

The Underlying Reasons for the Plunge in the Optical Module Sector



Overview

Optical module demand is being pulled in two directions at once, faster bandwidth for dense networks and tighter constraints on power, security, and lead times. The share prices of three closely watched optical module concept stocks, including Yi Zhongtian, have recently fluctuated at high levels. On September 11th, Xinyi Sheng, Zhongji Xuchuan, and Tianfu Communication saw their shares rise by 13. Today, they fell by. Investors should monitor capital expenditure conversion rates and gross margin trends for signs of capacity expansion translating to profit. With global R&D projected to exceed \$2.1 billion by 2025 and 35 percent of manufacturers reporting lead times beyond 12 weeks, the. A recent report released by McKinsey, an internationally renowned research organization, pointed out that the supply chain bottleneck of optical transceivers (optical modules) may become a key obstacle to the expansion of network infrastructure in the era of artificial intelligence. The report predicts that worldwide shipments of optical transceivers of 800G and higher will hit 24 million units in. The global Optical Modules market is projected to grow from US\$ 17590 million in 2024 to US\$ 56786 million by 2031, at a CAGR of 15. tariff policies introduce trade-cost volatility and.

Article Content

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The reason the optical communications sector fell despite the positive results is that market expectations were excessively high; meeting targets alone is no longer enough to justify current ...

What's Happening with AI Sector? Optical Module Leaders "Yi Zhong ...

The underlying index allocates approximately 70% to computing power and 30% to AI applications, efficiently capturing AI thematic opportunities while heavily investing in the optical ...

Optical module "Yi Zhongtian" has fallen! Demand relies on AI, but ...

The three optical module stocks are attracting market attention due to the surge in demand for optical modules driven by the construction of AI infrastructure. However, the industry is still expanding its ...

Global Optical Modules Market Outlook, In-Depth Analysis & Forecast ...

Our research indicates that demand for 400G/800G and even 1.6T optical modules for cloud data centers and AI training clusters has been accelerating over the past two years, with the ...

Zhongji Innolight Stock Plunge: Analyst Clash Exposes AI Computing ...

The optical module sector has benefited enormously from the AI boom, but questions are emerging about sustainability. Several factors suggest increased caution may be warranted.

Optical Component Stocks Plunge Amid Sector Wide Selloff

Shares of major optical networking companies plummeted on Thursday, May 7, 2026, as a sector-wide selloff cooled the recent artificial intelligence infrastructure rally.

Deep Dive: Optical Module Market

The industry is moving towards using 1.6T modules primarily for model training, while 800G modules, which are currently heavily used for training, are expected to be more focused on ...

Optical Module Industry Statistics 2026

Supply chain disruptions in 2022 caused a 15% delay in delivering high-speed optical modules to data center clients, primarily due to semiconductor shortages. Global R&D spending in optical modules is ...

AI Data Centers Ignite a Laser Shortage Wave; Nvidia's Strategic ...

Nvidia, motivated by strategic reasons, has secured capacity at key electro-absorption modulated laser (EML) suppliers, leading to extended lead times beyond 2027 and a worldwide ...

Report: In 2029, 800G Optical Modules Will Occupy About 70% Of ...

A recent report released by McKinsey, an internationally renowned research organization, pointed out that the supply chain bottleneck of optical transceivers (optical modules) may become a key obstacle ...

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