

Industry Begins Fifth Consecutive Year of Stable Prices

Price Analysis

The Price Index for January is 3.000, and will be 3.038 six months from now. Remember, an index above 3.000 means industry personnel believe prices will increase. The price index has remained above 3.000 since January of 2010. We begin an unprecedented fifth year of stable prices.

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 January survey are shown in the following table:

Price Change	Last 6 Months	Next 6 Months
Increase a lot	0.0%	0.0%
Increase a little	23.1%	28.8%
Stay the same	55.8%	48.1%
Decline a little	19.2%	21.2%
Decline a lot	1.9%	1.9%
Total	100.0%	100.0%
Jan 2014	3.000	3.038
Dec	2.971	3.224
Nov	3.000	3.259
Oct	3.095	3.171
Sep	3.247	3.272
Aug	3.086	3.085
Jul 2013	2.971	3.043

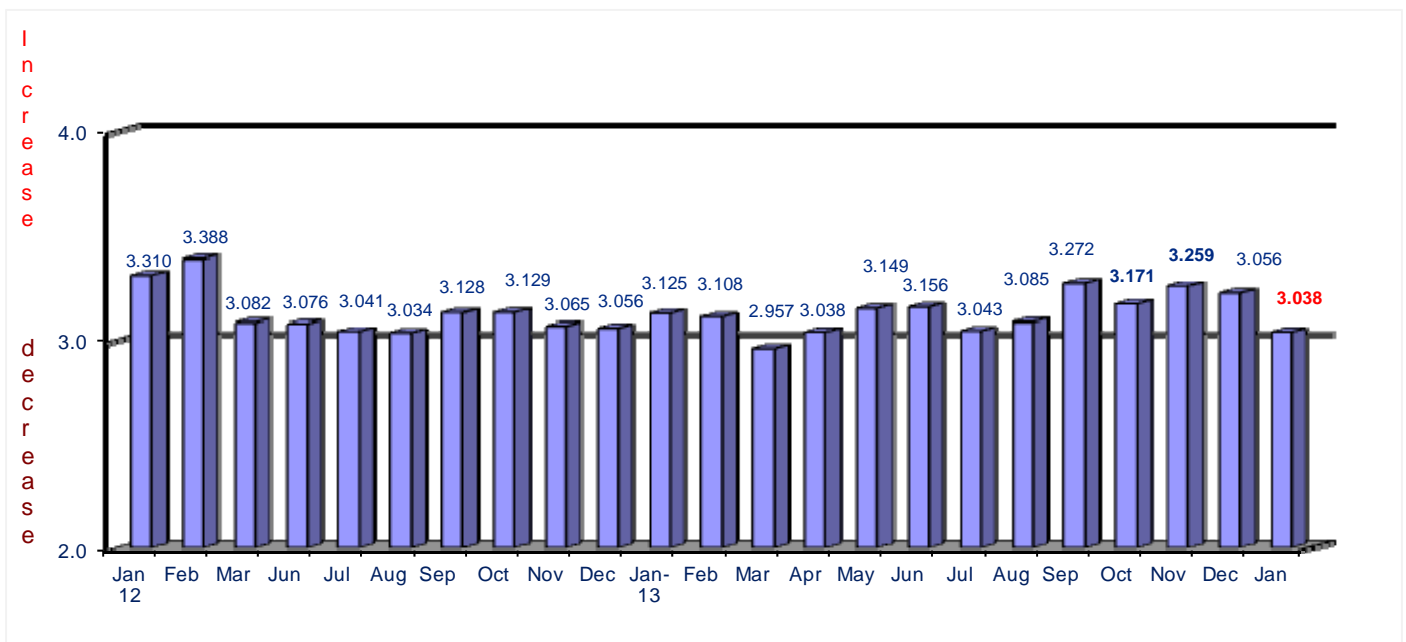
A price index above 3.000 means industry personnel believe prices have, or will increase. Methodology: Increase A Lot = 5; Increase A Little = 4; Stay the Same = 3; Decline A Little = 2; Decline A Lot = 1

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

Prices	Last 6 Months	Next 6 Months
Decline 1-2%	3.8%	15.1%
Decline 3-4%	13.2%	13.2%
Decline 5-6%	5.7%	0.0%
Decline 7-8%	0.0%	0.0%
Decline 9-10	0.0	0.0%
Decline >10%	0.0%	0.0%
Stay The Same	54.6%	45.3%
Increase 1-2%	9.4%	15.1%
Increase 3-4%	5.7%	9.4%
Increase 5-6%	5.7%	1.9%
Increase 7-8%	0.0%	0.0%
Increase 9-10%	1.9%	0.0%
Increase >10%	0.0%	0.0%
Total	100.0%	100.0%

The following graph provides a history of the price index since January, 2012. We have now been in a firm price environment since 2010.

**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:

Lead Time	Now	In 6 Months
Increase	17.6%	13.5%
Stay the Same	72.6%	78.8%
Decrease	9.8%	7.7%
Total	100.0%	100.0%
1 Week	0.0%	1.9%
2 Weeks	9.4%	11.3%
3 Weeks	15.1%	7.5%
4 Weeks	26.4%	24.5%
5 Weeks	11.3%	7.5%
6 Weeks	17.0%	20.9%
7 Weeks	0.0%	1.9%
8 Weeks	11.3%	11.3%
9 Weeks	0.0%	0.0%
10-12 Weeks	3.8%	7.5%
13-16 Weeks	1.9%	1.9%
>16 Weeks	3.8%	3.8%
Total	100.0%	100.0%

Average in Weeks - Jan 14	5.5	5.8
Average in Weeks - Dec	4.9	5.0
Average in Weeks - Nov	5.4	5.8
Average in Weeks - Oct	5.5	5.4
Average in Weeks - Sep	5.5	5.5
Average in Weeks - Aug	6.1	5.9
Average in Weeks - Jul	5.3	5.4
Average in Weeks - Jun	5.7	5.9

Lead times are 5.5 weeks now and forecast to be at 5.8 in six months.