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# Chip stocks decline following report of US intentions to increase restrictions on China

## Description

ASML, a prominent chip manufacturing equipment company, has been at the center of recent turbulence in the technology stocks market. Concerns about the global computer chip industry have led to a significant sell-off across various stock exchanges worldwide.

The market downturn was triggered by reports suggesting that the Biden administration might tighten restrictions on exports of semiconductor equipment to China. Additionally, comments made by former US President Donald Trump implying that Taiwan, the largest chip producer, should take responsibility for its own defense further exacerbated the situation.

In response to these developments, the tech-heavy Nasdaq index closed 2.7% lower in the US, while chip stocks also experienced significant declines in Europe and Asia. Industry analysts like Bob O'Donnell from TECHnalysis Research anticipate further restrictions from the US government, contributing to the overall uncertainty in the market.

Companies like TSMC and Tokyo Electron saw their stock prices drop, with Nvidia and AMD also experiencing significant losses. ASML, a chip-making machinery manufacturer, saw its shares tumble by almost 11% in Europe.

Despite the immediate market reactions, experts like Marco Mezger from Neumonda remain optimistic about the long-term prospects of the semiconductor industry. While geopolitical tensions continue to impact the market, the overall trend for the industry remains positive.

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## Vocabulary List:

1. **Turbulence** /'tɜ:r.bjʊ.ləns/ (noun): A state of disturbance or agitation often affecting stability.
2. **Significant** /sɪg'nɪf.ɪ.kənt/ (adjective): Important and deserving attention; noteworthy.
3. **Exacerbated** /ɪg'zæs.ər.beɪtɪd/ (verb): Made a problem or negative situation worse.
4. **Anticipate** /æn'tɪs.ɪ.peɪt/ (verb): To expect or predict something in the future.
5. **Declines** /dɪ'klaɪnz/ (noun): Gradual decreases or reductions in quantity or quality.
6. **Prospects** /'prɒs.pɛkts/ (noun): The possibility or likelihood of future success or advancement.

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## Comprehension Questions

## Multiple Choice

1. Which company has been at the center of recent turbulence in the technology stocks market?

- Option: ASML
- Option: TSMC
- Option: Nvidia
- Option: AMD

2. What triggered the market downturn according to reports mentioned?

- Option: Tightening restrictions on exports of semiconductor equipment to China
- Option: Increase in chip production
- Option: Positive market forecasts
- Option: Global trade agreements

3. Which index closed 2.7% lower in the US?

- Option: Dow Jones Industrial Average
- Option: Nasdaq
- Option: S&P 500
- Option: FTSE 100

4. Which companies experienced significant stock price drops?

- Option: TSMC and Tokyo Electron
- Option: Intel and Google
- Option: Amazon and Apple
- Option: Facebook and Microsoft

5. Who remains optimistic about the long-term prospects of the semiconductor industry?

- Option: Bob O'Donnell
- Option: Donald Trump
- Option: Marco Mezger
- Option: Joe Biden

6. Which company saw its shares tumble by almost 11% in Europe?

- Option: ASML
- Option: Nvidia
- Option: AMD
- Option: TSMC

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## Answer

**Multiple Choice:** 1. ASML 2. Tightening restrictions on exports of semiconductor equipment to China 3. Nasdaq 4. TSMC and Tokyo Electron 5. Marco Mezger

## Vocabulary quizzes

**Multiple Choice ( Select the Correct answer for each question. )**

1. What is the term for the suspension of work or services by an employer during a dispute?

- Option: lockout
- Option: arbitration
- Option: repercussions
- Option: facilitated

2. Which term refers to the process of buying another company or part of a company?

- Option: Acquisition
- Option: Corporation
- Option: Dynamics
- Option: Scrutiny

3. What is the term for the impetus gained by a moving object?

- Option: Pivotal
- Option: Momentum
- Option: Consolidating
- Option: Ecosystem

4. Which term describes a sudden powerful forward or upward movement like an increase in activity?

- Option: Surge
- Option: Turbulence
- Option: Significant
- Option: Exacerbated

5. What is the term for expecting or predicting a particular event or outcome?

- Option: Anticipate
- Option: Declines
- Option: Prospects
- Option: Exclusive

6. Which term indicates that something is happening or existing now?

- Option: Highlights
- Option: Recommendations
- Option: Currently
- Option: Appliances

7. What is the process in which a neutral third party helps resolve a dispute?

- Option: Inclined
- Option: Status
- Option: Retested
- Option: Arbitration

8. Which term describes something that is limited to only one person or group?

- Option: Pivotal
- Option: Momentum
- Option: Exclusive
- Option: Curated

9. What term refers to decreases or reductions in a particular area?

- Option: Ecosystem
- Option: Surge
- Option: Declines
- Option: Prospects

10. Which term means the most important or interesting parts of something?

- Option: Turmoil
- Option: Boost
- Option: Highlights
- Option: Sadness

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. The company faced severe \_\_\_\_\_ due to the controversial decision.

12. It is important for organizations to \_\_\_\_\_ their data against cyber threats.

13. The company is \_\_\_\_\_ its position in the market through strategic mergers.

14. The project team discussed the changing \_\_\_\_\_ of the industry.

15. The new product has promising \_\_\_\_\_ in the international market.

16. The museum has an expertly \_\_\_\_\_ collection of artifacts.

17. The company announced a major \_\_\_\_\_ of a competitor.

18. The market experienced financial \_\_\_\_\_ due to geopolitical events.

19. The committee discussed the current \_\_\_\_\_ of the project.

20. She was \_\_\_\_\_ to accept the job offer because of the attractive benefits.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. The lockout by the management led to a prolonged dispute with the workers.

22. The teacher decided to intervene when the students started arguing in class.

23. The financial records were under intense scrutiny during the audit.

24. The CEO's decision proved to be pivotal in turning around the company's fortunes.

25. The conservationists worked to protect the delicate ecosystem of the national park.

26. The increase in sales was a significant achievement for the small business.

27. The lack of communication only exacerbated the already tense situation.

28. The artist's portfolio showcases the highlights of her career.

29. The expert panel will provide recommendations for improving the healthcare system.

30. The showroom displayed the latest kitchen appliances for sale.

**Answer**

**Multiple Choice:** 1. lockout 2. Acquisition 3. Momentum 4. Surge 5. Anticipate 6. Currently 7. Arbitration 8. Exclusive 9. Declines 10. Highlights

**Gap-Fill:** 11. repercussions 12. safeguard 13. Consolidating 14. Dynamics 15. Prospects 16. Curated 17. Acquisition 18. Turbulence 19. Status 20. Inclined

**Matching sentence:** 1. lockout 2. intervene 3. scrutiny 4. pivotal 5. ecosystem 6. significant 7. exacerbated 8. highlights 9. recommendations 10. appliances



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## CATEGORY

1. Business - LEVEL4

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