Marvell Shares Climb

NEW YORK (AP) — Shares of chip maker Marvell Technology Group advanced Friday morning after the company's fiscal first-quarter outlook topped forecasts, a sign that semiconductor demand may be stabilizing.

Marvell also said it will be eliminating 850 jobs, or about 15 percent of its work force, to save on costs. The Santa Clara, CA company posted a loss for its 4th quarter Thursday, but pulled ahead of expectations with adjusted earnings and sales.

Shares climbed 73¢, or 9.7%, to $8.25 in premarket trading.

In a conference call with analysts Thursday, the company projected first-quarter adjusted earnings of 3¢ to 5¢ per share on revenue of $490 million to $530 million, a drop of 34% to 39% year-over-year.

Analysts expected a break-even first quarter on sales of $472.1 million, according to a Thomson Reuters poll.

"We view (Marvell's) results and guidance as very encouraging given what we have heard from other semiconductor

Most Popular Links on ECNmag.com Today:

Neighborhoods oppose bright LED signs near homes [1]

Porsche Goes Hybrid [2]

Burj Dubai Uses LED Products [3]

Russia Cooperates with U.S. in Iran Nuclear Standoff [4]

Self-Programming Hybrid Memristor/Transistor Circuit Could Continue Moore's Law [5]

Hundreds rally for legislation on climate change [6]

LEDs Deliver up to 90 lumens/W [7]

Colorado May Allow Electric Cars on Road [8]

Oscillators Include Frequency Stability Down to ± 0.5 ppm [9]
GUI Color Starter Kit Creates Interactive Displays [10]

companies and the conditions of the global economy," Morgan Keegan analyst Harsh Kumar told clients in a note Friday, reiterating an "Outperform" rating on the company's stock.

Chip companies have seen orders fall sharply as consumer-electronics makers and others have slashed inventories to cope with falling demand.

Few expect a quick recovery, but analysts are looking for signs that demand has stopped falling and that chip makers can pare costs enough to stay profitable.

Needham & Co. analyst N. Quinn Bolton reiterated a "Buy" rating on Marvell shares Friday, citing the company's "stabilizing revenue outlook" and "aggressive cost controls."

Source URL (retrieved on *04/24/2014 - 8:07pm*):
http://www.ecnmag.com/product-releases/2009/03/marvell-shares-climb

Links:
[1] http://www.ecnmag.com/article-Neighborhoods-oppose-bright-LED-signs-near-homes-030209.aspx
[2] http://www.ecnmag.com/Porsche-Goes-Hybrid-030309.aspx
[3] http://www.ecnmag.com/Burj-Dubai-Uses-LED-Products-030509.aspx
[4] http://www.ecnmag.com/Russia-Cooperates-with-US-in-Iran-Nuclear-Standoff-030309.aspx
[5] http://www.ecnmag.com/article-Self-Programming-Hybrid-Memristor-Transistor-Circuit-Could-Continue-Moores-Law-030209.aspx
[6] http://www.ecnmag.com/article-Hundreds-rally-for-legislation-on-climate-change-030209.aspx
[7] http://www.ecnmag.com/product-LEDs-Deliver-up-to-90-lumens-W-030309.aspx
[8] http://www.ecnmag.com/Colorado-May-Allow-Electric-Cars-on-Road-030509.aspx
[9] http://www.ecnmag.com/product-Oscillator-Includes-Frequency-Stability.aspx
[10] http://www.ecnmag.com/product-GUI-Color-Starter-Kit-Creates-Interactive-Displays-030509.aspx