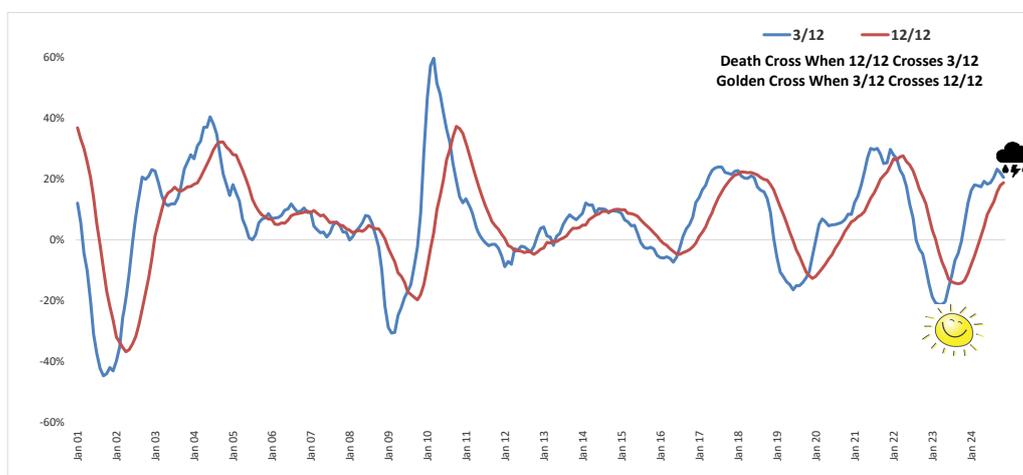




Research Brief: 2025/01 – SMU Market Update – Jan 2025

**The Headlines Scream “Boom” ...
 The Fundamentals Say “No”**



Source: WSTS / Future Horizons

Executive Summary

Total semiconductor sales bounced back again in November, reversing October’s slowdown, driven by a strong rebound in Memory and a slight improvement in Micro, but with the broader bell-weather Analog IC, Discrete and Opto market segments all still languishing in negative growth territory.

Opto fell back the furthest, declining 13.5 percent vs. November 2023, down from last month’s 7.1 percent growth, with Discretes pulling back slightly, shrinking 5.8 percent vs November 2023 compared to last month’s 8.9 percent decline.

Analog ICs nudged back into positive territory, growing 0.6 percent on an annualised basis, vs. last month’s 4.8 percent year-on-year decline, but a long way off September’s 9.0 percent growth rate.

With the more mundane sectors still firmly in the doldrums, November’s numbers serve as a salutary reminder not to get blinded by the headlights of the euphoric headline AI/HBW Memory market data, the more general, and much broader, chip market recovery has still yet to sprout, let alone develop and grow.



Fuelled by the exuberance surrounding the current AI infrastructure boom, Total ICs grew at whopping 29.6 percent annualised growth rate in November, up from October's 20.1 percent result.

Memory continued to be the prime driving force behind this recovery, growing at an annualised rate of 87.2 percent, significantly higher than October's 51.3 percent rate, followed by Logic at 19.4 percent, compared with the previous month's 22.9 percent.

Micro grew more sedately, at just 5.1 percent, up slightly from October's 4.7 percent rate, but lower than September's 9.3 percent number.

Overall, total non-Memory IC sales were up 12.2 percent in November vs November 2023, on a par with October's 12.4 percent result.

The overall year-on-year total Semiconductor market grew 15.1 percent, down from last month's 15.5 percent and September's 23.3 percent numbers.

Despite what appeared to be a good start to Q4, the apparently strong market growth is still dominated by AI, which in turn is restricted to just data-centre infrastructure. With these eye-watering investments still yet to pay off, there is a real danger of investor frustration and this euphoria fizzling out. The broader AI end market has yet to surface and take off.

Malcolm Penn

12 January 2025

Read The Full Report Here: <https://www.futurehorizons.com/page/137/>



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- ☑ Correctly Call 2021 Double-Digit Growth, With Upside Of 24% (Sep 2020)
- ☑ Correctly Call Systemic & Widespread Shortages Throughout 2021-22 (Sep 2020)
- ☑ Only Analyst To Warn Of A Market Downturn In 2H-2022 (Dec 2021)

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Q3 Was Down 6.3% vs. Q2
The Market Meltdown Is Now In Full Flow

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- ☑ Sep 2020 – Correctly Called Systemic & Widespread Shortages Throughout 2021-22
- ☑ Dec 2021 – Correctly Warned Of 2H-2022 Market Downturn
- ☑ May 2022 – Warned Of Negative 22% Growth In 2023

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- ☑ May 2022 – Warned Of Negative Double Digit Growth In 2023

Proceedings & Video Link Now Available
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And It's Off To A Great Start

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- ☑ Sep 2020 – Correctly Called Double-Digit Growth In 2021, With 24% Upside
- ☑ Sep 2020 – Correctly Called Systemic & Widespread 2021-22 Shortages
- ☑ Dec 2021 – Correctly Called Market Downturn In 2H-2022
- ☑ Mar 2022 – Correctly Warned Of Double Digit Negative Growth In 2023

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Dates For Your Calendar

These events can also be held on customer premises, call for details.

Silicon Chip Industry Awareness Workshop

Nov 5, 2024 – 9:30am-4:00pm UK GMT, Holiday Inn, London W8 5SP, lunch included.

In person event: Ideally suited for both individuals with a non-technical background or specialists seeking to understand better the broader industry aspects, this one-day introduction to the Integrated Circuit (IC) industry covers the basics of semiconductor technology, manufacture, and markets. Sign up here:

<https://www.futurehorizons.com/page/12/silicon-chip-training>

Industry Update Webinar

Jan 14, 2025 – 3pm UK GMT (On-Line)

Check out the latest industry forecast 2025-26. Details Coming Shortly

September Webinar video recording and slide deck now available

<https://www.futurehorizons.com/page/136/Industry-Update-Webinar>

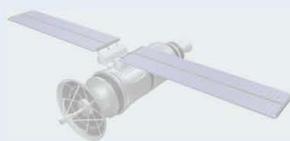


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Malcolm Penn is the founder and CEO of Future Horizons, with over 55 years experience in all aspects of the IT industry, from semiconductors to end-electronics equipment; advance research to manufacturing and applications together with an extensive network of C-level industry contacts. He has worked extensively throughout Europe as well as in the United States, the former USSR, Japan and Korea, and was an early pioneer of pan-European research and product development collaboration in the 1970s during his tenure with ITT Europe.

His wide range of experience includes brokering partnerships and helping firms develop their joint activity relationships. Prior to establishing Future Horizons, he held various operations, marketing and business development positions in the semiconductor and IT industry having worked his way through university as a professional musician.



Mike Bryant is Future Horizons CTO. With more than 45 years in the electronics industry, he is an experienced RF and analogue/mixed signal IC design engineer, specialist in providing IC design and consultancy services on hardware and systems design partitioning, software and digital signal processing design methodology and implementation. Recognising the convergence of many software and digital hardware design techniques, Mike was one of the first in Europe to use HDL and

logic synthesis exclusively for all logic design

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