

## TrendForce: Memory Prices Drop Further in Q2

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According to the TrendForce DRAMeXchange division, ongoing oversupply and weak demand will bring about "significant" memory price drops during H1 2019, with prices falling by no less than -15% Q-o-Q in Q2 2019.

Contract prices for DRAM products across all application markets already declined by -15% M-o-M in January 2019, the analyst says, and prices should continue to fall in February and March. As a result, Q1 2019 PC DRAM prices are down by -20% Q-o-Q, while server DRAM prices see an even larger drop of nearly -30% Q-o-Q.

**Table: Projected Declines in Contract Prices of DRAM Products for 1Q19 and 2Q19**

| Item          | 1Q19 (E)        | 2Q19 (F)      |
|---------------|-----------------|---------------|
| PC DRAM       | ~25%            | ~15%          |
| Server DRAM   | ~30%            | ~15%          |
| Mobile DRAM   | Discrete 10~15% | Discrete 3~8% |
|               | eMCP 15~25%     | eMCP 10~15%   |
| Consumer DRAM | ~20%            | ~15%          |
| DRAM ASP      | ~20%            | ~15%          |

Source: DRAMeXchange, Feb., 2019

Looking ahead to Q2 2019, DRAMeXchange predicts some recovery in demand, even if oversupply issues persist, leading to the aforementioned price drop of -15% Q-o-Q. As for H2 2019, the analyst believes uncertainties brought about by political and economic events across the world will continue to constrain growth in end demand, and upcoming sources of demand (such as 5G, AIoT, IIoT and automotive electrics) will not affect the DRAM market in 2019.

PC DRAM prices are the most sensitive of demand changes, falling by nearly -25% Q-o-Q in Q1 2019. Currently the average contract price of mainstream 8GB PC DRAM modules is under \$45. Server DRAM products did see large price gains during 2017 and 2018, but a temporary

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server demand slowdown in H2 2018 caused a pile-up of server DRAM inventory, leading to sharp monthly declines from Q1 2019 onwards.

Moving to mobile DRAM, the market sees an opposite situation. Mobile DRAM prices saw the smallest increases during 2017-2018, and consequently the current price declines are also the smallest. DRAMeXchange says the contract prices of discrete and eMCP products are under under -20% Q-o-Q for Q1 2019, before Q2 2019 prices fall by -10-15%, with the releases of flagship Android smartphones help ease inventory pressures.

Specialty DRAM contract prices are to fall by -10-15% Q-o-Q in Q2 2019, with no rebound in sight due to many competing suppliers. Thus such products are unlikely to make a strong recovery in the near future.

Go [Contract Prices of DRAM Products Projected to Drop by 15% Q-o-Q in 2Q19 Due to High Inventory and Weak Demand, Says TrendForce](#)