



# IT Market Alert April 2024

Welcome to this month's IT Market Alert, delivering you key market knowledge viewed during **March 2024**. Get more from your IT procurement with KnowledgeBus.

The largest number of price increases happened on March 25<sup>th</sup> with **43,647**

- PC sales rebounded
- Smartphones set for a spike in shipments
- Storage demand is on the rise

Things were looking up in several markets based on figures announced last month, including smartphones, PCs, and storage. Semiconductor sales were up, and the global PC monitor market showed a recovery in Q4 after a long negative period.

The UK economy had been tough at the start of the year, with high CPI inflation at 3.4% in the year to February and base interest rates static at 5.25%. CONTEXT Research said that Q4 2023 had been weak, punctuating a difficult year for distributors in the UK. However, it saw bright spots, with the first seven weeks of 2024 showing a mere 3.5% YoY revenue decline after big drops last year. Business channels were above the revenue trend index line and the European line, it added.

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## Exchange Rate

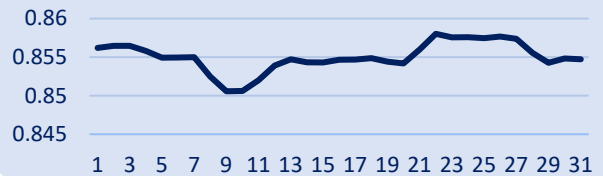
March started with EUR/USD at 1.0850, climbing sharply at the end of the first week in March and reaching its high of 1.0953 on March 13. It declined through the rest of the month to its low of 1.0792, interrupted only by a sharp but brief rally to 1.0936 on March 20.

EUR/GBP saw an early dip to its monthly low of 0.8511 on March 9 from a start of 0.8572. From there it saw an unsteady rise, reaching its high of 0.8621 on March 22. It couldn't hold that high, though, and came back down to end the month at 0.8540.

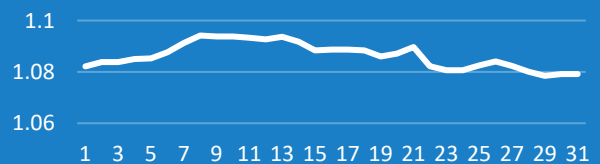
The rise in EUR/USD early in the month came after the European Central Bank held its rates, while the mid-month spike against the dollar was down to falling inflation figures and increased consumer confidence data in the euro zone, along with the Fed's dovish rate call, which held interest rates at 5.5%.

The pound's fall in late March came as the Bank of England took a step closer to cutting interest rates. While it voted to maintain rates at 5.25%, one member voted for a cut. No votes for a rate hike indicates a potential rate cut in June.

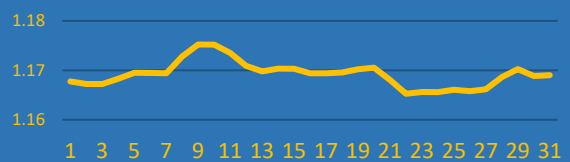
### BRITISH POUND (GBP) PER 1 EURO (EUR)



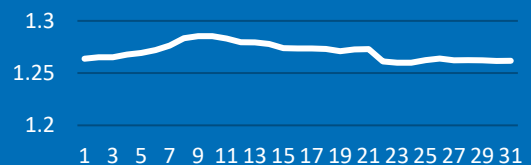
### US DOLLAR (USD) PER 1 EURO (EUR)



### EURO (EUR) PER 1 BRITISH POUND (GBP)



### US DOLLAR (USD) PER 1 BRITISH POUND (GBP)





## Price Changes and News Through March 2024

### Phones and Tablets

[Counterpoint Research](#) was moderately optimistic about the 2024 global smartphone market, predicting a 3% YoY rebound to 1.2bn units. The budget-economy (\$150-\$249) and premium (\$600-\$799) segments will drive this growth, with an 11% YoY rebound, led by emerging markets like India, the Middle East, and Africa. The premium segment will grow 17% YoY, driven by older flagship models and the rise of foldable devices. In the longer term, the global smartphone market is expected to see low single-digit YoY increases as it recovers from recent declines.

### Traditional PCs

PC shipments declined by almost 9% in 2023 according to data from [IDC](#). However, shipments grew 6.1% YoY in Q4 2023, indicating a stabilisation in the market. IDC expects a market recovery in 2024 driven by factors like the Windows 10 support expiration, new CPU and GPU launches, and the expansion of AI use cases. Dell was the largest OEM in Q4 2023, followed by HP, Lenovo, NEC, and ASUS. IDC forecasts workstation shipments will grow 5.2% in 2024 and 7.9% in 2025 as customers transition to Windows 11, but growth is expected to moderate after that.

AI will be a powerful contributor to PC sales, said [Canalys](#), which predicted that AI-capable PCs will make up 40% of global PC shipments by 2025, reaching over 100m units. The rapid adoption of AI-capable PCs is expected to drive a moderate increase in the overall PC market value, as they command a 10-15% price premium. By 2028, over 80% of PCs priced \$800 and above will be AI-capable, helping boost the total PC shipment value to over \$270bn. Vendors that can deliver innovative AI-accelerated experiences stand to gain a significant advantage as this new category goes mainstream.

### Premium Ultramobiles & Wearables

[IDC](#) saw modest growth in the global wearable devices market during 2023, with a 1.7% increase in shipments for the full year despite a 0.9% decline in Q4 2023. Hearables remained the dominant category, capturing 61.3% of the market, while smart watches continued to grow at 8.7%. Emerging categories like rings and smart glasses also showed promise.

Looking ahead, the wearables market is expected to rebound in 2024 and grow to 645.7m units by 2028, driven by new product launches and replacements in mature markets.



## Processors, MEMS, Semiconductors

Global semiconductor sales increased 15.2% YoY in January 2024 to \$47.6bn, according to the [Semiconductor Industry Association](#). This represents the largest year-to-year growth since May 2022, though sales decreased 2.1% month-over-month from December 2023.

Sales were up in China, the Americas, and Asia Pacific, but down in Japan and Europe (the latter shrunk 1.4%). The SIA predicted continued market growth and double-digit annual sales increases in 2024 compared to 2023.

## Memory

DRAM suppliers are aiming to raise contract prices in Q2 2024, but the demand outlook remains tepid, [TrendForc said](#). The shift to DDR5-compatible CPUs is expected to drive an increase in PC DRAM demand, leading suppliers to target a 3-8% price hike. Server DRAM prices are also projected to rise around 3-8% as DDR5 production increases, while DDR4 prices see less pressure. Mobile DRAM prices are anticipated to increase 3-8%, as manufacturers aim for higher profitability despite passive buyer negotiations. Graphics DRAM prices are expected to rise 3-8% as demand for mainstream GDDR6 remains strong.

## Storage

Enterprise server and storage markets in Europe faced challenges in Q4 2023, with server revenues declining 27.2% YoY and storage revenues decreasing 14.4%, [said CONTEXT Research](#). Lower component prices and economic uncertainty contributed to the declines. Looking ahead to 2024, the storage market outlook optimistic, with 4% YoY growth anticipated, driven by increased demand for storage to support generative AI applications.

Suppliers are adjusting production capacity and raising prices in the NAND flash market, [reported TrendForce](#). Major manufacturers like Samsung and Kioxia are increasing production, while Western Digital is considering divesting its NAND flash business.

SK Hynix had nixed a potential merger between Western Digital and Kioxia last year but talks are reportedly afoot to restart negotiations. If that happens, it could significantly impact the sector, with the combined company controlling over 30% of the market.

Industry revenue is expected to increase by 20% in Q1 2024 due to improved supply chain inventory and continued price hikes. Overall, the NAND flash market is showing signs of recovery after a period of oversupply and declining demand.



## Display

The global PC monitor market returned to growth in Q4 2023 with a 3.8% YoY increase, [noted IDC](#). This slight recovery broke five consecutive quarters of annual declines as the market focused on clearing excess pandemic-era inventory. Key segments like gaming and mainstream/premium monitors saw growth, offsetting steep declines in the first half of 2023.

IDC predicted a steady recovery in monitor shipments through 2025, driven by factors like new models, declining prices, and commercial demand from Windows 11 migrations. Beyond 2025, monitor volumes are expected to remain on a modest, replacement-driven path, reaching a peak of 133m shipments in 2028.

## Printers

Industrial printer shipments saw solid growth in the fourth quarter of 2023, [according to IDC](#). Wide format digital printers made up the majority of industrial printer shipments, which grew 9.3% compared to the previous quarter. Other segments like direct-to-shape and label & packaging also saw significant sequential and YoY growth. Regionally, Western Europe led the way in Q4 2023, with a 22.6% QoQ growth in Q4 shipments, compared to a growth of just 10.2% in North America.

## Network Products

[Dell'Oro Group](#) saw the global campus switch market decline 4% YoY in Q4 2023, marking the first decline since Q4 2020. This signals the start of a multi-quarter digestion cycle, with uneven performance across vendors. Cisco saw the largest decline, while HPE Aruba posted the largest share gains. Regionally, North America, EMEA, and APAC ex-China saw a deceleration, while China showed signs of recovery. A strong growth in 5/5.0 Gbps ports underscores improvements in supply and rising demand driven by Wi-Fi 6E access point adoption.



## Monthly Statistics

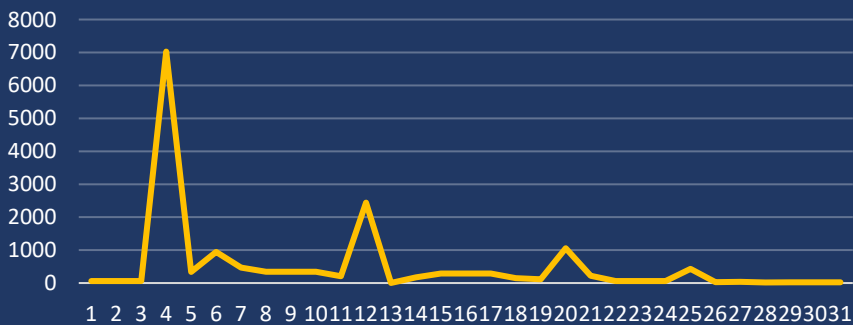
On March 4, the number of products with price increases jumped to 35,180, up from 9,197 on the previous days. Prices then increased for 43,647 products on March 25th, the highest number of price increases in the month.

On March 1, the number of products with price decreases was 22,850, rising to 37,082 on March 7 and hitting a monthly high of 42,468 on March 27. The month's low was just 6 price decreases on March 13. Cisco made the most price increases and decreases in March.

Stock increases topped out early in the month at 11,820 on March 4, hitting their low of just five on March 13. Another peak came on March 15 when stock increases reached 10,607 - the only other point when they broke five figures during the month.

Stock levels decreased for 14,236 products on March 1, which remained the highest until March 11, when they reached 17,768. They peaked at the monthly high of 17,761 on March 15. The low came on March 13 at just 86.

### NEW PRODUCTS



### MONTHLY STATS

