TPC Semiconductor Market Survey
February 19, 2020
Our February 2020 Semi industry survey of over 25k electronic industry professionals showed significant inflection on most metrics driven by the current and future impact from the Coronavirus.

The survey showed a downtick in the growth outlook for C1Q20 as well as a significantly weaker seasonality outlook for C1Q which we believe is related to limited product availability due to the virus. Our C1Q data shows 85% expecting down q/q growth vs. 71% previously, but only 4% see it as better than seasonal while 64% see it below seasonal.

However, the survey showed a significant uptick in bookings growth outlook for C1Q20 which we believe is an indication of production recovering in C2Q and the subsequent demand for components increasing to fill that demand.

Backlog cancellation expectations (slide 6) showed a significant decrease in cancellation activity vs. the past few months which aligns with the above commentary on booking’s trends.

Inventories appear to be getting slightly better while cancellation trends appear to be worsening vs. our last survey.

The q/q demand outlook for C4Q19 improved slightly while C1Q20 got slightly weaker. Both quarters are viewed as slightly above the previous 2 year’s seasonality.

Inventories (slide 7) for C4Q and C1Q have improved significantly.

Slide 8, which shows a more granular view of inventory by key components, showed a marked decrease in inventory and availability as we believe we are headed towards longer component leadtimes and allocation is some instances.

Pricing outlook is also improving with pricing projected to increase as we move into C2Q.
Q/Q Bookings Growth Expectations

C4Q19 Bookings Expectations Seasonality

C1Q20 Bookings Expectations Seasonality

4Q Bookings Expectations

1Q Bookings Expectations
Backlog Order Cancellations vs. 30 Days Ago
(Delta between Increasing and Decreasing Cancellations)
Q/Q Inventory Growth

C1Q20 Inventories vs. C4Q19

C4Q19 Inventories vs. C3Q19
Inventory Status

(Using a scale of 1 to 5 with 1 being extremely low inventory, 3 being the normal amount, and 5 being extremely high; how do you view inventory levels for the following products?)

Seeing most products now at or BELOW normal inventory levels
Q/Q Pricing Trends

C1Q20 Pricing vs. C4Q19

C4Q19 Pricing vs. C3Q19
Vertical Outlook

The outlook for Communications continues to be above previous years while Auto continues to erode.