



## Heard on the Beat: Hynix dumps DRAMs, IC prices fall

04/27/2004

Fusion Inc., an independent distributor, claims it has noticed a significant drop in double-data-rate (DDR) SDRAM pricing. DDR prices have fallen by more than 10 percent on the open market.

The pricing fluctuation occurred when South Korea's Hynix Semiconductor Inc. allegedly dumped 5 million 256-megabit DDR SDRAM devices in China, according to a report issued by Fusion on Tuesday (April 27).

"The gap between direct pricing and open market pricing has closed, as we have seen open market pricing for the DDR 32 x 8 fall from the \$6.65 range to the \$5.30 to \$5.90 range, depending on manufacturer," according to Fusion. "While the 16 x 16 DDR configuration has held more of its gains as it has moved from the \$6.80 range to the range \$5.50-\$6.00 range."

Prices were moving towards the \$7.00 mark. "However pricing briefly flirted with this level, but the combined effect of OEMs withdrawing from the market and Hynix taking advantage of inflated prices by reportedly dumping five million 256-Mbit discrete DDR devices into the market through China, had a chilling affect on pricing," according to Fusion.

"Admittedly many were caught unaware and speculators further contributed to the price erosion by unloading additional product into the market rather than risk getting caught in a losing situation, resulting in a 10 percent slide in DDR pricing," according to the distributor.

What's next? "We expect to choppy DDR pricing over the next several weeks with the 32 x 8 fluctuating between the \$5.10 to \$5.70 range and 16 x 16 configured product to sell in the \$5.65-\$6.00 range," according to the firm.

"SDRAM, activity excluding the 16 x 16 configuration which has been selling at a steep premium well in to the mid \$6.00 range has been limited. However pricing has fairly linear as SDRAM falls under the legacy category and a limited of manufacturers are supporting SDRAM and they seem to have a good handle on the supply demand equation," according to the report.