

# Top chipmaker TSMC says forex fluctuation hits Q1 earnings

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Microchip giant Taiwan Semiconductor Manufacturing blamed currency fluctuations as it posted a slump in first quarter earnings Thursday, warning that growth was unlikely to pick up before the second half of the year.

Analysts said TSMC, a key supplier for Apple although it has never officially confirmed the connection, would likely get a boost from the launch of the iPhone 8, expected around September.

TSMC, the world's biggest microchip producer by contract, said [net income](#) for January to March was down 12.5 percent quarter-on-quarter to Tw\$87.63 billion (\$2.88 billion).

Revenue for the period was Tw\$233.91 billion, down 10.8 percent from the preceding quarter but up 14.9 percent year-on-year, the company said.

The decline was put down to a stronger-than-expected appreciation of the Taiwan dollar against the US dollar as well as slower demand.

And the firm predicted further pain ahead in the short term, with co-chief executive Mark Liu saying "a quite severe inventory adjustment by our customers, particularly in smartphone and PC markets" would knock second [quarter earnings](#).

But he predicted growth would pick up strongly in the third quarter, as

analysts tipped the firm to benefit from the expected iPhone release.

"Demand is expected to pick up for TSMC in the second half of the year from Apple's iPhone 8, unless there is a delay in its launch," said Mason Li, an analyst at Taishin Securities Investment Trust.

TSMC forecast revenue growth of between five to 10 percent for the 2017 full-year.

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