PC Sales Outlook Lowered on Corporate Deferrals

Written by Mike Buetow Monday, 19 November 2012 10:46 -

NEW YORK -- Deutsche Bank today lowered its forecast for the PC market as consumers and businesses showed lackluster enthusiasm for the new Windows 8 OS.

The investment banking firm also cited excess channel inventory, seasonally weak motherboard and notebook manufacturing trends, competition from tablets and smartphones and corporate spending deferrals.

As a result, DB said, 2012 PC sales will fall 3% year-over-year, and 2013 unit sales will drop 1% from 2012. The analysts previously said 2012 sales would fall 2%, then rebound 2% in 2013.

When tablets are included, overall unit sales will grow 8% in 2012 and 6% next year, DB said.

The much-anticipated "fiscal cliff" in the US was also cited. "We also believe uncertainty around the fiscal cliff is impacting discretionary PC purchases coupled with persistent weakness in global macro (Europe double dipping) and the highly deferrable nature of PC purchases as key factors dampening PC demand," wrote analyst Chris Whitmore.

"As in past cycles we expect the introduction of a new Microsoft OS to spur an increase in PC demand. However, unlike prior cycles we believe macro weakness and the fiscal cliff is having a very real and negative impact on both enterprise and consumer willingness to upgrade hardware and we expect any PC demand bump is likely spread over multiple quarters."

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