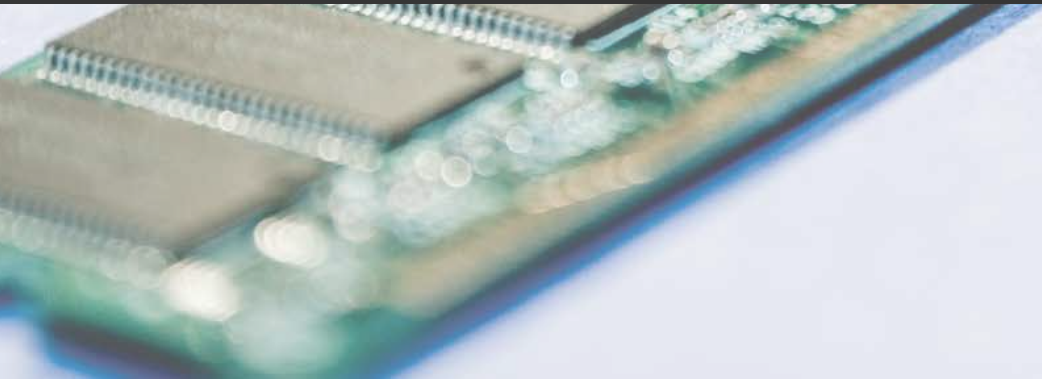


# MARKET TRENDS: MEMORY MARKET AND RISING PRICES



Memory prices are higher than normal in Q1 of 2021 due to increasing demand for memory and a shortage of supply available. As memory is a commodity good, its pricing is heavily influenced by market demands. The main reasons behind this price increase can be attributed to three key factors.

## **Semiconductor shortage**

With skyrocketing demand for advanced semiconductors in industries such as automotive, AI, 5G and more, semiconductor powerhouses have been ramping up production to accommodate diverse semiconductor needs. Most foundries have already maxed out fab production levels, with some companies even repurposing their DRAM-centric fabs for other needs. This has led to constraints in additional semiconductor manufacturing and a shortage in memory supply, hence the discrepancy between memory demand and supply levels.

## **Work from home practices**

Demand for mobile technology has also increased as a result of the pandemic. Due to the unprecedented nature of the pandemic, companies have had to quickly adapt to WFH practices. As employees have been working outside of the office, companies are acquiring a greater number of laptops and WFH equipment. With more of these products being shipped out, there is increased memory demand from PC OEMs.

## DDR5 development

Rising DRAM prices are also a result of DDR5 development. As DDR5 is set to make its highly anticipated debut, companies have already begun allocating production lines to the new memory standard. Despite both DDR3 and DDR4 still being used in large capacities, DDR5 production is increasing while DDR3 and DDR4 production is being scaled out. The lower supply of legacy memory products along with their continued widespread usage is another key reason why memory prices are currently higher.

## In need of memory solutions?

Third party upgrades such as Axiom memory products can help your business balance its budget with reliable memory performance. Contact your Axiom sales team to learn more and to discuss how Axiom can help your business navigate the current memory market.

**Please contact your Axiom Sales Representative to learn more:**  
**888-658-3326 | [sales@axiomupgrades.com](mailto:sales@axiomupgrades.com) | [axiomupgrades.com](http://axiomupgrades.com)**

### References:

*"Samsung to Produce Image Sensors by Converting DRAM Line," Business Korea, accessed January 8th, 2021, <http://www.businesskorea.co.kr/news/articleView.html?idxno=56553>*

*"Semiconductor shortage to increase prices in 2021 Business Korea," The Elec, accessed January 8th, 2021, <http://www.thelec.net/news/articleView.html?idxno=2113>*

*"Home work triggers demand jump for chips, laptops and network goods," Reuters, accessed January 9th, 2021, <https://www.reuters.com/article/us-health-coronavirus-tech-demand/home-work-triggers-demand-jump-for-chips-laptops-and-network-goods-idUSKBN21A0Y9>*

*"Demand for laptops and components soar amid mass remote working," IT Pro, accessed January 9th, 2021, <https://www.it-pro.com/business-operations/sales-crm/355075/mass-wfh-triggers-laptop-and-chip-demand>*

*"DRAM ASP to Recover from Decline in 1Q21," EPS News, accessed January 9th, 2021, <https://eps-news.com/2020/12/21/dram-asp-to-recover-from-decline-in-1q21/>*

*"DDR3 RAM prices look set to soar despite imminent arrival of DDR5," Tech Radar, accessed January 9th, 2021, <https://www.techradar.com/news/ddr3-ram-prices-look-set-to-soar-despite-imminent-arrival-of-ddr5>*