Twitter Thread by Tren Griffin



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1/ A orders chips. Supplier says "supply is getting tight." A triples order to store them in a warehouse. Supplier tells other customers supply is even tighter. They order extra chips. Quickly there are more chips in warehouses than toilet paper in garages during the pandemic.

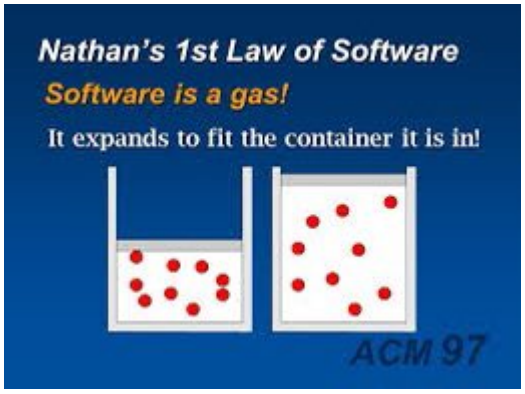
2/ Intel's Gelsinger: "I don’t expect the chip industry is back to a healthy supply-demand situation until ’23. For a variety of industries, I think it’s still getting worse before it gets better.”

Are chips in warehouses the prime cause of the shortage? No. Demand is higher.

3/ "Software eating the world" means rising demand for chips.

I'm skeptical that this increase in chip demand is "transitory."

Fabs and backhoes don't increase with Moore's law. https://t.co/m7ZreQTzow



4/ If you invert Nathan's 1st Law:

Software can't expand faster than the chips and memory that enables its magic.

Broadcom's CEO believes chip production is a mature industry that will return to lower growth. I disagree in the medium term at least. https://t.co/RXlaj4Vk6u