

## Here is Your Supply Chain Bulletin

*January 19, 2022*

Lead-times in general increased once again in December. The rate of increase was the lowest it has been for quite some time, but this is little consolation to current supply scenarios.

Many manufacturers are reporting increased capacity coming on-line in early 2022, but there is a significant backlog to dig out of so it will be sometime before the impact is felt.

### **Capacity & Lead Time Issues**

Current commodities with supply issues are:

- Power management
- Discretes
- Wi-Fi modules
- MCUs
- Clock and timing

~ Microchip lead-time increased to an average of 42 weeks with predictions that it will not recover until autumn of 2022

~ ST Micro and On Semi are extending reschedule and cancellation windows and have implements NCNRs through June of 2022

~ MOSFET LTs increased by +2.8 weeks in November and are now at 31.2 weeks on average, hitting new highs since June '21. MOSFET LT expansion has likely been driven by surging demand for car-use MOSFETs, while IDMs including Infineon and ON are shifting priority and outsourcing non-auto MOSFETs to Taiwan.

~ MCU remains one of the most constrained product categories with LTs quoted 52+ weeks for many companies and on allocation for others.

~ Both Molex and Phoenix Contact lead-times have been affected by a shortage of resin for connectors/headers.

## **Pricing Uncertainty**

All market sectors are suffering from constrained supply, with most commodities and raw materials facing price hikes. Electrical product is being hit hard with price increases this quarter

- Infineon began a wave of price increases due to increasing foundry and raw material costs and prices are poised to rise further into 2022
- TI lead-time reduced slightly but has been raising prices as a result of more availability
- Logistics costs continue to rise with weight restrictions forcing multi-line shipments; these costs will continue to be pushed down the supply chain

There is no doubt market conditions are challenging at the moment, but OEMs can still put their companies in a position to succeed by advanced planning, and communication/collaborating with their partners.

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### **WE ARE HERE TO HELP.**

During times like this, it is highly recommended to extend order coverage as much as possible to identify supply chain issues early on, when mitigation is still possible.

We may recommend changes in purchasing volumes and forecasts to mitigate risk.

**Gary DeGrave, Corporate Director Supply Chain  
Milwaukee Electronics**

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