

Prices & Lead Times Continue to Rise

Price Analysis

The Price Index for February/March is 4.333 and will be 4.000 six months from now. Inflation and shortages will drive prices and lead times higher for the foreseeable future.

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 February/March 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	53.4%	25.8%
Increase a little	33.3%	54.8%
Stay the same	10.0%	16.1%
Decrease a little	0.0%	0.0%
Decrease a lot	3.3%	3.3%
Total	100.0%	100.0%

Feb/Mar	4.333	4.000
Dec/Jan	4.310	3.905
Oct/Nov	4.172	3.862
Aug/Sep	4.200	3.969

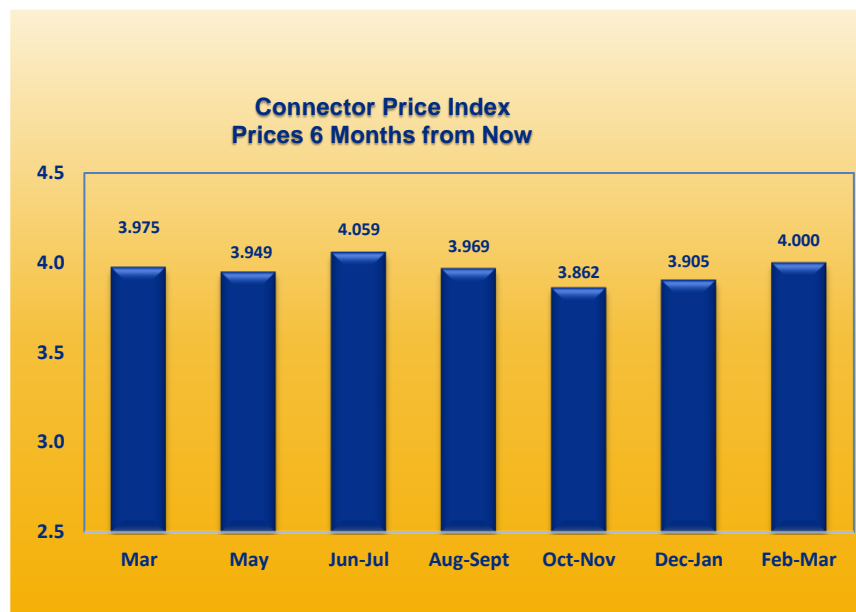
A price index above 3.000 means industry personnel believe prices have or will increase. Methodology: Increase A Lot = 5; Increase A Little = 4; Stay the Same = 3; Decline A Little = 2; Decline A Lot = 1

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%	0.0%	0.0%
Decrease 3-4%	3.3%	13.3%
Decrease 5-6%	3.3%	3.3%
Decrease 7-8%	6.8%	0.0%
Decrease 9-10%	0.0%	0.0%
Decrease >10%	0.0%	0.0%
Stay The Same	10.0%	13.3%
Increase 1-2%	0.0%	6.7%
Increase 3-4%	10.0%	16.7%
Increase 5-6%	20.0%	30.0%
Increase 7-8%	20.0%	6.7%
Increase 9-10%	13.3%	6.7%
Increase >10%	13.3%	3.3%
Total	100.0%	100.0%

Beginning in 2020, connector prices began to increase, fueled by strong demand and rising material costs. We anticipate at least two additional prices increase in 2022. It is conceivable that 2022 connector prices will be 15% higher than 2021.



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 Times	Now	In 6 Months
Increase	66.7%	43.3%
Stay the Same	30.0%	50.0%
Decrease	3.3%	6.7%
Total	100.0%	100.0%
1 Week	0.0%	3.2%
2 Weeks	6.1%	3.2%
3 Weeks	3.0%	0.0%
4 Weeks	6.1%	9.7%
5 Weeks	3.0%	0.0%
6 Weeks	12.2%	3.2%
7 Weeks	3.0%	6.5%
8 Weeks	9.1%	12.9%
9 Weeks	3.0%	6.5%
10-12 Weeks	27.2%	22.6%
13-16 Weeks	9.1%	3.2%
>16 Weeks	18.2%	29.0%
Total	100.0%	100.0%

Average in Weeks - Feb-Mar	9.8	10.3
Average in Weeks - Dec-Jan	10.1	10.3
Average in Weeks - Oct-Nov	10.6	10.3
Average in Weeks - Aug-Sep	9.9	7.6

Lead times are at 9.8 weeks now and forecast to be 10.3 in six months. Note, as reported in the April Bishop Report, the industry order backlog suggests lead times are 15.5 weeks.