

## Display Panel Prices Still in a Slump in October Despite Positive Signs from Industry, TrendForce Reports

2015-10-21 [Eric Chiou](#)

October not only has brought refreshing autumn air but also positive news on the display panel industry. According to the latest price report by [WitsView](#), a division of [TrendForce](#), TV panel shipments have been steady to the third quarter of this year. In the monitor panel market, rush orders from vendors for the year-end sales have returned. Notebook sales are also slowly picking up due to promotional activities. Nonetheless, these positive signs have not significantly eased the industry's concerns over the looming oversupply problem and market has remained downbeat for this month.

Eric Chiou, WitsView senior research director, said that TV sales during China's National Day holidays were weak and did not provide an opportunity to turn the TV panel market around. With much of the capacity being used in TV panel production, there are rising worries that panel suppliers will face both oversupply and weak demand in the TV application. To address this imbalance, suppliers are stepping up their efforts to lower their TV panel inventories as well as finding ways to maximize these products' margins. Hence, TV panel prices have taken a dive due to the combination of aggressive shipments and price slashing.

The TV panel market remains depressed this month with prices declining across all size segments. The 32-inch segment has fallen by about US\$2~3 on average. Even though 32-inch TV panels from some suppliers are now sold below their cash costs, their prices might drop further to the US\$60 threshold next month if the industry does not significantly adjust its overall capacity utilization. The 39.5- and 43-inch segments have fallen by US\$7~8 due to increasing oversupply. Likewise, inventory pressure continues to build in the 48- and 49-inch segments, which has seen a decline of US\$8~9. Demand for both 55- and 65-inch panels fades as TV vendors are finishing stocking up for the year-end peak season. Prices in these two segments have dropped by more than US\$10 this month.

In the monitor panel market, quote prices for small-size panels (18.5-, 19.5- and 21.5-inch segments) have fallen through their cash costs in October. Their prices are likely to keep falling in the short-term despite some suppliers' efforts. While monitor panels with higher dealing prices are still subject to negotiation between suppliers and buyers, prices in general are consistent with the market downtrend. Price decline for products that quoted below the market average is also starting moderate. Small-size segments have seen decline widen by about US\$1~3. For 23- and 24-inch panels, their prices have fallen by around US\$2 on average due to the intense price competition among few dominant suppliers.

In the notebook panel market, prices of mainstream TN HD panels in the 15.6-, 14- and 11.6-inch size segments have fallen to a low of US\$25~26 in October after suppliers slashed their prices repeatedly to undercut each other in the first half of this year. While price bargaining for TN HD panels has paused on the supplier as well as the buyer side, heated negotiation continues on the prices of the higher-end FHD and IPS panels. For suppliers, FHD and IPS products consume more of their capacity and have better margins compared with TN HD products. They therefore are willing to lower the prices of FHD and IPS panels to make them more competitive against HD panels and to boost their shipments. Branded notebook vendors on the other hand want to raise the specs of their notebook systems with high-end panels. This will catch consumers' attention and generate sales. Hence, the 15.6-inch FHD panels may see the largest price drop compared with other notebook panels this month owing to efforts of suppliers, with decline reaching US\$1~1.5.

## About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen and Beijing. For more details about TrendForce, please visit [www.trendforce.com](http://www.trendforce.com)

### Major research divisions:

**DRAMeXchange** focuses on memory, storage and the consumer electronics industry including PC DRAM, Mobile DRAM, Server DRAM, NAND Flash, SSD and smartphone.

**WitsView** offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

**LEDinside** covers all aspects of the LED supply chain from upstream equipment/materials, midstream chip/packaging to the downstream backlight and lighting market.

**EnergyTrend** specializes in green energy research, such as solar energy, lithium battery, energy storage systems and xEVs.

**Topology** studies structural trends of technology industries in the Greater China Region and beyond, focusing on semiconductors, photovoltaic technology, telecommunications, and IA.

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