

## DigiTimes Warns of Sudden Graphics Card Drop

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The graphics card market is suddenly slowing down, DigiTimes says-- so much so Taiwanese vendors such as Gigabyte, Micro-Star International (MSI) and TUL expect April shipments to drop by as much as -40% M-o-M.



The reason of such slowdown? The abrupt waning of the cryptocurrency mining craze. DigiTimes says April 2018 sees channel distributors and larger cryptocurrency mining farm operators cut orders with mining graphics card and mining motherboard makers. Some mining farm operators have even stopped buying graphics cards, and are instead waiting the Q3 2018 rollout of Ethereum mining machines by China's Bitmain.

Such a drop in shipments will, of course, lead to a drop in graphics card maker profits-- from high of 50% to a sharp -20-25% decline, as vendors and distributors are forced to slash prices in the name of sales promotion. That said, makers and disties still hope for a demand rebound in May or June, even if DigiTimes gives no reason behind said rebound.

Many Taiwanese graphics card makers saw record shipments and revenues in 2017 and Q1 2018 through the crypto mining boom. However the value of both Bitcoin and Ethereum fell sharply in early 2018, and miners now hope prices will pick up in Q3 2018-- just in time for the launch of the aforementioned new mining machines.

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