

Small and Mid-Size TV Panel Prices to Bounce Back Up in March, Large-Size Prices to Continue Descent, Says TrendForce

2019-02-26 [Jeff Yang](#)

According to the latest investigation by [WitsView](#), a division of [TrendForce](#), prices have recently dropped below cash costs for some TV panel sizes; for example, 32-inch TV panel quotes have dropped below US\$40. As prices are expected to near rock bottom and drop no further, demand of TV brands shall see a gradual return, causing small and medium-sized TV panel prices to rebound in March.

WitsView Research Manager, Jeff Yang, points out that TV brands adopted conservative procurement strategies in 4Q18 and focused on controlling year-end inventory levels. Diving demands caused TV panel prices to slide at speed, and accelerated the impairment of financial conditions for panel manufacturers, who, faced with the imbalance between supply and demand, adjusted their product portfolios and utilized proactive quoting strategies as a first remedy. After relieving inventory pressures, panel manufacturers have been taking a harder stance on price negotiations for products 50-inches and under to improve profits.

Clear Rebound Trend for Small and Mid-Size TV Panel Prices

32-inch panel prices have fallen the most since the fourth quarter last year compared to other sizes. As panel manufacturers reduced 32-inch panel production on the left and cleared out stocks via special offers on the right, the overall supply-demand imbalance has since improved. Medium-size panels ranging from 40 to 43 inches, on the other hand, were influenced by SDC's future halting of 40-inch product production in the second quarter, which shifted demands and caused orders for Innolux's 39.5-inch and mainstream 43-inch panels to exceed expectations. Furthermore, Gen 8.6 production lines have entered the market in recent years, allowing the economy-cutting 50-inch panel to take center stage. But CEC-Panda, HKC, CHOT and other second-tier panel manufacturers in China still need to improve their 50-inch customer bases and yield rates, and their supplies are thus expected to remain tight in the short term.

TV Panel Price Trends Split for the First Time in a Long Time

Contrary to the bounce signalled in the medium and small size panel prices, the large size panel market exhibits a completely different phenomenon. The mainline sizes from Gen 8.5 production lines consist of 32-inch, 49-inch and 55-inch sizes, but due to the strategic reductions of 32-inch production by panel manufacturers, and 49-inch panels being pushed out of competition by the large increase in demand for 50-inch panels, 55-inch panels have been the main avenue for production capacity consumption, increasing endlessly in supply. Adding the fact that Gen 10.5 lines of BOE and China Star Optoelectronics Technology (CSOT) are joining the ranks of 65-inch and 75-inch suppliers, large size panels are feared to remain stuck in an oversupply situation—the larger the size, the greater the price pressure.

Looking at past trends, the TV panel industry has rarely exhibited divergences in panel prices. WitsView points out that, though small size panel prices are expected to rise, the continual fall of large panel prices may limit the strength of the bounce. Another possible scenario: if the bounce strength goes overboard, it may raise the bar for TV brand costs, affecting panel purchasing power. All these are definitely worth paying attention to in the coming future.

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

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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.

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

Media Contact

Pinchun Chou +886-2-8978-6488 ext.669 PinchunChou@TrendForce.com

Lindsay Hou +886-2-8978-6488 ext.667 Lindsayhou@TrendForce.com

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