



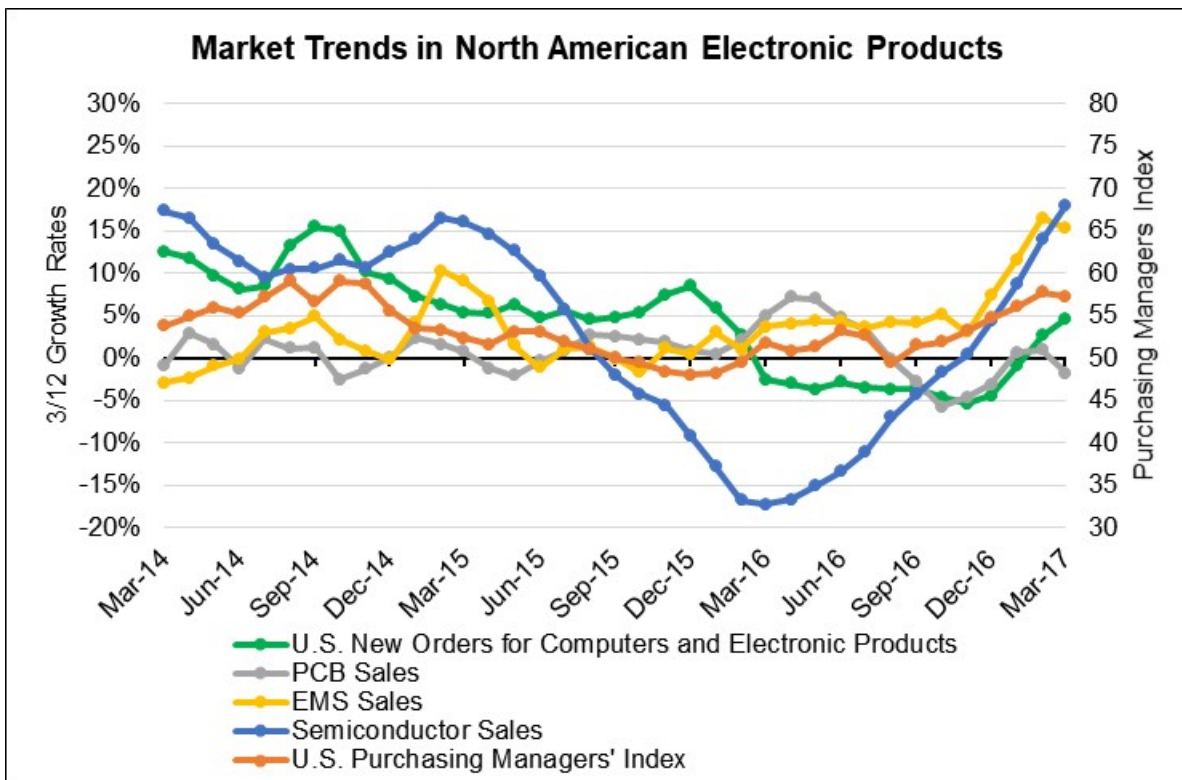
May 2017

## North American Electronics Leading Indicators Remain Positive

Based on three-month rolling averages, year-on-year growth in electronics manufacturing services (EMS) and semiconductor sales in North America remained strong in March, while printed circuit board (PCB) sales growth slipped back into negative territory.

The U.S. Purchasing Managers' Index (PMI), which tends to lead industry sales by two to six months, weakened slightly but remains solidly in positive territory (above 50). The 3/12 rate of change for U.S. new orders for electronic products strengthened for the fourth consecutive month, continuing in positive territory.

Another leading indicator, IPC's PCB book-to-bill ratio, is based on three-month rolling averages of orders and sales, and normally leads industry sales by three to nine months. The ratio has strengthened every month during Q1 2017 and stands at a solid 1.07 as of March. Ratios above parity (1.00) indicate greater demand than supply, which may be a precursor of sales growth for electronics manufacturers. These indicators suggest the likelihood of strengthening growth this spring and summer, with some volatility.



Notes: Three-month rolling averages iron out some of the volatility in monthly data to show clearer trends. This information is provided by IPC — Association Connecting Electronics Industries®. Other industry data can be found at [www.ipc.org](http://www.ipc.org).

Sources: IPC statistical programs for the EMS and PCB industries; SIA for semiconductor data; U.S. Census Bureau for U.S. new orders for computer and electronic products; and Institute for Supply Management for the U.S. Purchasing Managers' Index.