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# ASML Stock Is a Buying Opportunity After Tumble, Says Wall Street

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ASML has a virtual monopoly on the most advanced lithography machines for making semiconductors. (COURTESY BART VAN OVERBEEKE/ASML)

[ASML](#) supplies the lithography machines that are essential for manufacturing semiconductors. Its second-quarter results on Wednesday highlighted how a wave of investment

in chip making is benefiting the Dutch company, with a substantial jump in orders.

“ASML reported solid 2Q results with >50% growth in orders, which should put to rest any lingering skepticism about management’s 2025 outlook,” wrote Raymond James analyst Srini Pajjuri in a research note. “We attribute weaker 3Q outlook to timing issues and do not see a demand problem.”

Unfortunately, no one was paying much attention to the orders numbers. The earnings [were overshadowed](#) by a report that the Biden administration is considering more severe trade restrictions on exports to China if companies such as ASML continue selling chip-making machinery to the country.

While the company is [already restricted](#) from selling its most advanced machines to Chinese customers, ASML still generated 49% of its revenue from China in the second quarter, as buyers looked to stock up on older machinery.

On the face of it, ASML is facing a significant threat. However, a 13% drop in its U.S.-traded American depository receipts could still have been an overreaction.