

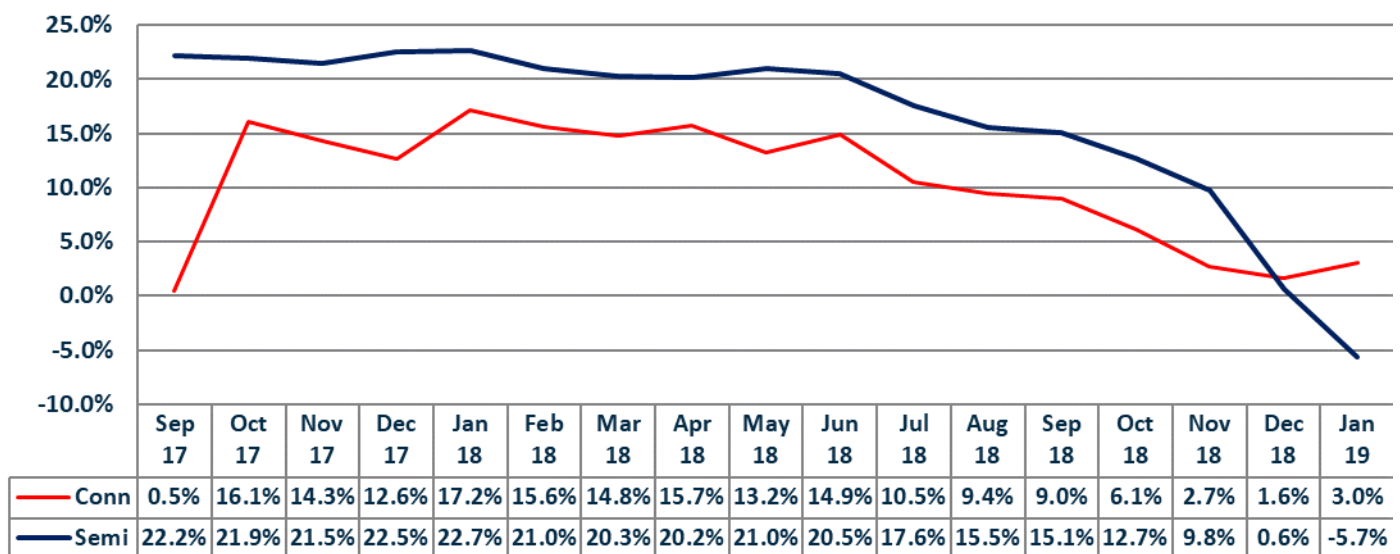
Semi Sales Contracted for the First Time in over Two Years Down -5.7% YOY

The Semiconductor Industry Association (SIA) reported January sales of \$35.5 billion, down -5.7% from prior year and down -7.2% sequentially. Regionally for January, the SIA reported that China contracted -3.2% YOY, Japan was down -1.5%, Asia Pacific/Other contracted -3.8% and the Americas contracted -15.3%. Europe grew +0.2%. YOY sales contracted for the first time in over two years.

The connector industry sales, measured in U.S. dollars, increased +3.0% to prior year and increased +4.3% sequentially. Regionally for January, YOY sales increased +13.1% in North America, +8.2% in Asia Pacific and +5.0% in ROW. Japan decreased -4.8%, Europe decreased -0.1% and China decreased -2.8%.

The following graph compares semiconductor sales performance to the connector industry.

Monthly Sales Performance
Year-Over-Year



- Semis contracted for the first time since July 2016 after 29 months of consecutive growth. Connectors have grown for 34 consecutive months. Connector sales outperformed Semis for the second time in as many months.
- Semi sales and Connector sales performance is tailing down due to difficult comparisons to prior year and slowing economic growth worldwide.

The following table displays year-to-date performance, measured in U.S. dollars, by geographic region for both components.

**Sales Performance
2018 January YOY**

	Semiconductors	Connectors
North America	-15.3%	13.1%
Europe	0.2%	-0.1%
Japan	-1.5%	-4.8%
China	-3.2%	-2.8%
Asia Pacific/Other	-3.8%	8.2%
World	-5.7%	3.0%

Source SIA & Bishop

Both components sales growth performance tracked more closely in total world sales. On a regional basis, however, performance diverged significantly in North America.

High demand for semiconductors has always led to strong connector sales, but the opposite is also true. If Semi sales are starting to contract, connector sales may be one to three months behind their footsteps.

The impact of the various tariffs between the major economies and slowing economic growth is having an impact on growth in the first quarter of 2019. Some of the slow-down, however, is certainly due to difficult comparisons to prior year.