

Lam Research Corporation (LRCX) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

\$350.33 **-\$2.84 (-0.80%)** AS OF 2026-07-10

Strategy: Conservative Stop Loss (Fixed ATR-based)

■ QUICK DECISION

Action: HOLD | Confidence: LOW | Signal Strength: 0/7

EXECUTIVE SUMMARY - Essential Metrics

TECHNICAL METRICS	VALUE	FUNDAMENTAL METRICS	VALUE
Current Price	\$350.33	Market Cap	\$438.1B
Past Win Rate (Backtest)	73.3%	Forward P/E	43.3x
Past Total Return	+85.7%	Analyst Target	\$357.77
RSI / Trend Strength	49 / 20	Upside to Target	+2.1%
MACD Signal	Bullish	Revenue Growth	+23.8%
Profit Factor	3.29	Institutional Own.	87.8%
Position Entry	2025-09-11 @ \$114.94	Analyst Ratings	27 Buy / 7 Hold / 1 Sell
Open Position Past P&L	+204.8%		

■ TECHNICAL ANALYSIS SUMMARY

Indicator	Value	Signal
EMA 20	\$359.65	Bearish
EMA 50	\$333.04	Bullish
RSI (14)	49.1	Neutral range
Trend Strength (ADX)	20.5	Emerging trend (20-25)

■ CONSENSUS & INVESTMENT RATIONALE

RATING	TRIM POSITION
Target Price	\$357.77
Upside/Downside	+2.1%
Risk/Reward	0.14:1
Time Horizon	6-12 months

Investment Rationale: Our TRIM POSITION rating is based on: (1) Technical backtest showing 73.3% win rate with +85.7% total return over backtest period, (2) +2.1% upside to analyst consensus target of \$357.77, (3) Strong fundamental growth profile with +23.8% revenue growth, and (4) 87.8% institutional ownership indicating high conviction from professional investors.

Action: Lock in gains after +204.8% run. Reduce exposure near resistance. Trail stop on remainder.

Technical Signal: Confluence 0/7 (threshold: 5) | **Risk/Reward:** Neutral

■ KEY INSIGHT

The fixed stop strategy has proven effective (Win Rate: 73.3%, Avg Return: +14.9%), but patience is critical. Only enter on confirmed signals with proper risk management. Current technical confluence of 0 does not meet entry threshold of 5 - remain on sidelines. Fundamental backdrop shows 41% earnings growth with 88% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

METRIC	VALUE	DETAILS
Current Price	\$350.33	Latest market price
Buy Stop Loss	\$295.22	Conservative 2.0x ATR (15.7% distance)
Position Stop Loss	\$322.77	Adaptive 1.00x ATR (7.9% distance)
ATR (14-day)	\$27.56	Volatility: 7.9% of price
ADX Strength	20.5	Emerging trend

Status: Position up +205% - Adaptive strategy adjusts for momentum

ADX: 20-25 = Emerging trend | 25-50 = Strong trend | 50+ = Very strong

■ Strategy Comparison: Conservative vs Adaptive

METRIC	CONSERVATIVE (2.0x ATR)	ADAPTIVE (Dynamic)
Past Win Rate	73%	67%
Past Total Return	+85.7%	+79.6%
Max Drawdown	-16.0%	-16.1%
Total Trades	15	18
Position	OPEN	OPEN

Both strategies analyzed independently. Conservative uses fixed 2.0x ATR stops. Adaptive adjusts stops based on position profit.

For the latest stock analysis, support, resistance and interactive charts, visit [Ultra Stock Analysis Pro](#)

■ ANALYST RATING CHANGES - COMPLETE HISTORY

All recent upgrades, downgrades, and price target changes (last 90 days)

Firm	Action	From → To	Date
Morgan Stanley	UPGRADE	Equal-Weight → Overweight	May 18, 2026
Seaport Global	INITIATED	Buy	May 05, 2026
Cantor Fitzgerald	REITERATED	Overweight → Overweight	Apr 23, 2026
Needham	REITERATED	Buy → Buy	Apr 23, 2026

Analyst Price Targets

Average Target: \$357.77 (+2.1% from current)

High Target: \$500.00 (+42.7%)

Low Target: \$220.00 (-37.2%)

Current Price: \$350.33

DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

Expected Returns & Position Sizing

Based on backtest performance (Win Rate: 73.3%, Avg Return: +14.9%) and analyst consensus (Target: \$357.77, +2.1% upside), a **MARKET WEIGHT** exposure may be considered. Risk/Reward ratio of 0.14:1 suggests unfavorable risk-adjusted returns. Current open position shows +204.8% unrealized gain, supporting hold decision.

Catalyst Calendar & Timing

Next Major Catalyst: Jul 29, 2026 earnings report

Seasonality: Historical analysis shows positive momentum in backtest period

Technical Setup: Neutral - waiting for confluence signal

Institutional Activity: 87.8% institutional ownership (Largest: Blackrock Inc.)

Short Interest: 2.5% of float - Moderate short interest

Liquidity Profile

Average Volume: 11.1M shares/day - Moderately liquid

Market Cap: \$438.1B - Large cap

Beta: 1.80 - Higher than market volatility

Execution Risk: Low for institutional-sized positions

SELL-SIDE PERSPECTIVE - Investment Research Analysis

Investment Thesis

Lam Research Corporation operates in the Technology sector (Semiconductor Equipment & Materials). Current valuation of 43.3x forward P/E reflects premium multiples relative to growth prospects. Operating margin of 35.0% shows strong profitability.
Fundamental Outlook: Strong Growth - Positive operating leverage with revenue and earnings acceleration

Valuation Analysis

Forward P/E: 43.3x

Trailing P/E: 66.2x

Price/Sales: 20.21x - Premium valuation

Price/Book: 41.39x

Enterprise Value: \$437.1B

EV/Revenue: 20.16x (vs industry avg)

Competitive Positioning & Market Share

Key Competitors: Various industry players

U.S. Market Share: 0% - Competitive player

Global Market Share: 0%

Competitive Advantages: Market position, Technology, Brand

Key Products: Core products and services

Institutional Sentiment & Ownership

Institutional Ownership: 87.8% - Very high institutional confidence

Largest Holder: Blackrock Inc. (132.9M shares)

Analyst Coverage: 35 analysts

Consensus: 27 Buy, 7 Hold, 1 Sell - Bullish sentiment

■ 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

METRIC	VALUE	ANALYSIS
Overall Score	-0.1 / 10	Neutral
Articles Analyzed	4	Last 7 days (top 5 shown per category)
Bullish Articles	1 (25%)	Positive sentiment
Bearish Articles	1 (25%)	Negative sentiment
Neutral Articles	2 (50%)	Mixed/Neutral tone

■ TOP BULLISH HEADLINES

1. **Does AI Rebound and China Chip Access Shift Change The Bull Case For Lam Research (LRCX)?** (Simply Wall St., Jul 10)

In recent days, Lam Research has been swept up in a broader rebound in semiconductor and AI infrastructure stocks, helped by reports that China may ea...

Source: <https://finance.yahoo.com/technology/ai/articles/does-ai-rebound-china-chip-1714>

■ TOP BEARISH HEADLINES

1. **Why Meta's In-House AI Chip Plans Sent Chip-Equipment Stocks Soaring** (Barrons.com, Jul 09)

Meta's decision to make its in-house chip could be a boon for Applied Materials, Lam Research, and KLA, which all make equipment that turns raw silico...

Source: <https://www.barrons.com/articles/applied-materials-lam-research-meta-ai-chip-103>

■ SENTIMENT INTERPRETATION

The news sentiment is **neutral**, indicating balanced coverage without clear directional bias. This suggests market participants are waiting for catalysts or clearer signals. Monitor for changes in sentiment that could indicate emerging trends.

DEEP DIVE: COMPREHENSIVE RISK ASSESSMENT

Detailed Risk Factors and Mitigation Strategies

Key Risks & Mitigants

Company-Specific Risks:

- Competition
- Market conditions
- Regulatory changes

Technical Risk Factors:

- Win Rate: 73.3% (11 wins, 4 losses)
- Profit Factor: 3.29x (Avg Win 22.8% vs Avg Loss -6.9%)
- Current Confluence: 0 (Last: 3 on Jul 06) - No setup - awaiting signal
- Volatility (ATR 14): \$27.56 (7.9% of price) - Stop loss typically 2-3x ATR

Market Risk:

- Beta: 1.80 - Above-average market sensitivity
- Short Interest: 2.5% - Normal short activity

REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

Indicator	Value	Interpretation
EMA 20	\$359.65	Short-term trend
EMA 50	\$333.04	Medium-term trend
EMA 200	\$242.91	Long-term trend
Relative Strength	49.1	Neutral range
MACD	5.01	Bullish
MACD Signal	13.49	Signal line
MACD Histogram	-8.48	Bearish
Volatility (ATR 14)	\$27.56	7.9% of price
Trend Strength (ADX)	20.5	Emerging trend (20-25)
+DI	29.7	Positive directional movement
-DI	30.0	Negative directional movement
Stochastic %K	25.9	Neutral
Stochastic %D	18.9	Oversold
Bollinger Upper	\$428.48	Resistance zone
Bollinger Middle	\$374.31	Moving average
Bollinger Lower	\$320.14	Support zone
VWAP	\$347.73	Volume-weighted average

REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

Category	Metric	Value	Interpretation
Valuation	Market Cap	\$438.1B	Total market value
Valuation	Enterprise Value	\$437.1B	Total company value
Valuation	Forward P/E	43.3x	Price to forward earnings
Valuation	Trailing P/E	66.2x	Price to trailing earnings
Valuation	PEG Ratio	1.92	P/E relative to growth
Valuation	Price/Sales	20.21x	Market cap to revenue
Valuation	Price/Book	41.39x	Price to book value
Valuation	EV/Revenue	20.16x	Enterprise value to revenue
Valuation	EV/EBITDA	55.7x	Enterprise value to EBITDA
Performance	Revenue (TTM)	\$21.7B	Trailing 12-month revenue
Performance	Revenue Growth	+23.8%	Year-over-year growth
Performance	Earnings Growth	+40.8%	Earnings growth rate
Performance	EPS Growth (Next Yr)	+52.8%	Forward EPS growth estimate
Performance	Gross Profit	\$10.8B	Revenue minus COGS
Performance	Operating Income	\$7.0B	EBIT
Performance	Net Income	\$6.7B	Bottom line profit
Performance	Free Cash Flow	\$4.4B	Cash after capex
Performance	Operating Cash Flow	\$7.0B	Cash from operations
Profitability	Gross Margin	50.0%	Gross profit margin
Profitability	Operating Margin	35.0%	Operating efficiency
Profitability	Profit Margin	30.9%	Net margin
Profitability	ROE	66.8%	Return on equity
Profitability	ROA	22.8%	Return on assets
Profitability	ROIC	N/A	Return on invested capital
Balance Sheet	Total Assets	\$0.0B	Total assets
Balance Sheet	Total Liabilities	\$0.0B	Total liabilities
Balance Sheet	Total Debt	\$3.7B	Total debt outstanding
Balance Sheet	Cash & Equivalents	\$4.8B	Liquid assets
Balance Sheet	Book Value/Share	\$8.46	Net worth per share
Balance Sheet	Current Ratio	2.54	Current assets/liabilities
Balance Sheet	Quick Ratio	1.70	Liquid assets/liabilities
Balance Sheet	Debt/Equity	0.35	Leverage ratio
Market	Beta	1.80	Market correlation
Market	52-Week High	\$438.50	Annual high
Market	52-Week Low	\$90.94	Annual low

Market	Avg Volume	11.1M	Average daily volume
Market	Shares Outstanding	1.3B	Total shares
Market	Float	1.2B	Tradeable shares
Market	Short Interest	2.5%	Shares sold short
Market	Institutional Own.	87.8%	Institution held
Analysts	Coverage Count	31	Number of analysts
Analysts	Average Rating	1.5	1=Strong Buy, 5=Sell
Analysts	Buy/Hold/Sell	27/7/1	Rating distribution
Analysts	Target Price	\$357.77	Average price target
Analysts	Target High	\$500.00	Highest target
Analysts	Target Low	\$220.00	Lowest target
Other	Next Earnings	Jul 29, 2026	Earnings report date
Other	Dividend Yield	0.30%	Annual dividend rate
Other	Ex-Dividend Date	1781654400	Next ex-div date

REFERENCE: APPENDIX C - Complete Trade History

Detailed Backtesting Results and Trade Log

Entry	Exit	Type	Entry \$	Exit \$	Past P&L %	Past P&L \$
2019-07-22	2019-11-15	GOLDEN_CROSS	\$19.09	\$26.26	+37.6%	\$+1414
2019-12-20	2020-02-13	CONFLUENCE	\$27.65	\$31.76	+14.8%	\$+764
2020-03-09	2020-03-11	CONFLUENCE	\$24.88	\$25.72	+3.4%	\$+77
2020-07-30	2020-08-28	CONFLUENCE	\$35.55	\$32.94	-7.3%	\$-268
2020-10-08	2022-01-26	GOLDEN_CROSS	\$33.51	\$56.90	+69.8%	\$+2527
2022-05-09	2022-08-31	CONFLUENCE	\$42.78	\$42.04	-1.7%	\$-47
2022-10-13	2023-01-03	CONFLUENCE	\$32.82	\$40.07	+22.1%	\$+529
2023-01-09	2023-07-17	GOLDEN_CROSS	\$43.76	\$64.26	+46.8%	\$+1783
2023-07-27	2023-09-20	CONFLUENCE	\$68.33	\$60.43	-11.6%	\$-633
2023-11-13	2023-12-27	GOLDEN_CROSS	\$65.76	\$77.83	+18.4%	\$+1075
2024-01-19	2024-02-16	CONFLUENCE	\$80.90	\$90.67	+12.1%	\$+801
2024-05-21	2024-07-26	CONFLUENCE	\$94.59	\$87.95	-7.0%	\$-438
2024-09-10	2024-10-15	CONFLUENCE	\$71.91	\$75.29	+4.7%	\$+179
2024-10-22	2025-03-11	CONFLUENCE	\$71.98	\$72.78	+1.1%	\$+46
2025-05-13	2025-07-21	GOLDEN_CROSS	\$84.57	\$101.18	+19.6%	\$+897
2025-09-11	OPEN	CONFLUENCE	\$114.94	OPEN	+204.8%	\$+12475

IMPORTANT DISCLAIMER

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Next Earnings: Jul 29, 2026

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