



IT Market Alert March 2024

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

The largest number of price increases happened on February 14th with **34,346**

- Tablet sales tank
- smartphones show promise after seven-year slump
- NAND demand is on the rise

Well, it's official: the UK fell into recession in 2H 2023, according to the Office of National Statistics, which saw GDP contract by 0.1% in Q3 and 0.3% in Q4. However, the recession might be short-lived, as GDP grew by 0.2% in January. We could pull out of recession as early as the first quarter.

The technology sector also had mixed fortunes, but on the whole things are looking up. While tablets tanked, smartphone sales nosed upward. The market for semiconductors, DRAM, and NAND flash also looks positive, as do the prospects for PCs as people refresh their equipment and take advantage of new AI capabilities in the latest chips.

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Exchange Rate

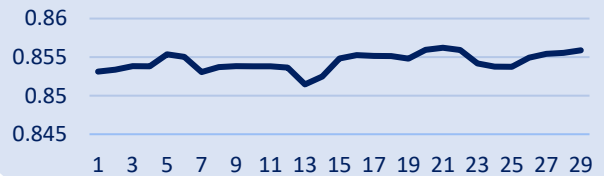
EUR/USD started on a high of 1.0874 on February 1, but by mid-month it dipped to the month's lowest value of 1.0709.

The rate gradually recovered to its second-highest point of 1.0851 on February 26, concluding with a slight decrease at 1.0804 on February 29. Overall, despite the mid-month dip, the currency pair showed resilience throughout the February.

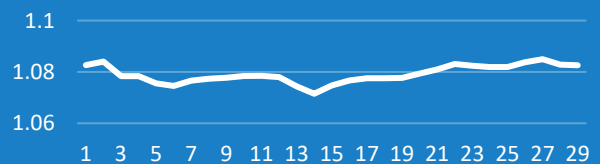
EUR/GBP started at 0.8531, with a notable sharp dip to the month's low of 0.8506 on February 13, before rebounding to higher levels in the subsequent days, reaching a high of 0.8561 on February 28.

The euro's mid-month slump accompanied a 1% dip in the region's stock values after U.S inflation figures proved higher than expected. The hot figures quashed expectations of an early rate cut by the fed, boosting the dollar.

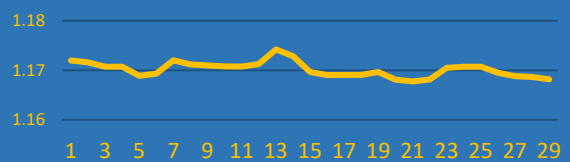
BRITISH POUND (GBP) PER 1 EURO (EUR)



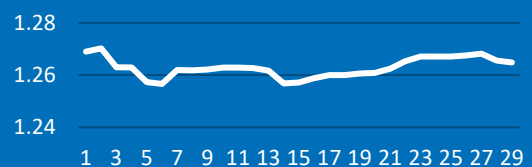
US DOLLAR (USD) PER 1 EURO (EUR)



EURO (EUR) PER 1 BRITISH POUND (GBP)



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





Price Changes and News Through February 2024

Phones and Tablets

IDC [anticipated](#) a return to growth for the worldwide smartphone market in 2024 after a seven-year period of shrinkage. Shipments will grow 2.8% YoY to 1.2bn units in 2024, it said, attributing the recovery in part to rising demand in emerging markets. However, technology innovations are also driving smartphone growth, especially in foldable smartphones, which will grow 37% to reach 25m shipments this year. AI is also fuelling new interest in smartphones as IDC predicts 170m next-gen AI-optimised units to ship this year, accounting for almost 15% of the total market.

Things were not so great for the tablet market. [Per IDC](#), worldwide shipments fell 17.4% in Q4 2023 to 36.8m units, and 20.5% for the full year to 128.5m units, hitting their lowest levels since 2011 due to economic challenges and consumers prioritising other spending.

Apple remained the top vendor despite a 19.8% annual decline in shipments, followed by Samsung, Lenovo, Huawei, and Xiaomi. Huawei saw the smallest decline among top vendors at just 4% for the year.

Traditional PCs

Dell Technologies [anticipated](#) a surge in PC sales, driven by the need for a refresh cycle of ageing COVID-era PCs and the introduction of AI-enabled Copilots aimed at boosting productivity. To capitalise on this opportunity and improve its market position, the company is focusing on strengthening partnerships by offering new incentives around PC peripherals, workstations, displays, and rugged laptops.

Premium Ultramobiles & Wearables

The biggest news in February on the wearables front was Apple's shipment of its much-anticipated Vision Pro in the US. While it isn't yet available in the UK, US experiences provide some interest advance signals about adoption, and the results are mixed. While orders have been strong, so have reports of unit returns. Nearly half of all users are considering returning their headsets, [citing usability issues](#).



Processors, MEMS, Semiconductors

The Semiconductor Industry Association [announced](#) that global semiconductor sales totalled \$526.8bn in 2023, a decrease of 8.2% compared to 2022's, \$574.1bn. Europe saw the only annual growth in 2023, with sales up 4% on the year, although it was the poorest performing region in December with sales down 3.9% YoY. The Association projected a global increase of 13.1% in semiconductor sales during 2024.

Memory

February saw the memory industry positive about price direction in the second half of 2024, following an improvement in memory inventory that [TrendForce noted](#) led to the first price increase in two and a half years. The company saw contract prices for 8Gb DDR4 up 15.4% from September to \$1.50 in October, and up another 10% in November to \$1.65.

Storage

AI is driving healthy storage sales. TrendForce [expected](#) a 13.2% uptick in server SSD sales due in part to [rising server shipments](#) driving by demand for AI. Global server shipments will grow 2.05% YoY in 2024 to 13.65m units, the company said, with AI-focused servers making up 12.1% of the shipments.

Demand for notebook SSDs is also growing, but a sharp rebound in NAND flash prices will keep their annual growth rate to 9.7% in 2024. It will be less pronounced in smartphones, which TrendForce insists don't have many new AI applications on the horizon. Expect a 9.3% growth in 2024 for smartphone-oriented NAND flash, it said.

Micron [announced](#) a faster 1Tb flash chip for smartphones that will excel at loading the large language models commonly seen in generative AI applications. The company is also building a high-bandwidth memory module for driving data-hungry NVIDIA GPUs as they continue to feed AI applications.



Display

TrendForce [predicted](#) a recovery in the global monitor market this year, with shipments growing 2% to 128m units. This will be driven largely by refreshes of PCs purchased during the pandemic.

Poor economic conditions saw shipments fall 7.3% YoY to 125m units in 2023, with the top three brands - Dell, HP, and Lenovo - all suffering shipment declines of over 20%. However, some consumer brands like AOC/Philips and Acer saw growth due to strong demand in China's gaming market and product upgrades. Looking ahead, Lenovo has ambitious targets to grow shipments by 20% while other brands like Samsung, LG, and BenQ have more conservative goals focused on profitability and high-end lines.

Printers

IDC [saw](#) global industrial printer shipments grow 8.4% YoY in Q4 2023 and 11.9% for the entire year. Wide format digital printers make up the majority of shipments and saw shipments grow 9.3% in Q4. Shipments of direct-to-shape and label & packaging printers also increased significantly both sequentially and YoY. Most major geographic markets saw growth, led by Western Europe at 22.6%. While direct-to-garment and industrial textile shipments declined during the quarter, the overall industrial printer market ended 2023 on an upward trend.

Network Products

Dell'Oro Group [expected](#) a double-digit decline in campus switch sales in 2024 due to factors like backlog normalisation and the HPE/Juniper acquisition. This follows a pandemic-accelerated growth in the market since 2019. This will be a short-term correction, according to the company, which said that over \$100bn will be spent on campus switches between 2024 and 2028.

The integration of AI capabilities will remain important for vendors but monetising these features poses a challenge. By 2028, PoE ports are predicted to comprise over half of campus switch port shipments. 5 Gbps speeds will be under 15% of sales.



Monthly Statistics

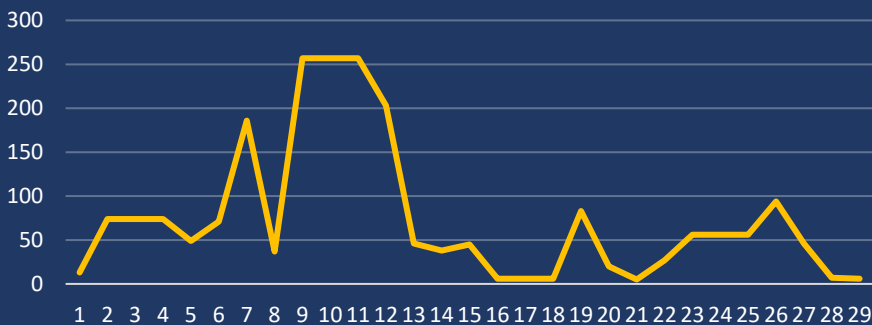
Price increases in February started with a high of 31,535 on the 1st, then dipped to 7,250 before surging to another peak of 31,307 on the 7th. Mid-month saw a sharp decline to 3,204 on the 14th, followed by a substantial rise to 30,215 price from the 16th. The number of price rises sloped off towards the end of the month, sitting mostly at four figures after the 22nd.

February started with a moderate 9,266 price decreases, rising sharply to a monthly high of 34,346 decreases on the 14th. The lowest activity was observed on the 28th, with only 3,264 price drops.

The highest single-day stock increase came on February 20th, at 7,037. The monthly low came on the 1st, at 2,764.

The monthly high for stock decreases occurred on the 19th, with 14,660 stock reductions. The low came on the 6th, with 11,264.

NEW PRODUCTS



MONTHLY STATS

