



# IT Market Alert November 2023

Welcome to this month's IT Market Alert, delivering you key market knowledge viewed during **October 2023**. Get more from your IT procurement with KnowledgeBus.

The largest number of price increases happened on October 16<sup>th</sup> with **32,365**

- Global smartphone shipments level for Q3. Europe still shrinking
- Tablet sales are grim
- European enterprise storage revenues down by a third

Tech sales in most categories were down or flat, save for enterprise networking revenues, which jumped a little. Nevertheless, the industry is still rooting for a 2024 recovery. Counterpoint [Counterpoint Research's Marco Index](#), which tracks the sentiment and health of the technology industry, rose to 80.71 in September from 79.47 in June, stoked by better economic conditions in the EU and the U.S, along with improved business and consumer sentiment. The company cited slower tightening cycles and near-peak rates as a positive sign, while improving inventory and OEM orders were a great help. It also pointed to ARM's successful IPO and Cisco's big Splunk purchase as positive signs that excited the markets.

Caution this year could unlock latent demand next year as the economy loosens, added Gartner, reporting that CIOs have been putting off projects until 2024. The company anticipates that worldwide IT spending will grow 8% to \$5.1tn in 2024. Money spent on public cloud services will rise 20.4%, and 80% of CIOs also plan to increase cybersecurity spending, driving in part by worries around the security implications of AI.

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## Exchange Rate

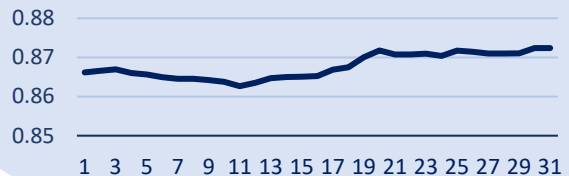
October was a bumpy month for EUR/USD. It started at 1.0572 but fell quickly to 1.0470 - its monthly low - on Oct 3. From there, it saw two main peaks, on Oct 11 at 1.0609, and on Oct 24 at 1.0630. In between, it saw a fall to 1.0507 on Oct 14. After its last big peak, it fell to 1.0548 on Oct 26, recovering to 1.0602 at the month's end, so finishing slightly ahead.

EUR/GBP also gained during the month. From a start of 0.8662 it fell to 0.8627 on Oct 9 before climbing steadily to 0.8718 on Oct 20. Then came a plateau for the currency pair, which finished slightly higher at 0.8724.

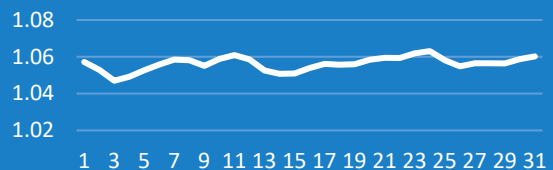
The International Monetary Fund revised its growth estimates for the euro zone downwards in early October, while new geopolitical crises such as the conflict in Gaza typically tend to send money running for the dollar as a safe haven.

The euro's rise against the pound in the latter half of the month was likely due in part to weak jobs data from the UK. British workers' regular pay slowed and job vacancies declined, signalling a loss of momentum in UK employment.

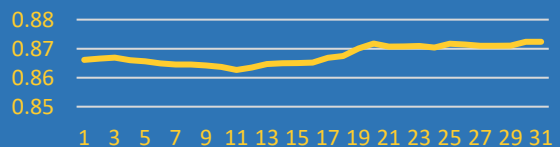
### BRITISH POUND (GBP) PER 1 EURO (EUR)



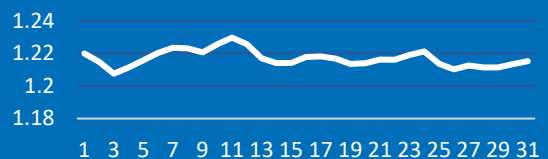
### US DOLLAR (USD) PER 1 EURO (EUR)



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



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





## Price Changes and News Through October 2023

### Phones and Tablets

[Canalys](#) said that global smartphone market saw a 1% dip in shipments in Q3 to 293.4m units. Samsung stayed in pole position with 57.4m units and 20% market share, driven by early updates to its foldable devices. Apple made second place with 50m units shipped and 17% market share as demand for the iPhone 15 series and its USB-C upgrade proved strong. The global smartphone market will see modest growth in 2024 but performance will vary regionally, the analyst firm said.

[IDC's](#) report was more positive overall, estimating a 0.1% Q3 decline to 302.8m units thanks largely to growth in emerging markets. However, Europe didn't too well, with shipments down 5.3%.

The high-end smartphone market continued to flourish despite economic challenges, IDC said, supported by trade-in programs and financing options. Samsung maintained the top spot but saw shipments fall 8.4%, while Apple shipments rose 2.5% to keep it in second place.

[IDC](#) also said that worldwide tablet shipments saw a 14.2% YoY decline in the third quarter of 2023 to 33.2m units. Apple continued to lead the tablet market with 12.5m units, in spite of a 15.1% YoY decline. Samsung shipped 6m units and maintained its number two position, but also saw shipments drop 17.1%. Lenovo and Huawei came in third and fourth respectively, with shipments of 2.6m and 2.3m units. Amazon was able to move back into the top five tablet vendors after launching a new premium, value-priced tablet.

The first three quarters of 2023 saw some of the largest historical shrinkage in the tablet market. Holiday sales are unlikely to buck this depressing trend, according to IDC, which said that economic conditions are still providing substantial headwinds and will continue to do so for at least some of 2024.

### Traditional PCs

According to [IDC](#), global PC shipments declined 7.6% year over year in Q3 2023 (October 2023) with 68.2m units shipped. This marked the eighth consecutive quarter of decline due to weak demand and economic conditions. However, the rate of decline has slowed, indicating the market may be moving past the trough.

[Gartner](#) reported a 9% YoY decline in Q3 2023, with 64.3m units shipped globally. However, the company believes the market may have finally bottomed out, with potential for growth returning in Q4 2023.

The top vendors remained Lenovo, HP, Dell, Apple and Asus. Most saw double-digit shipment declines, except HP which grew 6.4% YoY.

Apple launched a new Macbook Pro and 24-inch iMac using its new M3 chip family at the end of October.



## Premium Ultramobiles & Wearables

[IDC](#) saw worldwide Chromebook shipments drop 20.8% YoY in Q3 2023, totalling 3.5m units. However, the Chromebook market may be in a better position going forward due to potential education segment refreshes and leftover government spending budgets.

The Raspberry Pi 5 shipped, as the first major update to the Pi single-board computer in four years. Shortages were immediate, with scalpers [more than doubling prices](#). ARM, fresh off its IPO, has also invested in the single-board computing company.

## Processors, MEMS, Semiconductors

Intel began shipments of its Meteor Lake processors to PC vendors, pending the official launch in mid-December.

The surge in AI interest has caused a shortage in GPUs. The solution, for some, is CPUs. In Korea, web portal company [Navar is replacing Nvidia](#) with Intel CPUs for its AI application servers due to shortages and high prices of AI accelerators. Microsoft is also partnering with AMD to bolster the company's expansion into AI chips and compete with Nvidia, which currently dominates around 80% of the global AI processor market. Meanwhile, [Nvidia](#) is reportedly exploring the development of ARM-based processors for PC clients, as is AMD, following Apple's lead. Apple released its M3, M3 Pro, and M3 Max chips, built using a 3nm process, at the end of Oct.

This doesn't necessarily mean that graphics cards are flying off the shelves for consumers. [CONTEXT Research](#) said that a mid-market in gaming cards doesn't really exist, because current-generation products are priced closer to the high-end. The UK's performance on graphics cards in September excelled compared to most countries across the channel, with revenue figures exceeding last year's baseline.

## Memory

According to a [TrendForce](#) report, contract prices for mobile DRAM are expected to rise significantly in Q4 2023, with a projected increase of 1,318%. This substantial price hike is being led by mobile DRAM, which traditionally has lower profit margins than other types of DRAM. Supply constraints from Samsung's production cuts and Micron's 20% price increase are contributing to industry confidence in raising prices further. Demand has also been boosted by the launch of Huawei's Mate 60 series and increased production targets from other Chinese smartphone brands.

The analyst firm predicts that memory prices will continue to climb in Q1 2024, though the Lunar New Year holiday may cause a slight cooling in the momentum of price increases. Overall projections point to ongoing growth in contract prices for mobile DRAM next quarter.

## Storage

[CONTEXT Research](#) said that European enterprise storage revenues dropped 33.5%, with both arrays and Hyper Converged Infrastructure (HCI) sales sagging under the weight of high interest rates and declining SSD prices. Production cutbacks among manufacturers could buoy up revenues next year, it added.

Western Digital, fresh from the failure of its attempted merger with memory company [Kioxia announced](#) that it would be splitting into two companies next year, one focused on hard drives and the other on flash.





TrendForce expected NAND flash contract prices to rise 8-13% in Q4 due to strict production controls by suppliers. However, maintaining the upward price trajectory may be challenging next year without sustained reduced output and a resurgence in enterprise SSD demand.

The company also sees client SSD, eMMC, and UFS contract prices increasing 10-15% in Q4 due to rising costs and tight supply. Enterprise SSD prices may rise 5-10% driven by growth in data centre demand. Notably, the company expects NAND flash wafer contract prices to surge 13-18% in the fourth quarter as suppliers cut production by 50% and buyers stock up amid limited affordable supply.

## Display

[According to Omdia](#), the large-area LCD and OLED supply-demand balance improved in the first three quarters of 2023 after a glut. The supply-to-demand glut ratio fell from 26.7% in Q1 to 13.7% in Q3. A 19.6% rise in demand compared to a 1.6% increase in capacity helped to right the ship, prompting a 31% increase in LCD TV panel prices. However, the company said that demand is now softening. Oversupply will grow again from the fourth quarter of 2023 through the first half of 2024.

[Omdai](#) expected global notebook panel shipments to fall 13% to 188.5m in 2023 due to weak PC demand and high inventory levels in the first half of the year. PC brands are being cautious about buying these panels as they keep a close eye on inventory. Low-cost notebooks using TN displays with HD and FHD resolutions continue to see strong demand despite the downward trend. The TN technology share remains firm at 25% in 2023.

Looking ahead, panel makers may phase out 1366x1768 HD resolutions and shift more models to higher FHD and above standards after 2024, while also potentially increasing average brightness to 300 nits. Upgrades to product specifications and profit margins are seen as ways to improve PC segment revenue starting in 2024.

In August, the UK failed to beat its YoY revenue performance in gaming monitors, said CONTEXT Research.

## Printers

Western Europe was the third largest market for industrial 3D printers in Q2 2023, accounting for 23% of shipments, according to CONTEXT Research. However, sales in the region were depressed. Shipments declined YoY as customers spent less. Shipments of industrial polymer machines from vendors in Western Europe fell 15% YoY.

Shipments of industrial metal powder bed fusion systems from Western European vendors dropped 12% YoY, while revenues from these sales actually increased 21% due to a trend toward higher-efficiency machines with more lasers.

## Network Products

CONTEXT Research noticed a 3.4% year-on-year growth in enterprise networking revenues for September. The switches segment stood out with a 13% YoY revenue rise, offsetting a 24% drop in wireless device revenues.



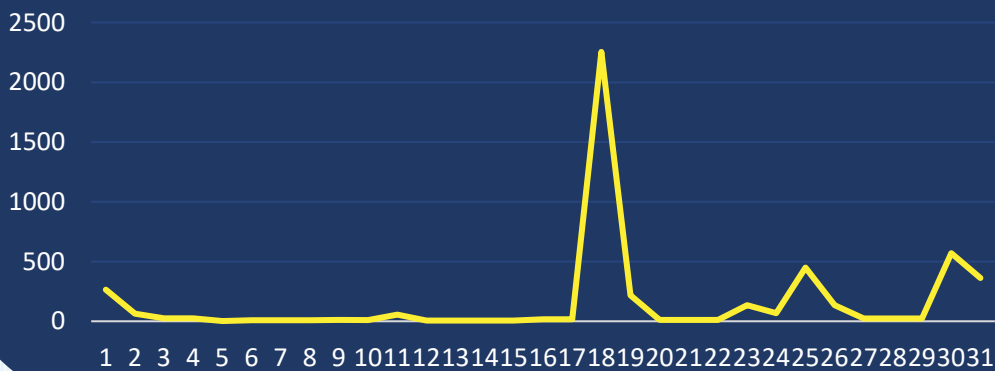
## Monthly Statistics

Price increases during October peaked at 32,365 on Oct 16, with other notable high points on Oct 30, at 30,202, and Oct 23, at 29,524. The lowest number of price increases was on Oct 6, at 2,429.

Price decreases hit one clear high point on Oct 9, at 33,824. There were only 4 other points when they got above 20,000, on Oct 2 (26,195), Oct 12 (21,607), Oct 19 (20,949), and Oct 25 (21,580). The month's low came on Oct 16 at 7,754.

Stock increases hit their peak of 6,337 on Oct 6, dropping to their low of 2,459 on Oct 26. Stock decreases peaked at 15,936 on Oct 2, and reached their low of 7,876 on Oct 27.

### NEW PRODUCTS



### MONTHLY STATS

