



IT Market Alert January 2025

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

The largest number of price increases happened on December 16th with **56,431**

- Tablet shipment growth outperforms PCs.
- DRAM prices set to fall.
- SSD shipments soar but are set to slow.

The technology market continues to feel disappointment over AI's lack of impact on the consumer and enterprise device market. However, there are positive sides to this, notably the continued buoyancy of semiconductor sales. While Europe isn't seeing much of that action, it speaks to the health of the industry as a whole. The U.S. is now unlocking money under the CHIPS Act, which will buoy the domestic industry there.

Talking of the U.S., the country's political transition is causing some uncertainty as companies prepare for an unpredictable economic policy there, although [experts](#) in the UK say that the spectre of tariffs will have minimal impact on the economy here. This is due in large part because the UK is now no longer part of the EU, and because unlike the latter most of our sales to the US are in services rather than goods.

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Exchange Rate

Dec 1 was the euro's highest day against the dollar for the month, at 1.0574. After a brief dip, it brushed near that high again on Dec 6 before falling to plateau between 1.0483 and 1.0508 on Dec 13-17. Then it plummeted to its monthly low of 1.0383 on Dec 19, limping along for the rest of the month before finishing at 1.0386.

The euro's fortunes against the pound saw it range between its start of 0.8299 and the mid-eighties for the first week of the month, and between the mid-eighties and around 0.8300 from Dec 20 on. The big moves came mid-month, when EUR/GBP plummeted to its monthly low of 0.8238 on Dec 11, rising to a high of 0.8320 on Dec 14, and then down once again to 0.8256 on Dec 18.

The ECB cut interest rates 0.25% before its Vice President Luis De Guindos said that inflation in the Euro zone would likely hold at the 2% target in 2025. He didn't rule out further cuts if necessary. A few days later the Federal Reserve also cut rates by a quarter point but signalled fewer cuts next year. That prompted a fall in stocks and a rise in bond yields. Unpredictable Trump tariffs remain a key consideration for the Fed as it plans out 2025.

The big disruption in EUR/GBP occurred because of diverging central bank policies, as the Bank of England chose to hold rates steady in December. That caused the Europe to fall against the pound, but the trend then reversed itself as disappointing economic data emerged from the UK, which signalled a contraction in GDP for the second consecutive month.

EURO POUND (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)





Price Changes and News Through December 2024

Phones and Tablets

[IDC expected](#) tablet growth to reach 9.8% for the whole of 2024, due mostly to very strong Q3 shipments.

[TrendForce](#) said that Q4 2024 smartphone production would rise nearly 7% compared to the previous quarter, driven by Apple's peak production for its latest models and efforts by Android brands to capture market share. However, it expects brands to be cautious with inventory to avoid financial strain from excess stock.

The analyst firm reported no QoQ change in production market share for the six global smartphone brands Samsung led with approximately 59m units, (up 9% QoQ) and a 19% market share. Apple followed up with approximately 51m units, 15% up from the prior quarter, and 17% of the market. Xiaomi came third with 43m units, up 2% QoQ, accounting for 14% of the market. Then came Oppo, Vivo, and Transsion.

These devices must support on-device AI computation capabilities like machine learning and generative AI.

Traditional PCs

[IDC](#) predicted a 0.8% growth in the global PC for 2024 but added that AI is not yet the primary driver of this increase, despite the industry hype. Instead, factors like the end of Windows 10 support and improving global economic conditions contribute to the positive outlook, particularly within the commercial sector.

[Analysts](#) cited poor Q3 earnings and lowered projections from chip manufacturer Micron as evidence that consumer demand for AI features in PCs and smartphones devices is significantly lower than anticipated (TrendForce expected AI-powered smartphones to account for 10% to 15% of total smartphone production in 2024).

The lack of demand stems from to several factors, say experts, including the fact that popular AI services primarily operate in the cloud, negating the need for powerful local AI processing, and that upgrades are driven more by general performance improvements rather than specific AI capabilities.



Premium Ultramobiles & Wearables

IDC said global wearables shipments would grow by 6.1% YoY to 538m units by the end of 2024. However, growth is expected to slow to 3.9% in 2025.

The company predicted a 4.5% decline in smartwatch sales over 2024, due to declining sales in India and the US, but the market will recover to 1.7% growth overall in 2025 as more consumers refresh. Hearables will grow 10.3% in 2024 and will maintain this trajectory in the coming years due to emerging markets and refresh cycles, IDC added.

Global shipments of AR/VR headsets saw a 12.8% increase in the third quarter of 2024 following two quarters of decline, [said IDC](#), though this growth was largely driven by Meta. IDC expects AR/VR to remain a niche market, growing from 59,000 in 2024 to 377,000 by 2028. True AR headsets require high levels of sophistication with battery and display technology that has not yet scaled, the analyst firm warned.

Apple's Vision Pro has performed poorly, [selling under 500,000](#) units since launch. [A survey found](#) 35% of developers with no plans to deliver apps for the device, and another 50% expressing serious doubts about it.

Mixed reality headsets will grow 21.7% to 7.7m units in 2025, IDC added, making them the largest category going forward. The versatility of headsets like the Quest 3 has led the category to outshine others, and they could potentially replace augmented reality headsets.

Extended reality (XR) devices, which provide a simple heads-up display or content mirroring, are expected to be the second-largest category. Competition in this sector is anticipated to intensify in the next 18 months. With the re-entry of Google into the market with Android XR, the competition is expected to heat up, as neither Apple nor Meta have become a clear winner for the mass market.

Shipments of XR headsets will more than double in size in 2025 and achieve a compound annual growth rate (CAGR) of 85.7% through the end of 2028. These headsets will mostly operate while connected to a smartphone or other compute device.

Processors, MEMS, Semiconductors

[The Semiconductor Industry Association \(SIA\)](#) reported a 22.1% YoY rise in global semiconductor sales for October to \$56.9bn. This figure represents the highest monthly total recorded, with a month-on-month increase of 2.8% compared to September 2024. The SIA increased its 2024 sales forecast to grow 19.0%, reaching \$626.9bn. Europe saw a decline of 7% YoY in October, with a modest monthly increase of 1.3%.

Memory

[TrendForce](#) expected a price decrease of between 8-13% for DRAM in Q1 2025 due to seasonal weakness and sluggish consumer demand, particularly for smartphones. Smartphone brands will adopt a passive procurement strategy for mobile DRAM, also precipitating price drops of 8-13% for LPDDR4X and 3-8% for LPDDR5X. PC DRAM prices are expected to decline by 8-13%, and server DRAM by 5-10%. PC OEMs are reducing inventory in response to weak sales and changing DRAM price trends, said the company, adding that this is likely to continue into 1Q25.

Graphics DRAM will also decline in price by between 5% and 10% due to subdued demand and high inventories, warned TrendForce. Consumer DDR3 memory will fall 3-8%, while consumer DDR4 will fall 10-15%.



Storage

Enterprise SSD revenues soared 28.6% in Q3 2024 due to high demand for AI-related applications and high-capacity models, [TrendForce said](#) - especially NVIDIA's H-series products. Samsung retained its top position in the SSD market, followed by SK Group and Micron.

TrendForce anticipated a Q4 slowdown as procurement demand cools. Client SSD and Universal flash storage products will see continued price drops due to sluggish consumer electronics sales. Seasonal factors, such as the traditional off-season and lack of incentive from AI applications, are compounding these challenges. Look for a price drop of 13-18% for client SSDs.

Demand for NAND flash suppliers will thin in the Q1, [TrendForce](#) added, leading to an anticipated 10-15% decline in average contract prices. While enterprise SSD orders may provide some stability.

Display

[TrendForce](#) predicted a 3% rise in penetration rate for OLED displays in notebooks during 2024, primarily due to increased procurement from Chinese brands. Apple's introduction of OLED displays in MacBooks will push this rise beyond 5% by 2027.

Printers

[CONTEXT Research](#) anticipated a rebound in the print hardware market, driven by recovery in the business segment, particularly for multi-function printers (MFPs), and innovation fuelled by AI.

Challenges include the adoption of paperless policies and concerns around AI integration costs and data security. Cloud-based print management solutions will be important for small and medium-sized businesses (SMBs), the company said, although cost and security concerns persist.

Consumable

CONTEXT also [predicted](#) a growth in consumables, particularly refillable ink, in 2025.

Network Products

Enterprise WLAN revenues grew 5.8% worldwide to \$2.5bn from Q2 to Q3 2024 [per IDC](#). That follows a 12.4% rise between Q1 and Q2. The market fell 17.5%, in the first three quarters of the year, though, compared to the same period in 2023. Emerging Wi-Fi standards, particularly Wi-Fi 6E and Wi-Fi 7, are gaining traction, with Wi-Fi 6E accounting for 31.7% of dependent access point revenues in Q3 2024. Western Europe saw more modest growth of 0.2% YoY and 4.2% sequentially.



Monthly Statistics

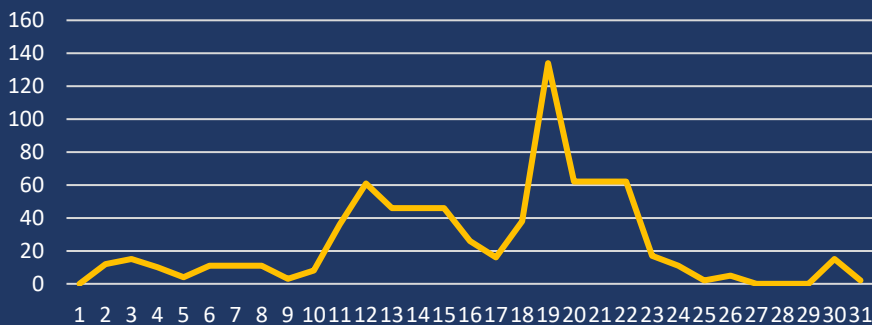
Price increases reached above 50,000 twice in December, on Dec 16, when they reached their peak of 56,431, and Dec 23, at 56,212. The monthly low came on Dec 27 when it hit 3,524.

Price decreases peaked at 57,273 on Dec 19. They bottomed out just before Christmas, when they hit 6,903 on Dec 20.

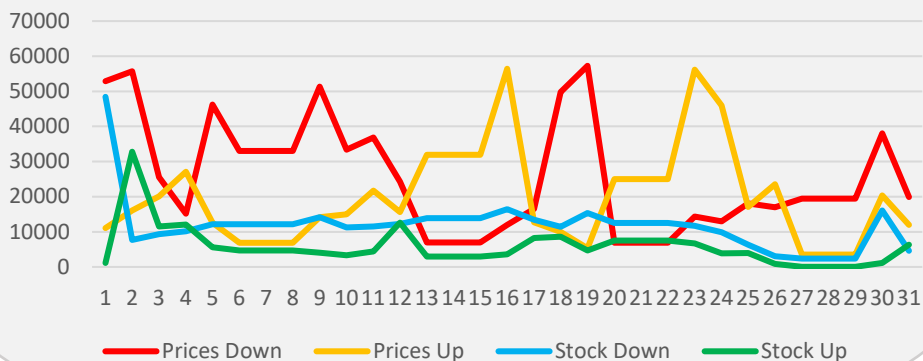
Stock increases hit their biggest number by far on Dec 2, at 32,811, followed by 12,575 ten days later. The fewest stock increases came after Christmas. After an increase of 866 on Boxing day, they hit a low of 44 the day afterwards.

Stock decreases peaked on Dec 1 at 48,432, and hit their monthly low of 2,382 on Dec 27 during the post-Christmas lull.

NEW PRODUCTS



MONTHLY STATS





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