

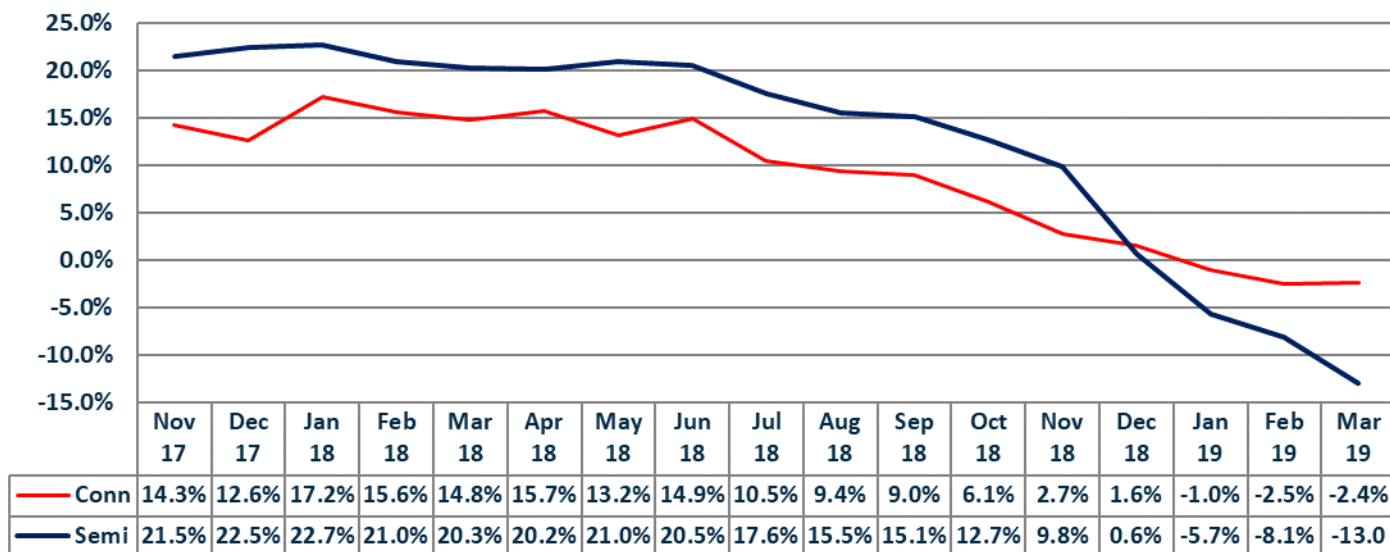
Semi Sales Contracted -13.0% in March Semis and Connectors Contracted for Third Consecutive Month

The Semiconductor Industry Association (SIA) reported March sales of \$32.3 billion, down -13.0% from prior year and down -1.8% sequentially. Regionally for March, the SIA reported that China contracted -9.4% YOY, Japan was down -11.1%, Asia Pacific/Other contracted -9.3% and the Americas contracted -26.6% and Europe contracted -6.8%. Overall YOY sales contracted for the third consecutive month.

The connector industry sales, measured in U.S. dollars, declined -2.4% to prior year and decreased -3.2% sequentially. Regionally for March, YOY sales increased +6.6% in North America. Sales declined -1.1% in Asia Pacific, -3.1% in ROW, -6.0% in Europe, -5.6% in Japan, and China decreased -6.5%. Overall YOY sales contracted for the third consecutive month.

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

Monthly Sales Performance
Year-Over-Year



- Semis sales contracted for the third consecutive month in March, as did Connectors. Connector sales outperformed Semis in the last four 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
2019 March YTD**

	Semiconductors	Connectors
North America	-21.4%	7.5%
Europe	-3.2%	-4.6%
Japan	-6.1%	-4.4%
China	-7.0%	-8.4%
Asia Pacific/Other	-6.7%	0.5%
World	-9.7%	-2.0%

Source SIA & Bishop

Semi sales are declining at a faster rate than connectors and are separated by almost 8 percentage points. YTD sales growth in North America are separated by almost 29 percentage points. Both components saw their growth rates start declining in the middle of 2018. Both components hit negative numbers in January 2019.

In the light of the positive number for North American YTD connector growth, it is somewhat surprising that the semis contraction is so large.

High demand for semiconductors has always led to strong connector sales, but the opposite is also true. If Semi sales continue contracting, connector sales will likely follow in 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.