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Owing to Seasonal Headwinds and Constricted Supply, 1Q20 NAND Flash Price Is Projected to Continue Rising, Says TrendForce

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- Despite cyclically weak season, NAND Flash demand is expected to be strong, while supply remains tight; both NAND Flash and wafer contract prices are expected to keep increasing.
- 2019 NAND Flash bit demand growth was mostly driven by the PC market, while 2020 demand will for the most part come from the server market.

DRAMeXchange research division of TrendForce, the contract price of client SSD has fallen for seven consecutive quarters until 2Q19 from peak price, to barely above the price of HDD. As a result of this price decrease, the share of SSD, along with their capacity, used in notebook computers has risen since 2Q19. On the supply side, the June 15 power outage at the Yokkaichi fab jointly operated by Kioxia and WDC forced the two companies to reduce their NAND production, in turn halting the price drop of eMMC/UFS and SSD products in 3Q19. On the other hand, there was a sharp uptick in the wafer market leading to a 20% increase in 3Q19 wafer prices. As well, the contract prices of eMMC/UFS and SSD made a strong recovery in 4Q19.

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