



SK Hynix Issues Stark Warning to Micron Investors

Description

Massive demand for memory chips, used in artificial intelligence (AI), has greatly benefited three top manufacturers. Micron Technology's shares have risen by over 850% in the past year, while SK Hynix and Samsung Electronics have seen increases of nearly 900% and 500%, respectively. This surge in demand has allowed these companies to charge high prices for their products.

SK Hynix is now planning to list American depositary receipts on the Nasdaq stock exchange next month. This move could raise over \$29 billion. Micron investors should pay close attention to this, as it may affect their investments.

Raising \$29 billion is significant and highlights the competition in the market. SK Hynix plans to use this capital to build new production facilities and buy new equipment in Korea. These facilities could start producing chips by the end of 2027 and increase output rapidly by 2030.

The expansion may lead to a larger supply of memory chips, which could challenge Micron's market position. SK Hynix chips can replace Micron chips, potentially lowering prices and affecting profit margins.

Micron is also expanding by building new factories in Idaho and acquiring a site in Taiwan. However, as more chips enter the market, prices may decrease, impacting profits. Micron is taking precautions by securing long-term contracts to stabilise prices, but competition from SK Hynix could intensify.

Vocabulary List:

1. **demand** //dɪ'mænd// (noun): how much people want to buy something
2. **surge** //sɜːdʒ// (noun): a sudden large increase or rise
3. **capital** //ˈkæpɪtəl// (noun): money used to start or grow a business
4. **expansion** //ɪk'spænjən// (noun): when something becomes larger or increases
5. **output** //ˈaʊtpʊt// (noun): the amount produced by a factory or company
6. **margins** //ˈmɑːdʒɪnz// (noun): how much profit remains after costs

Comprehension Questions

Multiple Choice



-
1. What percentage increase in shares did Micron Technology experience in the past year?
 - Option: 850%
 - Option: 900%
 - Option: 500%
 - Option: 600%

 2. What is the planned capital raise for SK Hynix through American depositary receipts?
 - Option: \$29 million
 - Option: \$29 billion
 - Option: \$500 million
 - Option: \$850 million

 3. By what year does SK Hynix plan for its new facilities to start producing chips?
 - Option: 2025
 - Option: 2027
 - Option: 2030
 - Option: 2023

 4. Which company is known to be building new factories in Idaho?
 - Option: SK Hynix
 - Option: Samsung Electronics
 - Option: Micron Technology
 - Option: Intel

 5. What percentage increase did Samsung Electronics experience in shares?
 - Option: 850%
 - Option: 900%
 - Option: 500%
 - Option: 600%

 6. What could potentially challenge Micron's market position?
 - Option: Raising capital
 - Option: New factories in Idaho
 - Option: SK Hynix chips
 - Option: Market demand

True-False



7. Micron Technology's shares have risen by over 900% in the past year.
8. SK Hynix plans to use the capital raised for building new production facilities.
9. Micron is acquiring a site in Taiwan.
10. The expansion of SK Hynix is expected to lower prices for memory chips.
11. Competition from SK Hynix is not expected to affect Micron's profit margins.
12. Micron is securing long-term contracts to stabilize prices.

Gap-Fill

13. Micron Technology's shares have risen by over _____ in the past year.
14. SK Hynix plans to raise over \$29 _____ by listing American depository receipts.
15. New facilities from SK Hynix could start producing chips by the end of _____ .
16. Micron is planning to build new factories in _____ .
17. The expansion may lead to a larger supply of memory chips, potentially affecting _____ margins.
18. Micron is taking precautions by securing long-term contracts to _____ prices.

Answer

Multiple Choice: 1. 850% 2. \$29 billion 3. 2027 4. Micron Technology 5. 500% 6. SK Hynix chips

True-False: 7. False 8. True 9. True 10. True 11. False 12. True

Gap-Fill: 13. 850% 14. billion 15. 2027 16. Idaho 17. profit 18. stabilise

Vocabulary quizzes



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

1. What happens when there is a surge in demand for a product?

- Option: Prices typically decrease
- Option: Production slows down
- Option: Prices typically increase
- Option: No change occurs

2. What is often a goal of business expansion?

- Option: Reducing market share
- Option: Decreasing output
- Option: Increasing market presence
- Option: Cutting costs

3. Which factor directly affects the output of a factory?

- Option: Product demand
- Option: Employee satisfaction
- Option: Marketing strategy
- Option: Brand reputation

4. Higher profit margins usually indicate that a company is what?

- Option: Performing poorly
- Option: Experiencing losses
- Option: Highly profitable
- Option: In financial trouble

5. What is the primary purpose of showcasing a product?

- Option: To reduce costs
- Option: To attract consumers
- Option: To minimize output
- Option: To increase competition

6. What do tourists typically seek when visiting a new location?

- Option: High taxes
- Option: Unique experiences
- Option: Limited activities
- Option: Local business failures

7. What does it mean if a change is described as significant?

- Option: It is minor
- Option: It holds little importance
- Option: It has a major impact



Option: It is easily overlooked

8. What is the fundamental purpose of cryptography?

- Option: To create public records
- Option: To secure communication
- Option: To design software
- Option: To analyze data

9. Which of the following is an example of a utility?

- Option: Television
- Option: Water service
- Option: Bicycle
- Option: Smartphone

10. Collaboration between teams can lead to what outcome?

- Option: Increased competition
- Option: Enhanced innovation
- Option: Decreased productivity
- Option: Isolated efforts

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

11. Sales have seen a remarkable _____ in the last quarter, surpassing all previous records.

12. The company is seeking additional _____ to fund its new product development.

13. The new gadget was made up of several high-quality _____ that improved its performance.

14. The output of the factory has _____ since the implementation of the new machinery.

15. There has been a noticeable _____ in sales over the last few months due to seasonal effects.

16. Economic _____ predict a rise in inflation rates by the end of the year.

17. The financial team will provide an _____ of the project's total cost next week.



18. The recent marketing campaign has _____ brand awareness significantly.
19. To determine the new budget, you will need a financial _____ to work out the numbers.
20. The software _____ the settings automatically based on user preferences.

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

21. The surge in demand for renewable energy sources is driving innovation in the sector.
22. Strategic expansion into new markets can significantly boost long-term profitability.
23. Companies aim to increase their output to meet the growing consumer needs.
24. Profit margins have tightened as competition in the market has intensified.
25. The art gallery is showcasing local artists every Friday to promote community talent.
26. The city saw an influx of tourists during the summer festival, boosting local businesses.
27. Cryptography plays a vital role in ensuring secure transactions in the digital world.
28. The healthcare sector is adapting to technological advancements to improve patient care.
29. Collaboration among researchers has led to groundbreaking discoveries in medicine.
30. Utilities like water and electricity are essential services for every household.

Answer

Multiple Choice: 1. Prices typically increase 2. Increasing market presence 3. Product demand 4. Highly profitable 5. To attract consumers 6. Unique experiences 7. It has a major impact 8. To secure communication 9. Water service 10. Enhanced innovation

Gap-Fill: 11. surge 12. capital 13. components 14. quadrupled 15. decline 16. analysts 17. estimate 18. increased 19. calculator 20. adjusts

Matching sentence: 1. demand 2. expansion 3. output 4. margins 5. showcasing 6. tourists 7. cryptography 8. sector 9. collaboration 10. utilities

CATEGORY



1. Business - LEVEL3

POST TAG

1. B1
2. ESL learning
3. esl news
4. Level 3
5. Micron
6. SK Hynix
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