Mobile phone chip latest market: who price cut in half, who "bottom rebound"?

Global smartphone shipments have plunged this year, with phones not selling and leading manufacturers from Android to Apple cutting orders.

HONG KONG, CHINA, December 30, 2022 /EINPresswire.com/ -- Global smartphone shipments have plunged this year, with phones not selling and leading manufacturers from Android to Apple cutting orders.

The smartphone market is in a slump, and the related chip industry is also "hard to say", inventory reduction, prices cut in half, production cuts, layoffs, and other problems come one after another.

Below, we have sorted out the latest market of 5G SoC chips, display driver chips, PA chips, CIS chips, memory chips, and other mobile phone chips. Let's take a look!

1. 5G SoC chip

5G SoC chips refer to 5G mobile phone processors, such as Huawei Kirin 990, Qualcomm Snapdragon 865, and Mediatek Tianji 1200, which are also the soul of smartphones.

Since 2022, smartphone demand has been sluggish, and 5G SoC chip shipments have declined significantly. Mobile phone chip giant Mediatek has slightly lowered its full-year forecast for smartphone chip shipments in 2022 to 570m-600 million units, according to a report by Fubun Investment Research. Among them, the Get 9000 chip shipment is likely to be reduced from the original estimate of 10 million units to only 5 to 6 million units.

Similarly, Qualcomm, another mobile-chip giant, is not doing so well. In early November, Qualcomm again cut its forecast for smartphone shipments to 600-650 million from 650-700 million, and cut second-half orders for its flagship chip platform Snapdragon 8 Gen1 by about 10-15 percent.

2. Display driver chip

The display driver chip, DDIC, is one of the main control components of the panel. At present, smartphones are the largest terminal application market of DDIC.

As shipments of consumer electronics terminals plummeted and panel factories entered a period of inventory depletion, DDIC demand also plummeted. Genomdia's latest forecast predicts that demand for DDIC in 2022 will fall 12 percent year-on-year from 2021 to 7.8 billion, with smartphone demand falling 17 percent.

In addition, DDIC prices have been falling. Qunzhi consulting report pointed out that at the end of the year, the peak season is not prosperous. The price of DDIC also continued to fall and will fall to that level in early 2021.

3. PA chip

PA chip refers to the power amplifier, belongs to a radio frequency chip, is a communication system used for signal amplification, and is a chip affecting signal coverage.

As smartphone sales are dismal, most chips used in the smartphone field have entered the destocking stage, and PA chips have been the hardest hit. The capacity utilization rate of upstream PA chip foundries such as Wenmao and Macro Tech has been declining, which has fallen to the freezing point.

According to JAK Electronics, mobile phone PA demand continues to be weak because winter has come. By the end of the second quarter of 2023, this demand will not have much improvement.

4. CIS chip

CIS chip stands for CMOS image sensor, which mainly converts optical signals captured by cameras into digital signals that can be recognized by machines and are widely used in smartphone cameras.

Smartphone demand was weak and also CIS chip demand was disappointing. About 1.13 billion mobile image sensors were shipped globally in the third quarter of 2022, a year-on-year decline of about 10.9 percent, according to Qunzhi.

In addition, IC Insights also released a forecast, due to the decline in consumer demand such as smartphones, tablets, and PCS, CIS chip shipments in 2022 are expected to decline 11% to $6.1 billion, the first decline in 13 years.

5. Memory chip

This year, the memory chip market has badly underperformed, with prices falling by more than 50%.

According to JAK Electronics, the DRAM revenue of Samsung, Hynix, and Micron in the third quarter was 7.4 billion, 5.24 billion, and 4.8 billion dollars, respectively, down 34%, 25.2%, and 23% from the previous quarter. While the three major NAND Flash manufacturers (Samsung, Kaixia, and Hynix) third-quarter revenue was 4.3 billion, 2.83 billion, and 2.54 billion dollars, compared to 22Q2 quarter-on-quarter growth rate of -28.1%, -0.1%, -29.8%.

In the view of the industry, memory chip has appeared oversupply situation, and the future market will go through a long period of inventory digestion, with short-term "bottoming out" hopeless.

According to WSTS, the global semiconductor market will shrink by 4.1% in 2023. By category, in 2023, memory chips will have the most decline, which accounts for more than 20% of the market size, and is predicted to decline by 17% from 2022, dragging down the overall semiconductor market growth.

6. Passive components

The smartphone market is the most important application area for passive components, and with global mobile phone sales suffering a severe "Waterloo" crisis, the passive component industry is also chilling.

According to JAK Electronics, the inventory of original manufacturer, and the channel of MLCC are still destocking, and MLCC prices also dropped to the freezing point. Murata, the world's leading MLCC player, has repeatedly cut its forecast for global smartphone production this fiscal year and slashed its annual earnings forecast to come in well below market expectations.

In addition, Samsung Electric, the world's second-largest MLCC vendor, has seen its MLCC plant in the Philippines run at a rate of 40 percent due to falling demand.

In general, the demand for smartphone-related chip products has plummeted, and the price has also dropped continuously, which is messy in the headwind.

As for when demand will recover, several agencies point to at least the second half of 2023.

JAK Electronics
JAK Electronics
+852 9140 9162
it@jakelectronics.com

---

in today's world. Please see our Editorial Guidelines for more information.