January 2023 Electronic Components Sales Sentiment Sustains Momentum into January and Slightly Beats Expectations

ECIA's Electronic Component Sales Trend (ECST) January 2023 Survey Results

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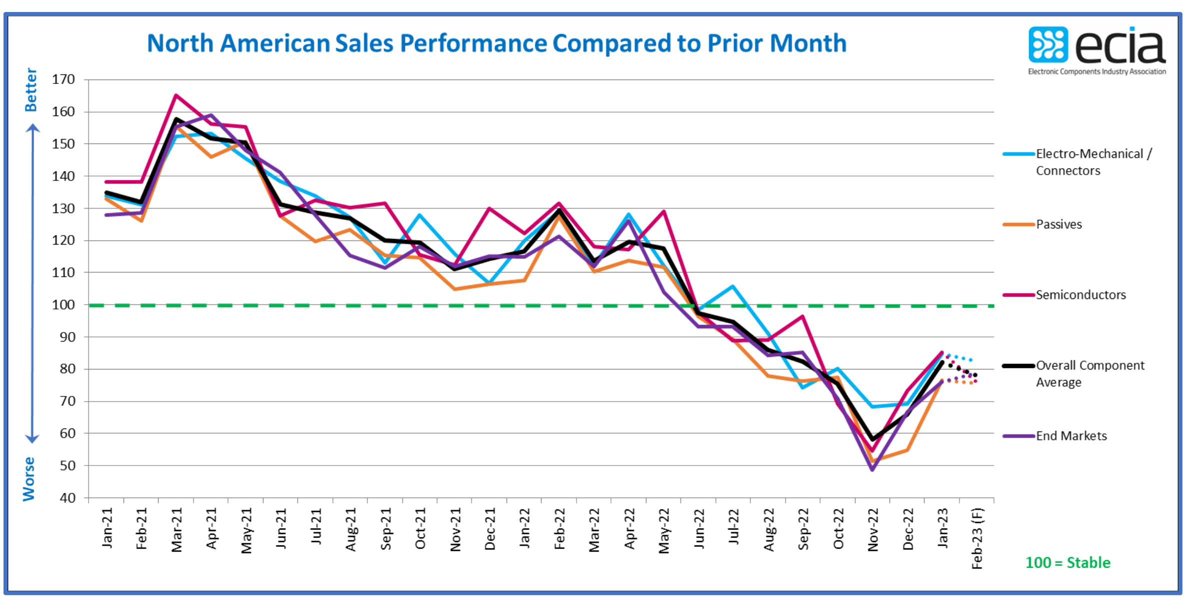
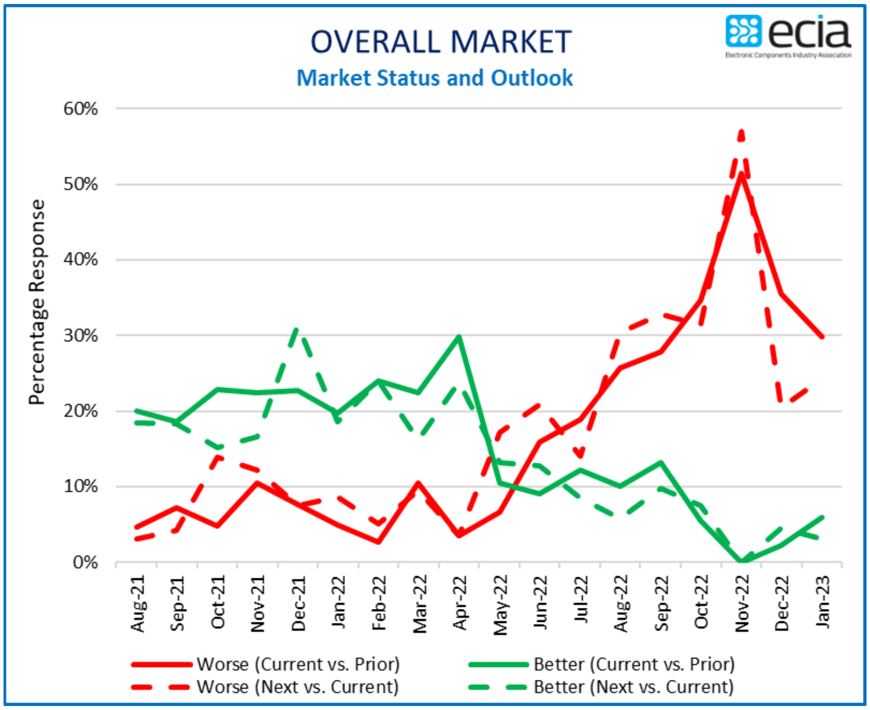
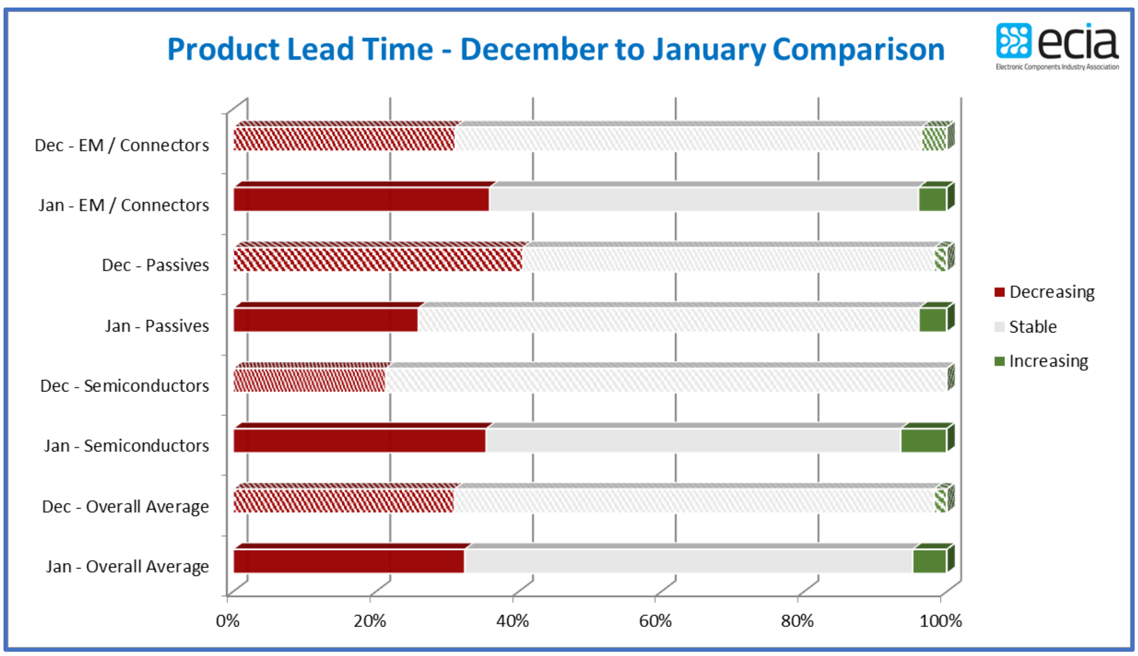
The new year rang in with encouraging results to begin 2023. Overall average sales sentiment jumped by 16.4 points from December's reading as it climbed to 82.2 points. This result slightly beat expectations from the December survey by 2.2 points. This improvement in sentiment is mostly sustained in the February outlook as the overall index only drops by 4.3 points to 77.9. Passive Component sales sentiment saw a dramatic jump of 21.8 points as it rebounded back to 76.5. Semiconductor components delivered the best overall index score in January at 85.3, a 12.0 point improvement. In recent months, Electro-Mechanical Components have typically registered the best sentiment index rating and with a jump of 15.4 points up to 84.8 it came in just below Semiconductors in January. All three major component categories see a projected dip in sales sentiment between January and February with Semiconductors losing the most ground to slip back to 75.8, just above Passive Components. However, Electro-Mechanical/Connectors and Passive Component indices decline by only 2.4 and 1.0 points respectively in February.

The Overall End-Market index saw a healthy improvement in its reported sales sentiment as it increased to 76.1 points in January. This is modestly below the component sentiment index in January. However, the end-market sentiment continues its improvement in the February outlook as it grows by 2.7 points to 78.8, slightly ahead of the product index for February. Five out of the eight individual end-market measures delivered a solid to strong improvement in sales sentiment in January. Looking forward to February, every index anticipates improvement except for Avionics/Military/Space. However, the Avionics/Military/Space is the only index that points to growing month-to-month sales with a score above 114. February only dips slightly and points to continued growth in this segment. While the welcome turnaround in most index measures is positive news it should be remembered that any measure below 100 indicates declining month-to-month sales sentiment. The recovery of sales sentiment scores to this range for components and markets supports a soft-landing scenario in the market that has been anticipated by most electronics component supply chain participants. It is hoped that the sales sentiment can defend the gains achieved in recent months.





The reported product lead time trends continue to improve as the share of decreasing lead times improved from December to January for Semiconductors and Electro-Mechanical Components. Passive Components only saw a slight slip in reports of declining lead times. Once again, stable lead time pressure dominated most reports at an overall average of 63% in January. Increasing overall lead time averages remain at an insignificant level at 5%. Most market and supply chain reports point to an ability to sustain this improving in lead time trend.



The ECST survey provides highly valuable and detailed visibility on industry expectations in the near-term through the monthly and quarterly surveys. This “immediate” perspective is helpful to participants up and down the electronics components supply chain. In the long-term, ECIA shares in the optimism for the future as the continued introduction and market adoption of exciting innovative technologies should motivate both corporate and consumer demand for next-generation products over the long term.

The complete ECIA Electronic Component Sales Trends (ECST) Report is delivered to all ECIA members as well as others who participate in the survey. All participants in the electronics component supply chain are invited and encouraged to participate in the report so they can see the highly valuable insights provided by the ECST report. The return on a small investment of time is enormous!

The monthly and quarterly ECST reports present data in detailed tables and figures with multiple perspectives and covering current sales expectations, sales outlook, product cancellations, product decommits and product lead times. The data is presented at a detailed level for six major electronic component categories, six semiconductor subcategories and eight end markets. Also, survey results are segmented by aggregated responses from manufacturers, distributors, and manufacturer representatives.