

## Serious Price Erosion A Thing of the Past?

### Price Analysis

The Price Index for November is 3.000 and will be the 3.040 six months from now. We have had years of stable connector prices, suggesting that offshore manufacturing with cheap labor is a thing of the past.

Industry personnel were asked, "In your opinion, what happened to connector prices in the past six months, and what will happen during the next six months?" The results of the November survey are shown in the following table:

### Change in Connector Prices

Price Change	Last 6 Months	Next 6 Months
<i>Change in Connector Prices</i>		
Increase a lot	4.0%	0.0%
Increase a little	24.0%	36.0%
Stay the same	44.0%	36.0%
Decrease a little	24.0%	24.0%
Decrease a lot	4.0%	4.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

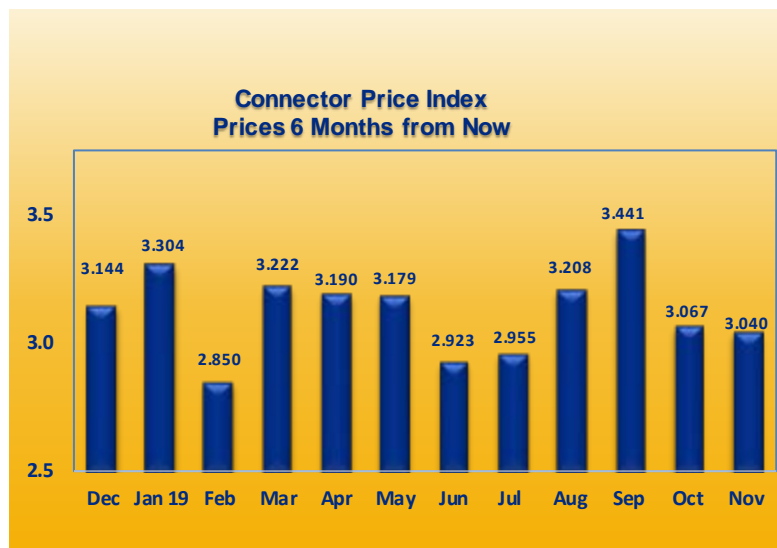
Nov	3.000	3.040
Oct	3.033	3.067
Sep	2.886	3.441
Aug	3.125	3.208

A price index above 3.000 means industry personnel believe prices have or will increase. Methodology: Increase A Lot = 5; Increase A Little = 4; Stay the Same = 3; Decline A Little = 2; Decline A Lot = 1

The following table displays the distribution of responses on the question of prices.

### Distribution of Responses

Prices	Last 6 Months	Next 6 Months
Decrease 1-2%	8.0%	8.0%
Decrease 3-4%	24.0%	20.0%
Decrease 5-6%	4.0%	4.0%
Decrease 7-8%	0.0%	0.0%
Decrease 9-10	0.0%	0.0%
Decrease >10%	0.0%	0.0%
<b>Stay The Same</b>	<b>40.0%</b>	<b>32.0%</b>
Increase 1-2%	4.0%	28.0%
Increase 3-4%	4.0%	4.0%
Increase 5-6%	8.0%	4.0%
Increase 7-8%	0.0%	0.0%
Increase 9-10%	8.0%	0.0%
Increase >10%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>



## Lead Times

Industry personnel were asked, “In your opinion, is lead time increasing, staying the same, or decreasing now and in 6 months from now?”

The following table provides the survey results, including distribution of responses:

### Order Lead Times on Connectors

Lead Time	Now	In 6 Months
Increase	24.0%	12.0%
Stay the Same	68.0%	72.0%
Decrease	8.0%	16.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
1 Week	0.0%	0.0%
2 Weeks	12.0%	12.0%
3 Weeks	4.0%	4.0%
4 Weeks	4.0%	4.0%
5 Weeks	8.0%	4.0%
6 Weeks	32.0%	36.0%
7 Weeks	0.0%	8.0%
8 Weeks	24.0%	24.0%
9 Weeks	0.0%	0.0%
10-12 Weeks	12.0%	8.0%
13-16 Weeks	4.0%	0.0%
>16 Weeks	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Average in Weeks - Nov</b>	6.7	6.2
<b>Average in Weeks - Oct</b>	5.5	5.7
<b>Average in Weeks - Sep</b>	5.5	5.8
<b>Average in Weeks - Aug</b>	6.0	6.0
<b>Average in Weeks - Jul</b>	6.3	6.2

Lead times are at 6.7 weeks now and forecast to be 6.2 in six months.