

## NAND Pricing and Forecast Report from Semico

Submitted by Anonymous on Fri, 2005-07-29 18:30. Memory  
Technology News Daily - Scottsdale,AZ,USA

<http://www.technologynewsdaily.com/node/1142>

What if your market were growing so fast that you could never quite match supply with demand? That's what NAND makers are facing now, and according to [Semico Research Corp.](#), the phenomena is bound to continue. The firms latest NAND forecast points to the market's enormous growth, and its upside demand from unexpected new applications which has been taxing manufacturers' ability to match supply with demand, causing unexpected price collapses and shortages.

Capacity mismatches will result in price slides during overages and skyrocketing revenues during shortages. These price slides are not enough to keep the market from reaching a \$36.1 billion peak in 2008 just before a price collapse in 2009.

The Semico NAND forecast methodology is perhaps the most complete and accurate model in the market. Semico's quarterly 2003 flash forecasts hovered within 4% of actual 2003 revenues, and in 2004, a year marked by a 65% NAND price collapse, Semico's flash forecast remained within 13% of the actual over the course of the year. The forecast is built upon a model that compares end-application demand, using the Semico MAP model, to production capacity from Semico's exhaustive fab database. This is layered upon pricing models extracted from historical market behavior, and is continually tested against WSTS history and Semico's Inflection Point Indicator.

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