



# IT Market Alert October 2024

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

The largest number of price increases happened on September 16<sup>th</sup> with **60,624**

- iPhone 16 fails to impress
- PC market continues modest recovery
- NAND flash demand drives up prices

Overall, the note was one of cautious recovery in September. Modest improvements in PC sales were good news for the channel, but there were some dark spots. Disappointing sales of enterprise network equipment has tempered overall improvements across the technology sector.

CONTEXT Research had mixed feelings about the channel's prospects. It had already revised down its original 2.3% ( $\pm 3\%$ ) prediction for 2024 revenue growth to make it flat in May. However, it expected better YoY growth of 1.8% in Q3, and 3.6%, 4.8%, and 4.7% in the quarters after that. Personal systems and software will be the biggest winners. Q3 and Q4's projects won't level up central expected annual growth in 2024 to more than 0.3%, it said.

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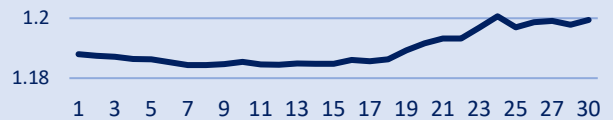
## Exchange Rate

EUR/USD began rising straight away in September, but its initial rally peaked during the middle of the first week. By the middle of the second, it had plunged to its monthly low of 1.1028 on Sept 11. From there, it rose steadily through until Sept 20, taking a small dip on Sept 23 before reaching its nadir of 1.1170 on Sept 25. It finished strong, just slightly down at 1.1160.

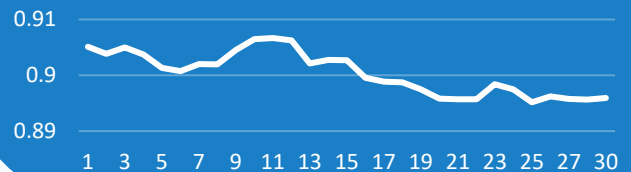
The euro went the other way against the pound. It rose in a broad arc from its starting point of 0.8413 to hit its high of 0.8441 on Sept 7. From there, it maintained a plateau until Sept 18, when it began a sharp drop to its monthly low of 0.8327 on Sept 24. It ranged for the next week to finish at 0.8336.

The Sept 19 drop coincided with the Bank of England's decision to hit the pause button on rate cuts. This stood in stark contrast to an aggressive 50-point cut from the US Federal Reserve the day before. These announcements doubtless contributed to the fortunes of the euro during the month.

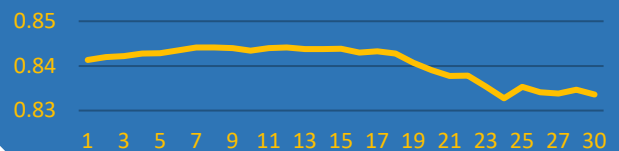
### BRITISH POUND (GBP) PER 1 EURO (EUR)



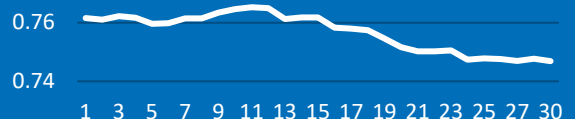
### US DOLLAR (USD) PER 1 EURO (EUR)



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



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





## Price Changes and News Through September 2024

### Phones and Tablets

Apple launched its iPhone 16, touting many anticipated AI features that won't actually arrive until a forthcoming operating system update. [Lead time analysis](#) from Morgan Stanley suggests that it hasn't been selling well.

In August 2024, Xiaomi claimed second position in global smartphone shipments, a feat last achieved in August 2021, said [Counterpoint Research](#). This was due to Apple's seasonal decline and Xiaomi's strategic growth, despite flat month-on-month sales. Xiaomi saw a 22% YoY increase in sales during H1 2024, driven by a streamlined product strategy focusing on one key model per price band and expanding into new markets. The brand excelled in the sub-\$200 segment with its Redmi 13 and Note 13 series, particularly in India and Latin America.

In 2023, used smartphone shipments grew 6.4% YoY to 195m units, said [IDC](#), on revenues up 12.4% to \$72.9bn. This market is outperforming the new device market due to improved volume and quality of used inventory. However, longer refresh rates in developed economies are leading to fewer premium models in the secondary market, it added. Apple and Samsung units dominate this space with a 64% share. As the market matures, other brands and more affordable models are expected to gain traction. The used smartphone market will reach 257m units by 2028, IDC predicted, with a CAGR of 5.7%, outpacing the new smartphone market's expected 2.8% CAGR.

### Traditional PCs

[CONTEXT Research](#) predicted a modest recovery in the global PC market this year following its misfortunes after the pandemic. Look for improvements in the desktop space over the next two quarters, with stronger growth projected for 2025. Q3 unit sales will range between a 3.6% YoY decrease and 4.6% growth, the company said. Notebooks and tablets will see moderate growth. Demand for high-performance devices is expected to grow, especially in hybrid work environments.

### Premium Ultramobiles & Wearables

Global wearable device shipments will grow 6.1% to 537.9m units this year, [IDC predicted](#). An improving global economy, a refresh cycle in mature markets, and ongoing adoption in emerging regions are driving the surge.

Hearables, which make up over 60% of the wearables market, will grow 10.2%. Despite downward pressure on average selling prices due to competition and demand for affordable options, new product launches are expected to boost unit growth.

Things aren't looking so good for smartwatches, though. They will see their first-ever YoY decline of 3% in 2024, before recovering with a 4.8% growth next year. A saturated Indian market is to blame, thanks to an influx of low-cost, white-label products. With that country excluded, IDC predicts a far healthier 9.9% growth in global smartwatch shipments, with average selling prices expected to rise by 5.7% in 2024.

The biggest growth area is smart rings (88.4% this year) and smart glasses (73.1%), although these markets are far smaller than the others at present.

[Apple](#) is reportedly preparing a second version of its niche Vision Pro headset, despite earlier rumours that it would cease work on the product.



## Processors, MEMS, Semiconductors

The flooding in North Carolina following Hurricane Helene could impact the semiconductor industry. The event [left](#) parts of Spruce Pine, a town of barely 2,000 people, ten feet underwater - and it is America's only source of pure quartz, which is crucial in processor production. Quartz production facilities in the area have been halted, and the main rail line used for quartz transport has been heavily damaged.

Experts believe that although chip fabricators might have short-term reserves of ultra-pure quartz, prolonged disruptions could cause significant problems. So the race is on to get things working again. Until then, there are scant few other deposits, namely in Russia and Brazil.

Intel announced a \$10bn cost reduction plan during a disappointing Q2 earnings announcement. It also spun off its foundry business to focus on its core x86 architecture. The belt-tightening saw it put fab plants on hold in Germany and Poland.

The semiconductor giant's GPUs saw their market share plummet to 0% during Q2 this year. Discrete desktop PC GPU shipments rose 48% YoY to 9.5m units in Q2 this year, [said](#) Tom's Hardware. NVIDIA dominated with an 88% market share, significantly boosting its sales, while AMD held a 12% share with stagnant sales. The surge defied typical seasonal trends due to new product releases and slight price reductions.

Finally, Intel identified the cause of instability in its 13th and 14th Gen Core processors as a "Vmin shift" due to a clock tree circuit issue. The problem affects 22 out of 28 chips and can lead to long-term damage. The company issued microcode updates to address the issue, prioritising stability over performance.

## Memory

Despite Morgan Stanley's warning of an AI bubble, Micron projected robust growth, exceeding market expectations with \$8.7bn in fiscal Q1 revenue, [said TrendForce](#). Micron anticipates its high-bandwidth memory (HBM) market share to align with its DRAM share by 2025, as revenues in data centre and automotive sectors reach record highs.

## Storage

Q2 2024 saw NAND Flash prices rise thanks to demand from the AI and server markets, despite challenges in the PC and smartphone sectors, [TrendForce](#) added. They saw a 15% increase in average selling prices and a 14.2% growth in total revenue, reaching \$16.796bn. Although bit shipments slightly declined due to high inventory levels among PC and smartphone buyers, all suppliers returned to profitability and began expanding capacity.



## Display

AMOLED smartphone panel shipments will surpass 840m units in 2024, up almost 25% from 2023, as leading smartphone manufacturers adopt the technology, [said TrendForce](#). Expect a more modest 3.2% increase to 870m units 2025, it added. 56.9% of smartphones will use AMOLED panels this year compared to 51% in 2023, the company predicted.

## Printers

Global industrial printer shipments were static at just 0.1% YoY growth in Q2, with a more pronounced 1% QoQ bump, noted [IDC](#). While the large format segment saw minimal growth, other segments such as direct-to-shape and industrial textile printers saw significant increases, at 10.1% and 15.9% respectively. Label and packaging printer shipments rose 25.7%. The transition from direct-to-garment to direct-to-film also contributed to market stability. Regionally, Europe reported positive growth.

## Consumables

Germany saw increased YoY sales of ink bottles in early August, driven by back-to-school purchases. Ink bottles were responsible for the improvement, while cartridges lagged last year's rolling average. Bottle sales have exceeded 2023 levels across Europe this year.

## Network Products

In Q2 2024, global Ethernet campus switch revenues fell by 30%, marking the third consecutive quarter of decline, [said Dell'Oro](#). This drop follows a peak in sales in Q2 2023. While the decline affected all regions and switch types, Huawei gained market share, particularly outside of China. Cisco also posted QoQ growth for the first time in a year. Despite the downturn, the market is expected to recover by Q4 2024.

## Monthly Statistics

Price increases hit their high early in the month, at 39,276 on Sept 4, followed by a second high on Sept 10 (35,428). The low point was on Sept 20, when just 1,630 price increases hit the books.

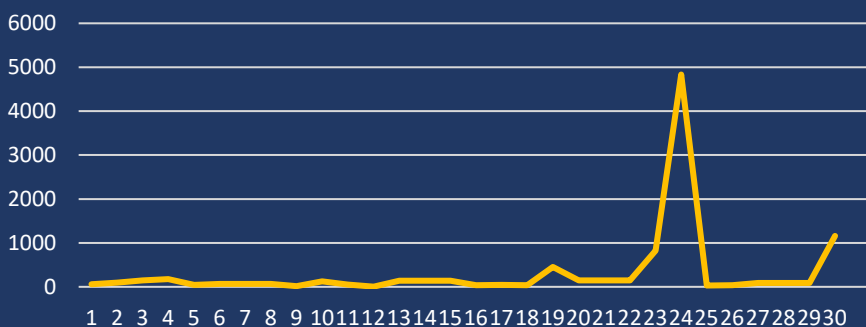
Price decreases peaked at 60,624 on Sept 16, far outperforming the next highest day on Sept 26, when they hit 40,058. The lowest number was 2,800 on Sept 13.

Stock increases saw their high point of 12,636 on Sept 17. This was one of only three days when increases went into five figures (the others were Sept 10 and Sept 12). The low point came on Sept 11, at 3,149.

Stock decreases only fell below five figures on one day - Sept 12 - when they hit 4,158. The high point came on Sept 13, when stock decreases hit 23,741.



### NEW PRODUCTS



### MONTHLY STATS

