

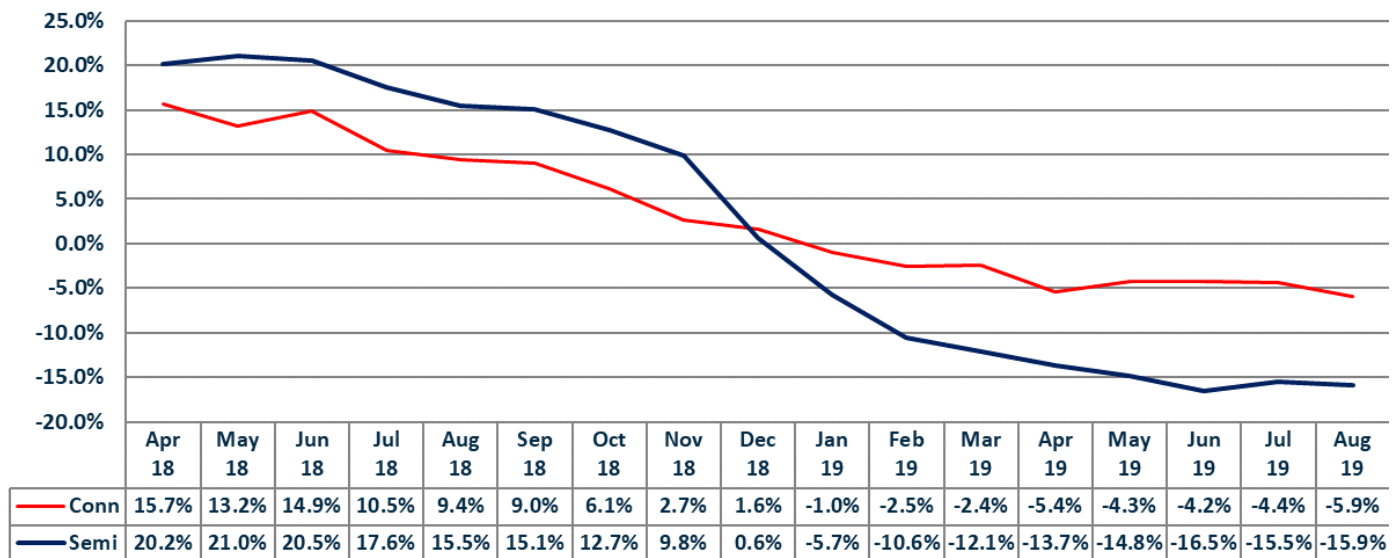
## Semi Sales Contracted -15.9% in August Semis Sales Record Sequential Growth in Three of Last Four Months

The Semiconductor Industry Association (SIA) reported August sales of \$34.1 billion, down -15.9% from prior year and up +2.5% sequentially. Regionally for August, the SIA reported that China contracted -15.7% YOY, Japan was down -11.5%, Asia Pacific/Other contracted -9.2%, the Americas contracted -28.8%, and Europe contracted -8.6%.

Connector industry sales, measured in US dollars, declined -5.9% to prior year and increased +7.3% sequentially. Regionally for August, YOY sales declined -5.6% in Japan, -10.0% in Asia Pacific, -1.9% in Europe, China decreased -8.9%, ROW decreased -5.5% and North America decreased -5.2%.

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

Monthly Sales Performance  
Year-Over-Year



- In August, both semi and connector sales contracted for the eighth consecutive month. Connector sales have outperformed semis in the last nine months.
- Semi and connector sales performance is leveling off in the YOY comparisons, in the negative mid-single-digits for connectors and the mid-teens for semis.

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

**Sales Performance  
2019 August YTD**

	<b>Semiconductors</b>	<b>Connectors</b>
<b>North America</b>	<b>-25.7%</b>	<b>1.7%</b>
<b>Europe</b>	<b>-6.4%</b>	<b>-4.8%</b>
<b>Japan</b>	<b>-10.3%</b>	<b>-3.9%</b>
<b>China</b>	<b>-10.5%</b>	<b>-8.4%</b>
<b>Asia Pacific/Other</b>	<b>-9.5%</b>	<b>-3.5%</b>
<b>World</b>	<b>-13.1%</b>	<b>-3.8%</b>

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 27.4 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 continue contracting.

The impact of the various tariffs between the major economies, and slowing economic growth, had an impact on growth in the first eight months of 2019. The move by the Federal Reserve and the ECB to reduce interest rate may help slow the economic contraction. China is taking similar actions.