



# IT Market Alert December 2024

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

The largest number of price increases happened on November 29<sup>th</sup> with **52,850**

- Smartphone shipments up
- Tablet sales boom
- AI fails to impress consumers

Some IT channel figures released in November have been overwhelmingly positive. Smartphone sales are buoyant, and tablet sales are humming along at full speed. That's a marked contrast from post-pandemic figures that have seen these figures slump. On the other hand, Europe's performance in the semiconductor market has been poor, even as the segment's performance reaches record highs globally.

AI has been the tech channel's great hope, but figures released in November suggest that it isn't performing quite so well as vendors wished. That will change in time, but consumers need more convincing.

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## Exchange Rate

The euro had a bad month against the dollar, peaking early at 1.0899 on Nov 5 before declining steadily for most of the rest of the month, reaching its low of 1.0414 on Nov 23. It rallied for the rest of the week, limping in at 1.0576 on Nov 30.

Things were similar against the pound. EUR/GBP started at its peak of 0.8406, sustaining for the first few days before starting a rapid decline on Nov 5 that saw it bottom out for the month at 0.8284 on Nov 11. From there, it rallied to 0.8355 on Nov 19, dipping through Nov 23 and recovering to 0.8349 on Nov 26. It lost momentum thereafter and finished out the month down at 0.8300.

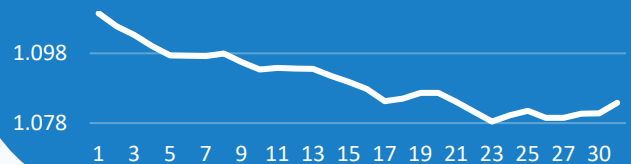
The euro fared badly against the US in part mainly because of the Trump campaign's election win, which heralds a new era of protectionism for the US. Mid-month Consumer Price Index (CPI) figures from the US also revealed an increase in inflation to 2.6% YoY for October, up from a 2.4% rise the previous month. This has had a positive effect on US bond yields, putting further pressure on the euro.

The pound's early gains against the euro stemmed in large part from the BoE's quarter-point rate cut early in the month - or rather, from traders' bet that this would wrap up its cuts for the year. Meanwhile, ECB Vice-President Luis de Guindos warned that it would cut rates further following an October cut, as inflation looks set to reach its 2% goal. Inner turmoil hasn't helped things; the German government's collapse creates more uncertainty, and the European Commission has forecast that the country's economy - the largest in the region - will contract this year.

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



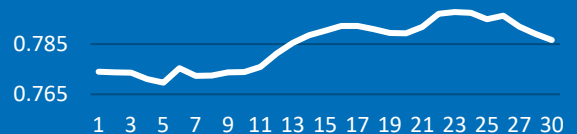
### US DOLLAR (USD) PER 1 EURO (EUR)



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



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





## Price Changes and News Through November 2024

### Phones and Tablets

Global smartphone shipments will grow 6.2% to 1.24bn units this year following two years of declines, [according to IDC](#), which said that strong upgrade demand has driven the boom, especially in emerging markets and China. Overall, Android devices saw 7.6% growth. iOS lagged in performance, with an expected increase of just 0.4%, although IDC projects that the Apple OS will surpass Android growth next year.

Generative AI hasn't had a huge effect on smartphone demand despite vendor enthusiasm, and IDC says we'll have to wait until 2028 to see significant impact from the technology. Foldable phone sales will grow by 10.5% in 2024 in spite of a Q3 decline this year, with a five-year CAGR of 15.9%.

[Canalys](#) had a similarly strong story, reporting global smartphone shipments up 5% YoY to 309.9m units in Q3 this year. This marks the strongest performance for this quarter since 2021, it added. Samsung led the market with 57.5m shipments, followed closely by Apple at 54.5m, which benefited from the successful launch of the iPhone 16 series. Xiaomi secured third place with 42.8m units, while OPPO and vivo rounded out the top five with 28.6m and 27.2m units, respectively.

Business is also booming on the tablet front, with worldwide shipments surging 20.4% to 39.6m units in Q3, [revealed IDC](#). This growth follows a challenging 2023, and optimism is rising within the industry amid new device launches and preparations for the holiday season. Apple shipped 12.6m units, showing modest growth of 1.4% YoY, while Samsung experienced a significant boost with 7.1m shipments and an 18.3% increase. Amazon made a notable comeback, shipping 4.6m units, marking a remarkable 111.3% growth, largely driven by Prime Day promotions. Huawei and Lenovo also saw substantial growth, with Huawei shipping 3.2m units (44.1% growth) and Lenovo reaching 3m units (14.7% growth).

### Traditional PCs

[TrendForce forecasted](#) a 4.9% growth in global notebook shipments to 183m units in 2025, driven primarily by business demand and upgrades from Windows 10. It also projected a modest recovery in 2024, with shipments up 3.9% to 174m units, despite challenges from high interest rates and geopolitical uncertainties. Business demand is anticipated to increase as companies refresh ageing hardware often purchased in 2020 to support home working during the pandemic.

The commercial notebook segment, previously impacted by layoffs and economic instability, will be the biggest driver here. TrendForce expected it to rebound with over 7% growth next year. Comparatively, consumer market growth will slow to 3% as brands shift focus towards high-value models.

AI (that is, desktops and notebooks equipped with dedicated AI chip sets) isn't turning out to be the panacea that vendors expected. TrendForce said that "The impact of AI-integrated notebooks on the overall market remains limited for now."

Sequential growth of AI-integrated PCs was significant at 49% in Q3 according to [Canalys](#) data, but remember that we're going from a standing start with the technology. AI-capable PC shipments reached 13.3m units in Q3 2024, representing 20% of all PC shipments, the company said. For the first time, Windows devices comprised the majority of these shipments, capturing a 53% share. Mercury Research analysts had a more pessimistic view, [saying](#) that the Snapdragon processors largely accounting for most AI-powered laptop sales account for around 10% of the market.

The challenge lies in persuading customers to invest in AI-capable PCs for future on-device AI applications. Canalys reports a mixed response from channel partners, with many expressing reluctance to sell premium Copilot+ PCs in 2025.



## Premium Ultramobiles & Wearables

According to [CONTEXT](#) Research, the smart home device market suffered in major European markets during the first half of 2024. Sales shrank 18% YoY in the UK compared to a 9% drop across Europe. Europe-wide, smart home appliances led the smart home device market as the only category to grow during the period (and even then, only by 3% YoY). They knocked smart security and access control devices including smart doorbells into second place at 29%. Smart speakers, which were top in 2019, accounted for just 18%.

## Processors, MEMS, Semiconductors

[The Semiconductor Industry Association](#) reported Q3 2024 global semiconductor sales up 23.2% YoY to \$166bn. That represents a 10.7% QoQ rise. September sales hit a record high of \$55.3bn, up 4.1% from August. YoY sales were up across the board, except for Europe, which saw an 8.2% decline.

## Memory

[TrendForce noted](#) a significant decline in DRAM spot prices, particularly for DDR4 products, which are experiencing larger drops compared to DDR5. The average spot price for mainstream DDR4 chips has decreased by 0.16%, from \$1.843 to \$1.840. This decline is attributed to high inventory levels among module houses and a shift in demand from DDR4 to DDR5, suggesting that DDR4 prices may continue to fall further.

## Storage

TrendForce [reported](#) a 4.8% increase in Q3 NAND flash revenue to \$17.6bn, despite a 2% decline in bit shipments. This increase was driven by a 7% rise in average selling prices (ASP), particularly due to strong demand for enterprise SSDs, which saw ASP grow almost 15%. Consumer orders lagged though, with smartphone NAND flash products suffering reduced orders and flat contract prices. Q4 presents challenges, and TrendForce expects a 10% revenue drop due to decreasing contract prices and lowered consumer brand inventory levels.

In contrast to the decline in DRAM spot prices, NAND flash spot prices remained stable, with traders managing their inventory after selling off low-priced stock earlier in the year. However, the depletion of spot prices could lead to increased losses for traders in the second half of 2024.





## Display

[TrendForce](#) said that China's energy subsidies have significantly boosted TV shipments, with global brand shipments reaching 52.33m units in Q3 2024, marking a 9.6% QoQ increase and a 0.5% YoY growth. The subsidies, announced in late July, provided discounts of 15-20% on energy-efficient appliances, driving local brands to enhance production and promote sales during major festivals. As a result, Q3 shipments exceeded projections by 1%. TrendForce forecasts a continued demand surge, with an additional 2.5% QoQ and 0.5% YoY increase in Q4, culminating in an estimated 196.7m total shipments for 2024, breaking a five-year decline trend.

Mini LED TV shipments also soared, reaching 6.75m units, a 65% YoY increase, with Chinese brands capturing a significant market share. Samsung remains a leader in overall TV shipments but faced a decline in mini LED sales. In contrast, TCL, Hisense, and Xiaomi expanded their offerings, with Xiaomi emerging as a notable player in the mini LED market.

## Printers

Q3 2024 saw hard copy peripheral shipments up 3.8% YoY to 20.3m units, per [IDC](#), breaking five consecutive quarters of declines. While the US and China saw decreases of 2.0% and 8.8% respectively, other regions experienced increases, driven by improved economic conditions and vendor promotions. The overall shipment value also grew by 1.1% YoY, reaching \$9.4bn.

HP led the market with a 35.3% share, followed by Epson at 21.7% and Canon at 21.2%. Brother and Pantum also contributed to the market, though Brother's shipments saw a slight decline. Overall, the data indicates a positive trend in the hard copy peripherals market, signaling a recovery phase. HP and Epson reported YoY increases of 8.1% and 9.4%, respectively, with HP targeting budget-conscious consumers during the holiday season and Epson focusing on the education segment.

## Care Pack

Some iPhone 14 Pro units might have defective rear cameras, [Apple](#) said. It is offering a repair service to fix them.

## Network Products

The high end router revenues dropped 19% decline in Q3, making it the fifth consecutive quarter of declines, according to a report by [Dell'Oro Group](#). Nokia alone grew revenues. The decline was most significant in North America, which saw a 24% drop, attributed to excess customer inventory.

The top three vendors in the high end router market for the first nine months of 2024 were Huawei, Cisco, and Nokia, with Cisco's market share dropping six points. Dell'Oro expected a market recovery next year, with a modest 4% bump as inventory corrections and improved economic conditions take effect.

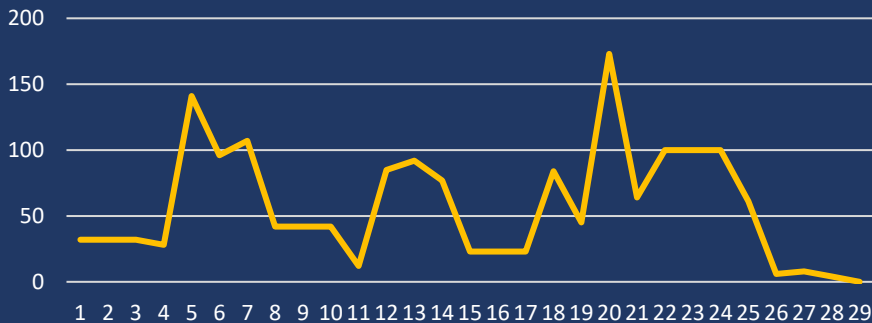


## Monthly Statistics

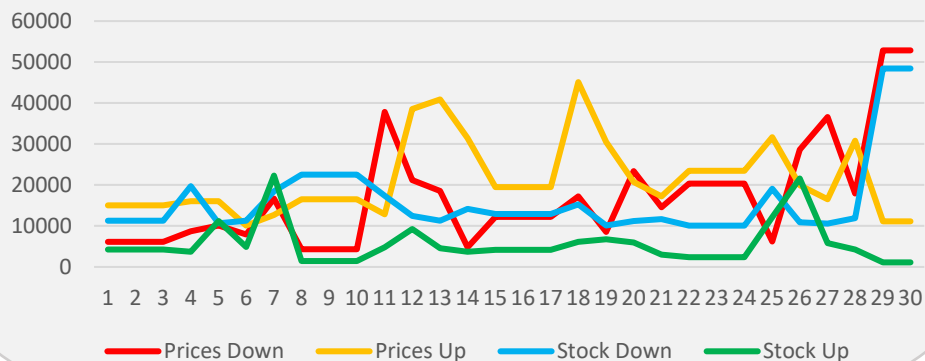
Price increases peaked on Nov 18 at 45,109, hitting their low point of 10,098 on Nov 6. Decreases saw their high point of 52,850 at the end of the month, while their lowest day came earlier on Nov 8, when just 4,319 price drops were recorded.

The largest number of stock increases happened on Nov 7, when they reached 22,297, while the smallest number happened at the month's end, when just 1,114 stock increases occurred. Stock decreases hit their 48,432 high on Nov 29, while the lowest number of decreases - 10,085 - occurred on Nov 22.

### NEW PRODUCTS



### MONTHLY STATS





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