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## Forecaster sees DRAM shortages on the horizon

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SAN FRANCISCO—Shortages of DRAM memory chips are on the horizon and closing fast, according to market research firm Semico Research Corp., which said ramifications of slowed manufacturing capacity output and a lack of capital expenditure over the past 24 months, combined with increased demand driven by a hot PC market, has resulted in a very positive environment for DRAM pricing.

Demand for DRAM will continue to outpace supply in 2010, leading to shortages, Semico said.

DRAM average selling prices (ASPs) have increased 108 percent since bottoming out in December 2008, and show no sign of deteriorating, according to [Semico](#) (Phoenix). From October 2009 through January of this year, DRAM ASPs increased 18 percent, Semico said.

In December 2009, Semico projected an industry-wide 40 percent increase in DRAM revenue. But given recent market conditions and continued ASP strengthening, DRAM revenue could grow by between 60 and 70 percent this year, Semico said.

Earlier this week a report by FBR Capital Markets said several categories of electronic components are [now facing shortages](#), prompting a number of suppliers to raise prices.

The DRAM trend is discussed in greater depth in a new report being [offered for sale](#) by Semico, titled "2009 In Review, DDR3 Crossover, DRAM Prosperity and Shortages In 2010."

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