



# IT Market Alert May 2024

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

The largest number of price increases happened on April 29<sup>th</sup> with **44,468**

- PC sales on the rise
- Smartphones show strength
- Storage prices see a wide-ranging spike

The channel was overshadowed by an earthquake in Taiwan on April 3 that damaged buildings for some semiconductor manufacturers there. While the results could have been far worse, they did prompt concerns of price hikes among display panel vendors, as there was already heavy demand for these panels from customers.

In spite of this setback, the channel's fortunes are improving. With positive numbers for PCs and smartphones, along with strong YoY global growth in semiconductors, things look as though they're on the up and up.

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## Exchange Rate

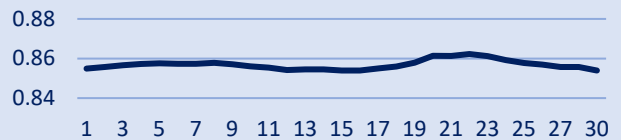
EUR/USD started at 1.0737 on April 1st, trending up in the first week to hit the monthly high of 1.0862 on April 8th. It then saw a downward pivot, declining to 1.0726 by April 11th. It continued its downward trajectory to reach its monthly low of 1.0621 on April 15th. After a small bounce to 1.0669 on April 17th, the rate remained range-bound between 1.0650-1.0730 for the rest of the month, closing out at 1.0666 on the 30th.

EUR/GBP started the month at 0.8559 on April 1st, trending upwards in the first half of the month to reach 0.8624 on April 19th. After a small dip on April 21st, it hit its monthly high of 0.862693 on April 22nd before plunging to the monthly low of 0.846894 on April 27th. It recovered slightly towards the end of the month, closing at 0.8540 on April 30th.

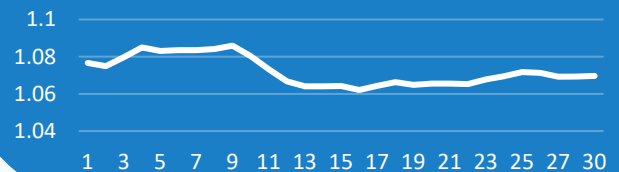
The euro's early misfortunes against the dollar stemmed from stronger-than-forecast US inflation data for March, which stopped investors pricing in a June rate cut from the Fed. Meanwhile, European Central Bank officials hinted at a possible June rate cut, even as it held rates steady in April.

The euro's sharp slide against the pound was due at least in part to a stronger-than-expected UK services purchasing managers index (PMI), along with a [warning](#) from Bank of England chief economist Huw Pill about cutting rates too quickly. The end-of-month recovery stemmed from [Eurozone GDP figures](#) showing growth up to 0.3% in Q1 compared to the prior quarter, beating more modest forecasts of a 0.1% increase.

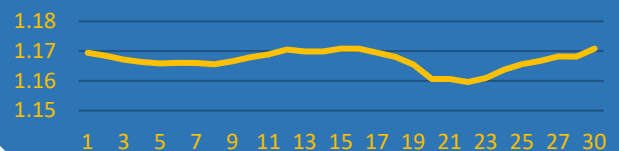
### BRITISH POUND (GBP) PER 1 EURO (EUR)



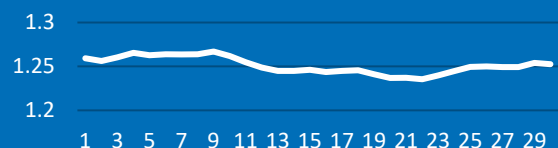
### US DOLLAR (USD) PER 1 EURO (EUR)



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



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





## Price Changes and News Through April 2024

### Phones and Tablets

Global smartphone shipments increased YoY in Q1 2024, with estimates ranging from 7.8% growth [according to IDC](#) to 10% growth [per Canalsys](#). This strong start to 2024 followed a challenging 2023 for the smartphone market.

A major story line was **Samsung overtaking Apple** as the world's top smartphone vendor by shipments. Samsung gained market share, estimated around 20% globally. Apple's global smartphone shipments declined from 21% in Q1 2023 to 16% in Q1 this year, Canalsys added.

### Traditional PCs

[IDC reported](#) that the worldwide traditional PC market returned to growth in Q1 with 59.8 million shipments, a 1.5% increase YoY. This growth was easier to achieve following a significant market decline last year. While regions like the Americas and EMEA saw recovery, China's weak demand for desktop PCs impacted the global market. Newer AI PCs and commercial PC refreshes are expected to drive further growth in 2024. Among the top 5 PC vendors, Lenovo maintained the top spot, followed by HP, Dell, Apple, and Acer/ASUS.

### Premium Ultramobiles & Wearables

[Global Market Insights predicted](#) that the wearable computing market valuation would reach \$281.5bn by 2032.

### Processors, MEMS, Semiconductors

Global semiconductor sales in February 2024 totalled \$46.2bn according to [the Semiconductor Industry Association](#), a YoY increase of 16.3% but a 3.1% decrease from January 2024. This represents the largest YoY growth since May 2022, and the SIA expected growth projected to continue for the rest of the year. Sales were up YoY in China, the Americas, and Asia Pacific, but down in Europe (-3.4%) and Japan. Month-to-month sales declined across all regions.

The U.S. [announced](#) new export controls targeting advanced computing, supercomputers, and semiconductor manufacturing products. The regulations, which aim to prevent certain countries and businesses from accessing sensitive chip technologies, now include restrictions on next-generation AI chips from NVIDIA and AMD, although manufacturers have now developed compliant products. While the updates tighten criteria for exports, TrendForce said that the practical impact on the industry will be minimal. In the long run, it said that these measures may inadvertently speed up China's progress in developing advanced AI chips and manufacturing processes.



## Memory

Major memory manufacturers like Micron, Samsung, and Western Digital announced price hikes, citing supply-demand imbalances and the impact of an April 3 earthquake in Taiwan, [said TrendForce](#). The earthquake, which cost chip giant TSMC around \$62m in damage, is expected to have a limited impact on DRAM output, but Micron's advanced process DRAM may see price increases. Spot market prices had not yet increased significantly as of mid-April.

## Storage

April saw broad price rises in the storage market. Western Digital (which is [preparing](#) 4Tb SD cards for next year) has confirmed supply shortages for both HDDs and SSDs, leading to price adjustments, [said TrendForce](#). Samsung is rumoured to increase enterprise SSD prices by 20-25% in Q2 2024 due to optimistic demand outlook and supply tensions, and [Seagate also warned](#) of price hikes, blaming inflation.

## Display

The April 3rd earthquake in Taiwan disrupted operations at panel fabs owned by AU Optronics and Innolux, with most of their facilities experiencing shutdowns for inspections and repairs, [according to TrendForce](#).

The earthquake is expected to affect 1-2 days of production, reducing overall panel supply by around 1.2%. However, the impact on TV panel prices is expected to be limited, as panel makers' influence on TV prices has waned. The incident might have a stronger effect on monitor panel prices, as some fabs were using surplus capacity to fill increased stock-up orders that might now be affected. The impact on notebook panel shipments is expected to be less significant, but panel makers may try to use the supply disruption to push for higher notebook panel prices.

## Printers

The global 3D printer industry experienced a mixed performance in Q4 2023 [according to CONTEXT Research](#), with shipments declining across most price classes except for entry-level printers under \$2,500. Shipments of industrial and mid-range printer shipments fell due to economic headwinds, while professional printer shipments dropped as buyers opted for cheaper entry-level models. China remained the dominant market, especially for industrial metal 3D printers. Looking ahead, the industry is hopeful for a revival in 2024 driven by pent-up demand, with forecasts predicting single-digit to double-digit growth across all price classes.





## Network Products

[Dell'Oro Group predicted](#) that campus network as a service (CNaaS) revenues will double in 2024 as the LAN equipment market contracts. CNaaS uses cloud-managed equipment to simplify LAN connectivity for enterprises, and is expected to grow faster than the overall LAN market for the next five years. Public cloud-managed LAN equipment has also grown faster than the overall LAN market, though that growth differential is narrowing.

The report identifies 13 vendors with CNaaS offerings, and notes that HPE has the largest breadth of available CNaaS service packs. The CNaaS model is expected to flourish in use cases that benefit from a recurring cost structure and a fully-managed network.

## Monthly Statistics

April 23 saw the largest number of price increases at 35,512, followed closely by 35,473 the day before, and 33,468 on April 18. The lowest number of increases occurred on April 11th when only 2,674 products had their prices raised.

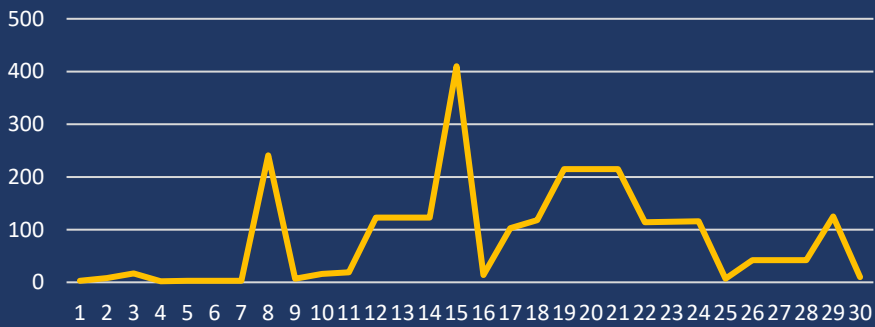
The number of price drops peaked on April 29th when 44,468 products had their prices reduced. This was by far the highest number of price decreases in a single day for the month. The lowest number came on April 19th, when only 4,000 products experienced price drops. This was followed by 4,192 decreases on April 9.

Peak stock increases came on April 30th with 11,020 products, followed by 10,863 on April 16. These were the only days that the increases ventured beyond four figures. The lowest number of increases came on April 1, at just 647.

The highest number of stock decreases happened on April 15, when 17,995 products had their inventory levels drop. The lowest stock was on April 2, with 3,259 reductions.



### NEW PRODUCTS



### MONTHLY STATS

