



## Severe IT Stock Constraints & Rapid Price Escalation



Procurement teams must act quickly while remaining fully compliant.

The largest number of price increases happened on January 19<sup>th</sup> with

**37,265** out of **187,493** products

- Apple's iPhone 16 is the best-selling model globally
- The memory industry supply-demand crunch continues
- AI infrastructure investment drove robust server market growth

The technology hardware landscape in early 2026 has been dominated by surging demand for AI infrastructure and acute supply constraints in critical components.

Memory markets are experiencing one of the most significant supply-demand imbalances in industry history. DRAM revenues reached £123.66bn in 2025 and are projected to climb toward £628.88bn by 2027.

These pressures are already reverberating throughout the technology ecosystem.

Notebook shipment forecasts have been reduced, while smartphone manufacturers are absorbing bill-of-material increases of up to 30%.

For procurement teams, this environment creates a significant challenge:

Technology pricing and stock availability can change faster than traditional procurement cycles allow.

This monthly IT Market Alert from KnowledgeBus provides procurement and IT professionals with timely market intelligence, pricing trends, and supply chain insights across the global IT market.

Our goal is to equip organisations with the insight and data needed to make informed IT procurement decisions - helping teams deliver value, transparency, and stronger governance across their technology purchasing.

Drawing on live market data, real-time pricing analysis, and benchmarking insights from the KnowledgeBus platform, this report supports informed procurement decisions across organisations in both the public and private sectors. It helps teams identify hidden inefficiencies in the IT supply chain, benchmark pricing, secure value for money, and maintain transparency in a rapidly evolving technology market.

The current IT supply chain environment is experiencing unprecedented volatility. Component shortages, surging demand for AI infrastructure, and memory supply constraints are driving rapid price increases and stock allocation pressures across the market.

For organisations planning IT purchases, delayed decision-making can significantly impact budgets and project timelines. Prices submitted during traditional procurement or tender processes may already be outdated by the time awards are completed.

Maintaining both speed and informed procurement decision-making has never been more critical.

This report highlights the market forces shaping IT procurement decisions for organisations in 2026.

EUR/USD strengthened throughout January 2026, rising from 1.1721 at the month's open to close at 1.1919. The pair experienced considerable volatility, touching a low of 1.1617 on January 16 before recovering to reach its monthly peak of 1.1974 on January 28. The euro gained 1.69% against the dollar over the period.

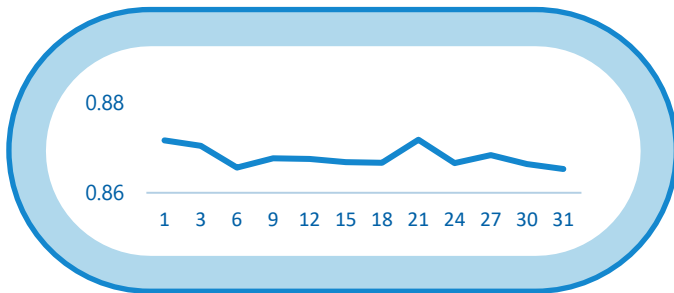
The euro weakened against sterling during the month. EUR/GBP opened at 0.8719 and declined to 0.8662 by month-end, representing a 0.65% depreciation. The pair hit its lowest level at 0.8660 on January 13, while the monthly high of 0.8744 came on January 21.

Divergent inflation readings across major economies shaped currency movements in January. Eurozone inflation fell to 1.7% annually, while US CPI rose 2.4% YoY. UK CPI inflation fell to 3.0%. The lower eurozone inflation figure supported the euro's gains against the dollar, as markets interpreted the data as evidence of successful monetary policy normalisation without the need for further tightening.

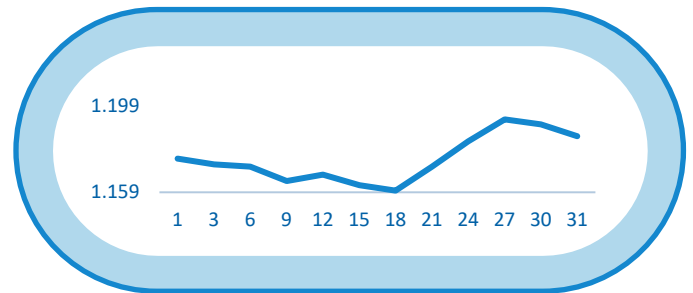
Central banks maintained their existing policy stances. The Federal Reserve held rates at 3.50%-3.75% on January 28, while the Bank of England kept rates at 3.75% in early February. The ECB held the main refinancing rate at 2%. The narrower interest rate differential between the eurozone and US, combined with softer US inflation data, contributed to the euro's appreciation against the dollar. Sterling's relative strength against the euro reflected the Bank of England's higher rate setting despite declining UK inflation.



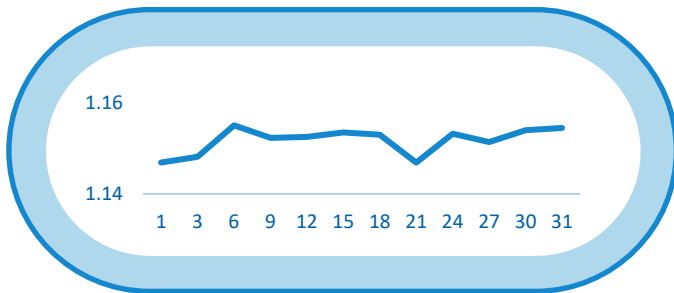
**Euro (EUR)  
per 1 British Pound (GBP)**



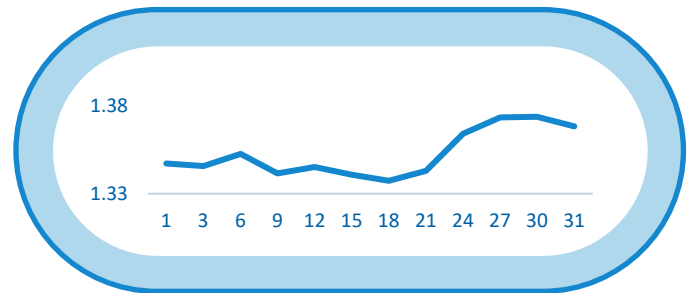
**US Dollar (USD)  
per 1 Euro (EUR)**



**British Pound (GBP)  
per 1 Euro (EUR)**



**US Dollar (USD)  
per 1 British Pound (GBP)**



## Phones and Tablets

Apple solidified its dominance in the global smartphone market during 2025, with the iPhone 16 claiming the title of best-selling smartphone worldwide. The company became the number one smartphone brand overall for both the full year 2025 and the fourth quarter, with total revenues in Q4 2025 grew 16% YoY, reaching £107.46bn, the highest ever recorded. iPhone revenues reached an all-time global high, exceeding £63.43bn in a single quarter for the first time. For the full calendar year 2025, Apple's revenues crossed £324.63bn, reaching a new high.

The broader smartphone market saw global shipments grow by 2% in 2025 to 1.25bn units. The top ten smartphone models contributed 19% of overall smartphone sales in 2025. Among competitors, Samsung's Galaxy A16 5G became the best-selling Android smartphone of 2025. Xiaomi defended its third-place position despite shipments declining 2%.

## Traditional PCs

The traditional PC market faced significant pricing volatility and shifting demand patterns during late 2025 and early 2026. Average European retail prices for AI-capable notebook PCs fell by 33% year-on-year across the UK, France, Germany, Italy, and Spain. During the peak Q4 2025 buying period, average retail prices for AI notebook PCs delivering at least 40 TOPS settled at €822. However, CONTEXT expected pricing pressure to return later in 2026 as supply tightened for key components, particularly memory.

This forecast aligned with TrendForce's projections that notebook DRAM prices in 1Q26 would increase by over 80% QoQ. Contract prices for notebook SSDs in 1Q26 were expected to increase by over 70% QoQ. TrendForce lowered its forecast for 2026 notebook shipments to a 9.4% year-on-year decrease. Global notebook shipments were projected to fall 14.8% QoQ in 1Q26.

## Premium Ultramobiles & Wearables

Meta's procurement strategy for augmented reality components reflected a cautious but accelerating approach to market entry. The company initially ordered approximately 80,000 units of Lumus' geometric waveguide, a component manufactured through a complex and precise process, signalling a tentative market test. However, Meta revised its procurement within six months of launching the product, with recent orders increasing by 87.5% to 150,000 units. This escalation aligned with Meta's phased objective of shipping a total of 500,000 units within the next two years.

The broader augmented reality market demonstrated significant growth potential during this period. Global AR glasses shipments should reach 950,000 units by 2026, representing a 53% YoY increase. Looking further ahead, industry analysts projected that increased participation from major vendors would fuel substantial expansion, with global AR glasses shipments expected to hit 32.11m units by 2030.

## Processors, MEMs, Semiconductors

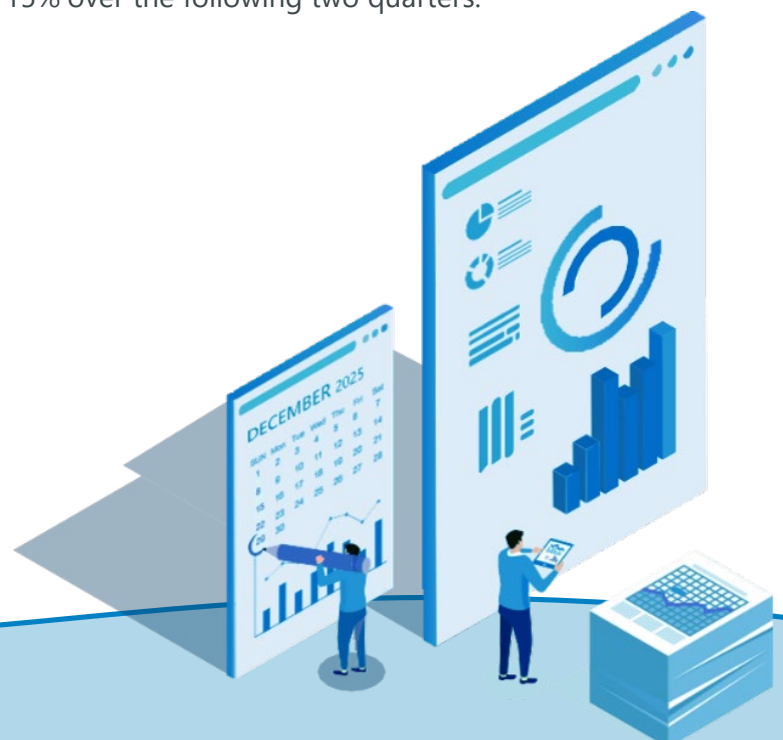
The global server market surged, driven by high demand for AI infrastructure. Global server shipments were projected to grow 12.8% year-on-year in 2026, with AI server shipments expected to surge by more than 28% over the same period. This expansion was underpinned by substantial capital investment, as the combined capital expenditures of the top five North American cloud service providers—Google, AWS, Meta, Microsoft, and Oracle—were expected to increase by 40% year-on-year in 2026.

Within the AI server segment, GPUs were projected to remain the leading category, accounting for 69.7% of shipments in 2026, whilst ASIC-based AI servers were projected to account for nearly 28%. The AI Server Compute ASIC market showed particularly strong growth trajectories, with shipments for the top 10 players set to triple between 2024 and 2027. In 2024, the market was concentrated between Google, which held 64%, and AWS, which held 36%. Google TPUs were expected to remain the industry's volume backbone.

## Memory

The global memory market had a bumpy ride as supply constraints collided with surging demand, prompting industry leaders to warn of unprecedented pricing pressures. TrendForce projected the DRAM market would generate £123.66bn in 2025, reflecting a 73% annual increase, while NAND Flash revenue was forecast to reach £52.01bn for the same year. The overall memory market was projected to reach £411.64bn in 2026 before surging to £628.88bn in 2027, representing 53% YoY growth.

Dell Technologies' Jeff Clarke characterised the situation as the most unprecedented mismatch between demand and supply he had witnessed in the memory industry. TrendForce projected 80% increases in PC and server DRAM prices, while Micron Technology had already secured agreements on price and volume for all its 2026 production. HPE CFO Marie Myers indicated the company expected to pass increased commodity costs on to customers. Smartphone manufacturers faced particularly acute pressure, with bill-of-materials costs for low-end producers rising as much as 30% since Q1 2025 and projected to increase another 15% over the following two quarters.



## Storage

The storage industry faced mounting demand pressures driven by explosive growth in video content creation. YouTube witnessed 20m video uploads daily, a dramatic increase from just 2m daily uploads three years prior. This surge in data generation placed significant strain on storage manufacturers' production capacity.

Seagate Technologies responded to the heightened demand by fully committing its near-term output. The company's storage capacity for 2026 was already allocated, reflecting the tight supply conditions in the hard drive market. Looking beyond the immediate horizon, Seagate expected to begin accepting orders for the first half of 2027 in the coming months. The extended lead times underscored the challenges storage providers faced in scaling production to meet the data storage requirements generated by video-centric platforms and applications. The allocation of capacity more than a year in advance illustrated the structural mismatch between rapidly expanding data creation and the manufacturing constraints of traditional storage infrastructure.

## Displays

The global smartphone AMOLED display market faced headwinds as industry forecasts projected shipments of 817m units in 2025, followed by a decline to 810m units in 2026. The expected decline was attributed to the shortage of memory supply and rapidly rising memory prices. These market pressures led smartphone manufacturers to scale back their 2026 shipment and procurement plans.

## Printers

The 3D printing sector saw a flurry of capital activity during Q4 2025, as manufacturers sought to consolidate market positions and fuel expansion. Snapmaker secured tens of dollars in Series B funding following a successful crowdfunding campaign. Meanwhile, Bambu Lab was widely reported to be closing a significant funding round. Creality pursued a different path to capital markets, filing an IPO prospectus for a Hong Kong listing.

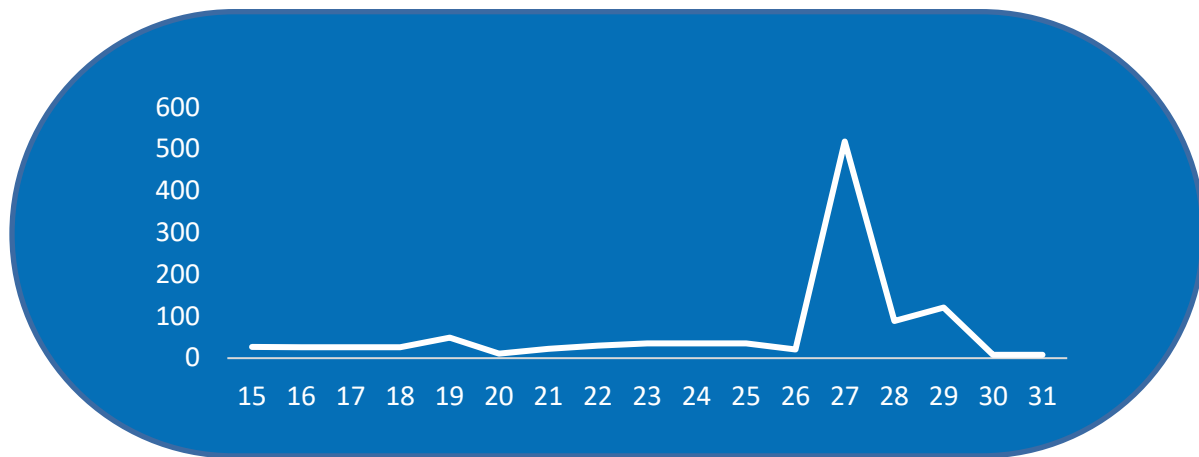
The fundraising activity occurred against a backdrop of strong market performance by several of these players. Bambu Lab and Creality together accounted for 57% of global entry-level shipments during the quarter. In a notable diversification move, drone manufacturer DJI made a strategic investment in Elegoo, marking its entry into the 3D printing space. The convergence of funding rounds, public market preparations, and cross-sector investment underscored growing institutional interest in the additive manufacturing industry.

## Network Products

Enterprise purchases of Wi-Fi 7 have increased since early 2025, with all major vendors now offering full portfolios of Wi-Fi 7 technology. Wi-Fi 7 adoption will peak in 2029, while revenue for Wi-Fi 7 residential routers and broadband CPE with WLAN will reach £5.9bn by 2028. Additionally, 2028 expectations for Wi-Fi 8 revenue have increased.

Price increases ranged from a low of 4,297 on January 30 to a peak of 37,265 items on January 19, with an average of 16,999 daily price increases. Notable spikes occurred during the month, particularly on January 19. Price reductions were equally dynamic, fluctuating between 9,721 items on January 20 and a substantial peak of 47,248 items on January 26, averaging 20,770 daily decreases. Stock replenishment displayed significant variance, from just 2,236 units on January 27 to a massive 10,378 units on January 30, averaging 4,213 daily additions. The low on January 27 coincides with significant market activity, suggesting coincidental market activity requiring further analysis. Stock reductions ranged from their low of 4,956 units on January 16 to the peak of 13,676 units on January 29, with an average daily decrease of 9,788 units.

## New Products



## Monthly stats

