

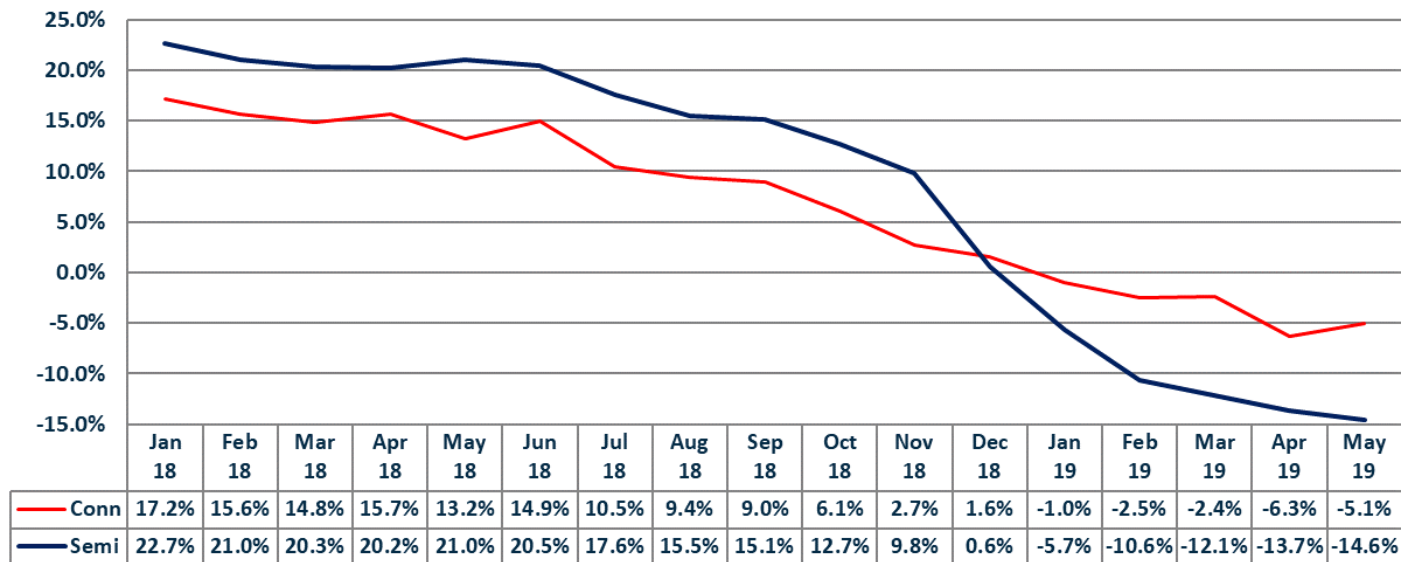
## Semi Sales Contracted -14.6% in May Semis and Connectors Contracted for Fifth Consecutive Month

The Semiconductor Industry Association (SIA) reported May sales of \$33.1 billion, down -14.6% from prior year and up +1.9% sequentially. Regionally for May, the SIA reported that China contracted -9.8% YOY, Japan was down -13.6%, Asia Pacific/Other contracted -12.6%, the Americas contracted -27.9% and Europe contracted -9.0%.

The connector industry sales, measured in U.S. dollars, declined -5.1% to prior year and increased +9.1% sequentially. Regionally for May, YOY sales declined -1.7% in North America, -3.9% in Asia Pacific, -3.9% in Europe, -11.8% in Japan, and China decreased -9.5%. ROW increased +2.3%.

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

Monthly Sales Performance  
Year-Over-Year



- Semis sales contracted for the fifth consecutive month in May, as did Connectors. Connector sales outperformed Semis in the last six 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 May YTD**

	<b>Semiconductors</b>	<b>Connectors</b>
<b>North America</b>	<b>-23.8%</b>	<b>3.6%</b>
<b>Europe</b>	<b>-4.7%</b>	<b>-5.4%</b>
<b>Japan</b>	<b>-9.0%</b>	<b>-6.7%</b>
<b>China</b>	<b>-7.8%</b>	<b>-8.5%</b>
<b>Asia Pacific/Other</b>	<b>-8.7%</b>	<b>-1.3%</b>
<b>World</b>	<b>-11.4%</b>	<b>-3.5%</b>

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 over 27 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 continues to be 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 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 five months of 2019. Some of the slow-down, however, is certainly due to difficult comparisons to prior year.