

## Six Month Outlook Suggests Small Drop in Prices

### Price Analysis

The Price Index for August is 3.151 and will be 2.980 six months from now. Remember, an index above 3.000 means industry personnel believe prices will increase. Regardless of the small drop in the price index, we remain in a very stable price environment.

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 August 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	3.8%	0.0%
Increase a little	28.3%	23.5%
Stay the same	50.9%	52.9%
Decrease a little	13.2%	21.6%
Decrease a lot	3.8%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Aug</b>	<b>3.151</b>	<b>2.980</b>
Jul	3.143	3.180
Jun	3.071	3.143
May	3.102	3.250
Apr	3.189	3.231
Mar	3.095	3.071
Feb	2.915	2.953
Jan 2014	3.000	3.038

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

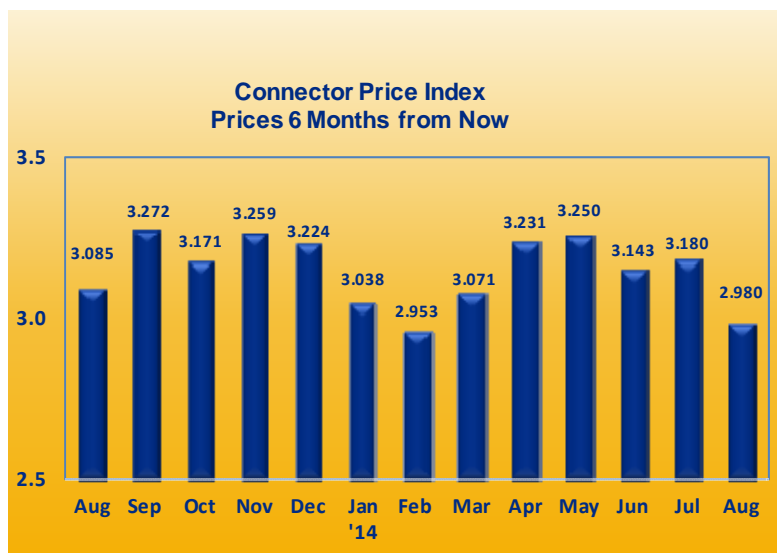
The following table displays the distribution of responses on the question of prices.

### Distribution of Responses

Prices	Last 6 Months	Next 6 Months
Decrease 1-2%	3.9%	9.7%
Decrease 3-4%	9.8%	13.7%
Decrease 5-6%	3.9%	2.0%
Decrease 7-8%	2.0%	0.0%
Decrease 9-10	2.0%	2.0%
Decrease >10%	0.0%	0.0%
Stay The Same	49.0%	51.0%
Increase 1-2%	17.6%	13.7%
Increase 3-4%	5.9%	5.9%
Increase 5-6%	5.9%	2.0%
Increase 7-8%	0.0%	0.0%
Increase 9-10%	0.0%	0.0%
Increase >10%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

We have now been in a firm price environment since 2010. However, you will note that the six month index is 2.980, meaning industry personnel believe prices will decline slightly. This slightly negative outlook last occurred in February 2014 when the price index was 2.953.

### Connector Price Index Prices 6 Months from Now



## 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	11.8%	6.1%
Stay the Same	80.4%	81.7%
Decrease	7.8%	12.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
1 Week	2.0%	2.0%
2 Weeks	11.8%	11.8%
3 Weeks	11.8%	9.8%
4 Weeks	17.6%	19.6%
5 Weeks	7.8%	7.8%
6 Weeks	29.4%	29.4%
7 Weeks	2.0%	2.0%
8 Weeks	7.8%	7.8%
9 Weeks	0.0%	0.0%
10-12 Weeks	7.8%	7.8%
13-16 Weeks	0.0%	0.0%
>16 Weeks	2.0%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Average in Weeks - Aug</b>	<b>5.4</b>	<b>5.4</b>
Average in Weeks - Jul	5.1	5.6
<b>Average in Weeks - Jun</b>	<b>6.1</b>	<b>6.6</b>
<b>Average in Weeks - May</b>	<b>5.9</b>	<b>6.0</b>
<b>Average in Weeks - Apr</b>	<b>6.1</b>	<b>5.8</b>
<b>Average in Weeks - Mar</b>	<b>5.1</b>	<b>5.4</b>
<b>Average in Weeks - Feb</b>	<b>6.2</b>	<b>6.4</b>
<b>Average in Weeks - Jan 14</b>	<b>5.5</b>	<b>5.8</b>

Lead times are 5.4 weeks now and forecast to be the same at 5.4 in six months.