

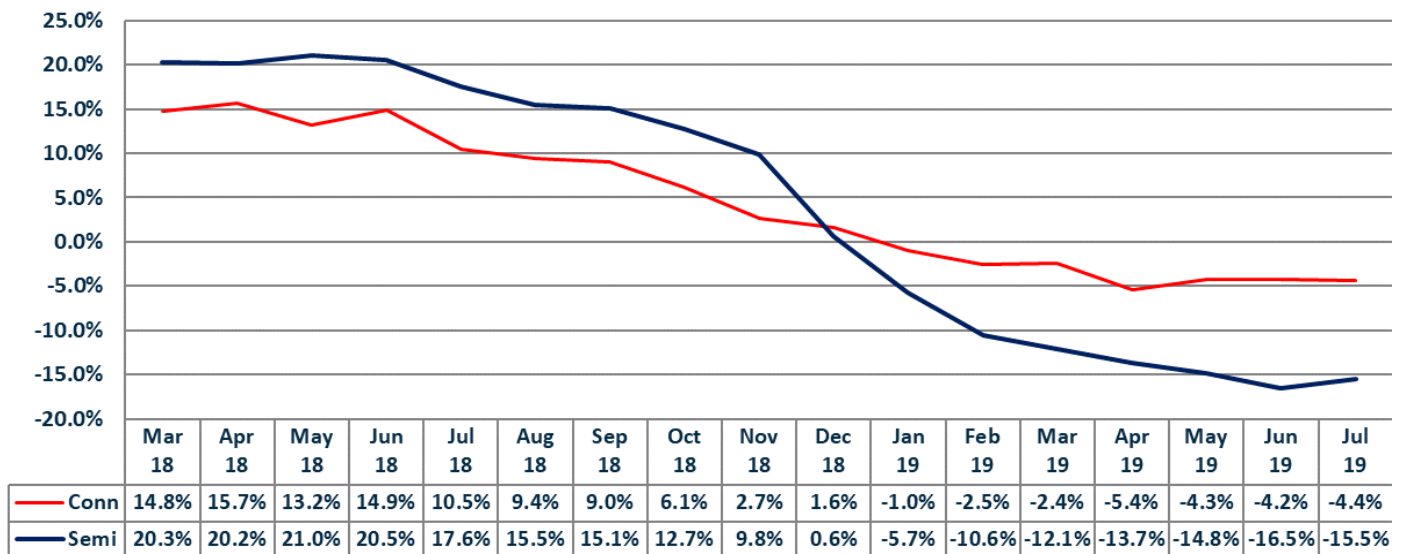
Semi Sales Contracted -15.5% in July Semis and Connectors Contract for Seventh Consecutive Month

The Semiconductor Industry Association (SIA) reported July sales of \$33.4 billion, down -15.5% from prior year and up +1.7% sequentially. Regionally for July, the SIA reported that China contracted -14.1% YOY, Japan was down -12.0%, Asia Pacific/Other contracted -11.0%, the Americas contracted -27.8%, and Europe contracted -8.6%.

Connector industry sales, measured in US dollars, declined -4.4% to prior year and decreased -3.3% sequentially. Regionally for July, YOY sales declined -0.2% in Japan, -7.4% in Asia Pacific, -1.1% in Europe, China decreased -12.6% and ROW decreased -7.9%. North America increased +0.6%.

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

Monthly Sales Performance
Year-Over-Year



- Semi and connector sales contracted for the seventh consecutive month in July. Connector sales outperformed semis in the last eight months.
- Semi 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 US dollars, by geographic region for both components.

**Sales Performance
2019 July YTD**

	Semiconductors	Connectors
North America	-25.2%	2.8%
Europe	-6.1%	-5.2%
Japan	-10.1%	-3.7%
China	-9.6%	-8.3%
Asia Pacific/Other	-9.7%	-2.5%
World	-12.8%	-3.5%

Source SIA & Bishop

Semi sales are declining at a faster rate than connectors, separated by over 9 percentage points. YTD sales growth in North America is separated by 28 percentage points. Considering the positive number for North American YTD connector growth, it is somewhat surprising that the semis contraction is so large in comparison.

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 eventually follow the same downward path.

The impact of the various tariffs between the major economies, and slowing economic growth, had an impact on growth in the first seven months of 2019. Recent tariffs announced by the US government and retaliatory currency devaluation by China will have further ill-effects on the remainder of 2019 for these industries.