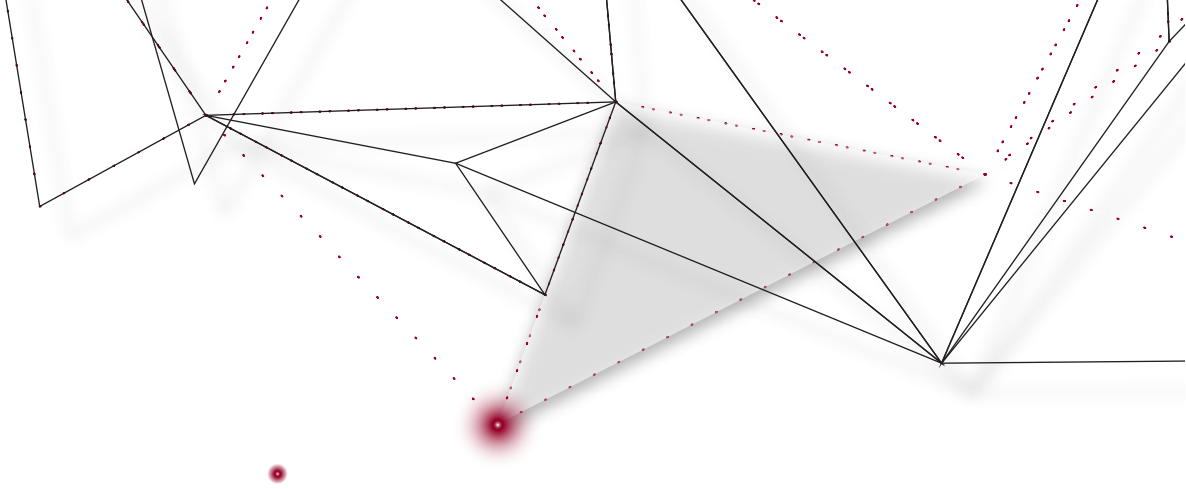
Taiwan & Korea

Taiwan remains the advanced-node and packaging centre of gravity, while Korea is aggressively funding semiconductor capacity as HBM and AI memory become strategic assets.



Japan

Japan is re-establishing strategic semiconductor capacity through investment in sensors, advanced manufacturing and ecosystem localisation, strengthening its role beyond traditional components.



End-Market Pulse

Geopolitics, Trade & New Technology

The supply chain is being redesigned around materials as much as wafers. US polysilicon measures, Chinese controls on strategic materials and continued technology restrictions are increasing the value of regional sourcing and inventory buffers. At the technology level, Microsoft's planned Maia 300, next-generation AI racks and advanced packaging demonstrate a broader shift towards custom silicon and system-level optimisation.

Automotive and EVs: Recovery, But Increasingly Regional

Global EV sales rose 9% year-on-year in July to 1.85 million units, although growth is diverging sharply by region, with Europe expanding while China and North America softened. Semiconductor content continues to rise through electrification, ADAS, power management and vehicle connectivity, keeping automotive demand structurally relevant despite uneven unit growth.

Automotive semiconductor demand should improve through H2, but regional EV policy and pricing will determine the pace of recovery.

Industrial and Automation: The Quiet Recovery

Industrial semiconductor demand is moving from inventory correction towards recovery, particularly in power management, analogue, connectivity and automation. Texas Instruments expects Q3 revenue above market expectations, citing improving industrial and automotive demand alongside AI infrastructure, while Microchip is seeing recovery across industrial, automotive, aerospace and defence.

Defence and Aerospace: Geopolitics Is Creating Semiconductor Demand

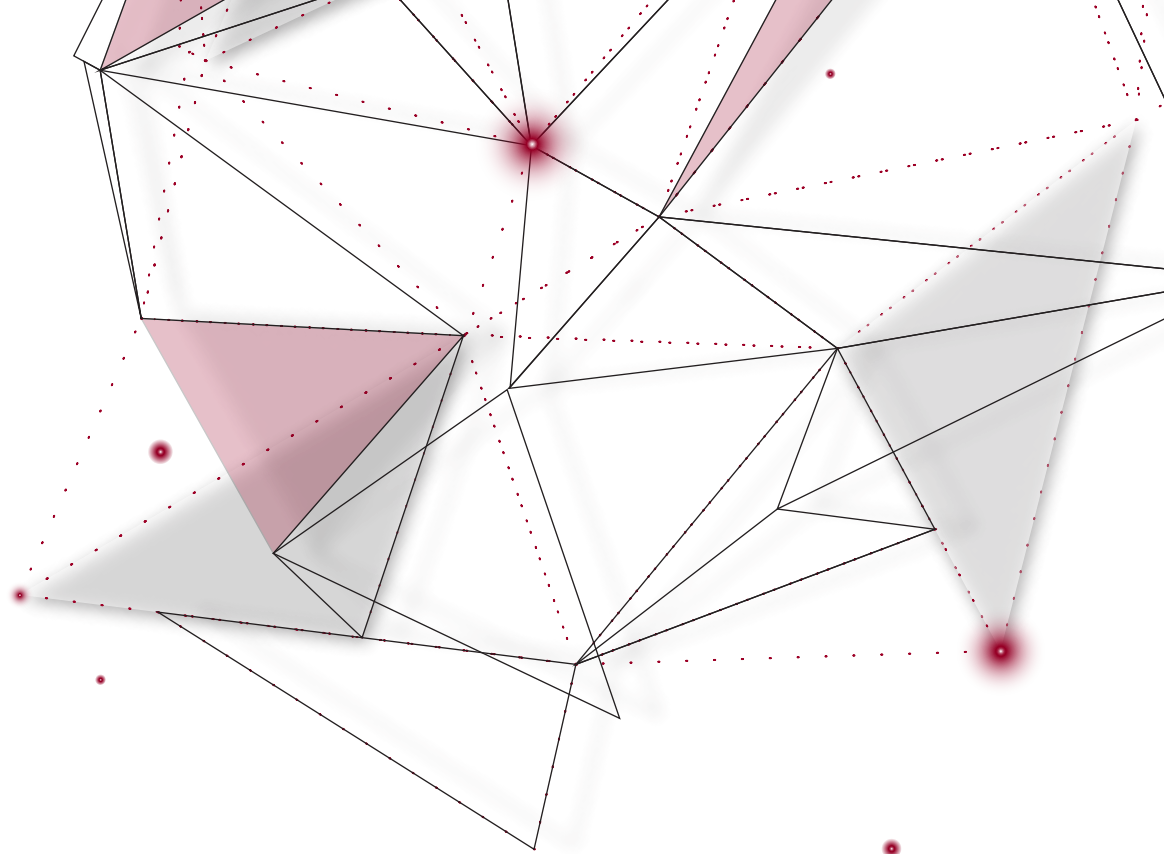
Defence and aerospace are becoming increasingly important semiconductor growth drivers as governments raise spending amid geopolitical instability. Microchip specifically cited stronger aerospace and defence demand in its latest outlook, linking the improvement to both sector recovery and increased geopolitical spending.

Consumer Electronics: AI Is Raising the Cost of the Bill of Materials

Consumer electronics is facing an unusual squeeze where demand remains relatively fragile while component costs are rising. Apple has already increased MacBook and iPad pricing after memory costs surged, demonstrating that the AI-driven memory cycle is now flowing directly into finished-product pricing.

Healthcare: Semiconductor Content Continues to Expand

Medical equipment remains a relatively resilient semiconductor end market as imaging, monitoring, diagnostics, connected devices and AI-assisted healthcare increase silicon content. The sector is less exposed to consumer-style demand swings, but continues to require long product lifecycles, high reliability and stable component availability.



Price Watch | Q3 2026

Pricing is becoming a supply signal. The most important Q3 change is not simply that suppliers are raising prices, but that price, allocation and lead time are increasingly moving together.

Lead Times: The Hidden Price Increase

Price is only half the problem. Rebound's internal channel intelligence indicates lead times are extending to 26-52 weeks for many products, with certain high-volume part numbers reportedly reaching up to 99 weeks. This changes procurement behaviour: a lower quoted price has limited value if the component cannot arrive within the customer's production window.

Q3 Watchlist

HBM allocation: whether memory suppliers continue diverting conventional capacity towards HBM and server demand.

Advanced packaging: whether CoWoS and related capacity becomes the principal constraint on Q4 AI-server ramps.

Component inflation: whether analogue, power, MCU and passive-component increases broaden into Q4.

Backlog repricing: whether suppliers increasingly apply new pricing to older open orders where contracts permit.

Supply-chain localisation: whether US, EU, Japan, Korea and India investments convert into productive capacity rather than remaining announcement-led.

Bottom Line

Q3 2026 continues to point towards a higher-value semiconductor market, led by sustained AI investment and broader demand across the supply chain. With capacity and pricing evolving alongside demand, strong supply visibility, sourcing flexibility and timely market intelligence will remain key to navigating the next phase of growth.

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Largest Companies by Market Capitalisation
in the Industry (Q3 2026)

01	NVIDIA	\$5.456T
02	TSMC	\$2.232T
03	Broadcom	\$1.987T
04	Samsung	\$1.276T
05	Micron Technology	\$1.072T
06	SK Hynix	\$826.82B
07	AMD	\$788.50B
08	ASML	\$709.77B
09	CXMT	\$577.23B
10	Intel	\$552.71B

Company - Specific Updates

AMD

- AMD launched the EPYC 9006 series for agentic-AI and high-performance data-center workloads.
- Spartan UltraScale+ SU200P FPGAs entered volume production for networking, robotics and industrial applications.
- A \$4–5 billion debt offering will provide additional funding flexibility for AI and data-center expansion.

Analog Devices

- ADI completed its \$200 million acquisition of Empower Semiconductor to expand its power-management portfolio for AI and high-performance systems.
- Selected analog products are reportedly facing longer lead times as industrial and AI-related demand strengthens.
- Q3 results due August 19 should provide further visibility on demand, pricing and supply conditions.

Broadcom

- Broadcom secured a multiyear agreement worth more than \$30 billion to supply custom silicon and connectivity components to Apple.
- Around \$1.5 billion will be invested in its Fort Collins facility to expand U.S. chip production.
- High-end networking and PCIe-related products are reportedly experiencing extended market lead times.

Diodes Inc.

- Diodes agreed to acquire ElevATE Semiconductor for \$250 million to strengthen its analog and mixed-signal portfolio.
- The acquisition expands its presence in automated test equipment applications.
- New low-jitter clock buffers were introduced for high-density networking and communications systems.

Infineon

- Infineon completed its €570 million acquisition of ams OSRAM's non-optical sensor business.
- Q3 sales reached a record level as demand from AI-related applications continued to strengthen.
- Major AI customers are securing multi-year capacity commitments, pointing to continued pressure on power-semiconductor supply.

Intel

- Intel's Q2 revenue rose 25% year over year to \$16.1 billion on stronger client and data-center demand.
- High-volume production of the 14A process remains targeted for 2028, with risk production expected in 2027.
- A \$20 billion share offering will support foundry, advanced packaging and manufacturing investments.

Kyocera

- Kyocera opened its new Nagasaki Isahaya plant in July to expand advanced ceramic component production.
 - The facility will support growing demand for ceramic packages and components used in semiconductor applications.
 - The expansion strengthens Kyocera's domestic manufacturing capacity for long-term electronics demand.
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Lattice

- Lattice completed its acquisition of AMI to add firmware and system-management capabilities to its FPGA portfolio.
 - The combined technology targets increasingly complex management requirements in AI data centers.
 - MachXO5-NX TDQ continues to strengthen Lattice's position in secure FPGA control applications.
-

Murata

- Murata launched the DE5 series of X1/Y1-certified ceramic capacitors for automotive safety applications.
 - Strong AI-server demand is driving higher orders for Murata's high-end MLCC portfolio.
 - Industry shipment data suggests potential tightening in high-end MLCC supply as AI infrastructure demand accelerates.
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Nexperia

- Nexperia partnered with Swissbit to combine semiconductor components and secure storage for AI and cloud infrastructure.
 - The collaboration targets AI accelerators, enterprise servers and hyperscale computing platforms.
 - Nexperia had relatively limited major public product or capacity announcements during July and early August.
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NVIDIA

- NVIDIA announced partnerships targeting up to \$500 billion in investment for new AI infrastructure.
 - Up to \$3 billion will be invested in Lancium to support power infrastructure for large AI data centers.
 - NVIDIA is expanding beyond GPUs into networking, infrastructure financing and data-center power.
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NXP

- NXP reported Q2 revenue of \$3.5 billion, representing 19% year-over-year growth across major markets.
 - Software-defined vehicles and physical AI remain key growth opportunities for the company.
 - Selected NXP products are reportedly experiencing pricing pressure and extended lead times.
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onsemi

- onsemi expects Q3 revenue to exceed market forecasts as AI data-center demand boosts power-semiconductor sales.
 - AI infrastructure, robotics and edge applications remain central to its growth strategy.
 - Selected manufacturing facilities are reportedly being sold as part of an ongoing production-footprint restructuring.
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Panasonic

- Panasonic Industry introduced new MINAS A7 servo models for industrial automation applications.
 - The HE-S relay series adds 40A switching capability and improved short-circuit withstand performance.
 - IEC 62443-4-1 certification strengthens Panasonic's industrial automation cybersecurity credentials.
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Rapidus

- Rapidus and Cadence are integrating AI agents into advanced-node SoC design workflows.
 - The collaboration aims to reduce turnaround time for complex semiconductor development.
 - The initiative supports Japan's broader push to establish an AI-driven advanced semiconductor ecosystem.
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Renesas

- The July 28 Kumamoto earthquake temporarily disrupted production at affected Renesas facilities.
 - Manufacturing has restarted in phases as the company works to restore normal wafer-input capacity.
 - New Gen 3 DDR5 MRDIMM chipsets supporting up to 16,000 MT/s target AI and HPC systems.
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Samsung

- Samsung is reportedly achieving HBM4E yields above 70% as production efficiency improves.
 - Stronger relationships with major AI customers are supporting Samsung's HBM4 supply ambitions.
 - Samsung is reportedly considering 2nm technology for HBM5 base dies as it advances its memory roadmap.
-

Siemens

- Siemens agreed to acquire Precision Innovations to strengthen AI-powered chip planning and SoC design.
 - The planned Defacto Technologies acquisition will expand automated SoC design and RTL development capabilities.
 - Siemens and NVIDIA are developing agentic-AI workflows to automate and verify semiconductor and PCB designs.
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ST Microelectronics

- ST launched the ST54M secure mobile chip integrating NFC, eSIM, secure-element and post-quantum security functions.
 - The VL53L9 direct ToF sensing module entered mass production for compact edge-AI applications.
 - Selected STM32 products are reportedly experiencing significantly extended lead times.
-

Toshiba

- Toshiba expanded its DCL34xx0B digital-isolator family with four new products for industrial equipment.
 - TXZ+ M4L microcontrollers entered mass production for motor-control applications.
 - The new MCU family combines Cortex-M4 processing, security and dedicated motor-control hardware.
-

Texas Instruments

- TI reported Q2 revenue of \$5.46 billion, up 23% year over year on stronger industrial, automotive and data-center demand.
 - Q3 revenue guidance of \$5.65–6.15 billion points to continued improvement across key end markets.
 - Selected TI products are reportedly facing additional price adjustments and longer lead times.
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TSMC

- TSMC's Q2 revenue jumped 33.7%, with high-performance computing accounting for 66% of sales.
 - 2026 capex was raised to \$60–64 billion as the company accelerates advanced-node capacity expansion.
 - Another \$100 billion U.S. investment commitment will support advanced fabs and packaging facilities.
-

Vishay

- Vishay launched the VOMHA43A high-speed optocoupler for automotive isolation and signal applications.
 - New 40V MOSFETs were introduced for motor-control designs requiring improved noise performance.
 - CMMC Level 2 certification strengthens Vishay's ability to supply U.S. defense and aerospace programs.
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Disclaimer

The Q3 2026 Market Insights Report, prepared by Rebound Electronics is provided for informational purposes only and should not be considered solely for financial, investment, or business advice. Outlooks are based on current data.

While we ensure the timeliness and quality of the data, please contact the Rebound Electronics team for any further questions.

Jenny Ortila-Bautista // Senior Commercial Analyst

Market Insights Buyers Guide

Trend	Lead time trend	Lead time (weeks)
<--->		18+
<--->		18+
<--->		18+
<--->		18+
<--->		18+
^^		28+
^^		28
^^		28+
^^		28+
^^		28
^^		28+
<--->		28+
<--->		28+
^^		42+
^^		28+
^^		28+
^^		28+
^^		18+
^^		18+
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^^		18+
^^		18+

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Memory	Pricing trend	Lead time trend	Lead time (weeks)
NOR	^^	^^	28+
NAND	^^	^^	28+
eMMC	^^	^^	28+
EEPROM	^^	^^	28+
DRAM	^^	<--->	18+
SRAM	^^	^^	28+
Solid state drives	^^	<--->	18+
Sensors	^^	^^	28+
OPTO		^^	18+
LEDS (Low power)	^^	^^	12 - 18
LEDS (Mid power)	^^	<--->	12 - 18
LEDS (High power)	<--->	<--->	12 - 18
Couplers	^^	<--->	18+
Fibre - Optic	^^	<--->	18+
Infrared	^^	<--->	18+
Other opto	^^	<--->	18+
Discrete		<--->	18+
Small signal	^^	^^	28+
RF	^^	^^	28+

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of Your Supply Chain**

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