

Custer Contexo Group

**April 6-10, 2026 CCG Electronics  
Manufacturing Weekly Summary  
and Executive Briefing**

Market Conditions, Geopolitical Impacts, and Supply Chain Forecasts

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# Strategic Value Matrix by Executive Function

## CEOs & Sr VPs

**Focus:** Navigating geopolitical supply shocks and capacity relocation (Vietnam/India).

**Takeaway:** Realign supply networks to mitigate Middle East energy shocks and US/China tariffs.

## Sales & Marketing

**Focus:** Capitalizing on advanced server and networking infrastructure demand.

**Takeaway:** Push long-term agreements (LTAs) before contract prices spike further in Q2.

## Finance & M&A

**Focus:** Industry consolidation (e.g., Hanza/BMK) and margin protection against raw material costs.

**Takeaway:** Hedge against currency fluctuations and energy-driven inflation.

## Procurement & Purchasing

**Focus:** Securing constrained inventory (CCL, Tungsten, Helium, Memory).

**Takeaway:** Extend inventory buffers from **45 to 60+ days** to survive the 2-year equipment lead-time squeeze.

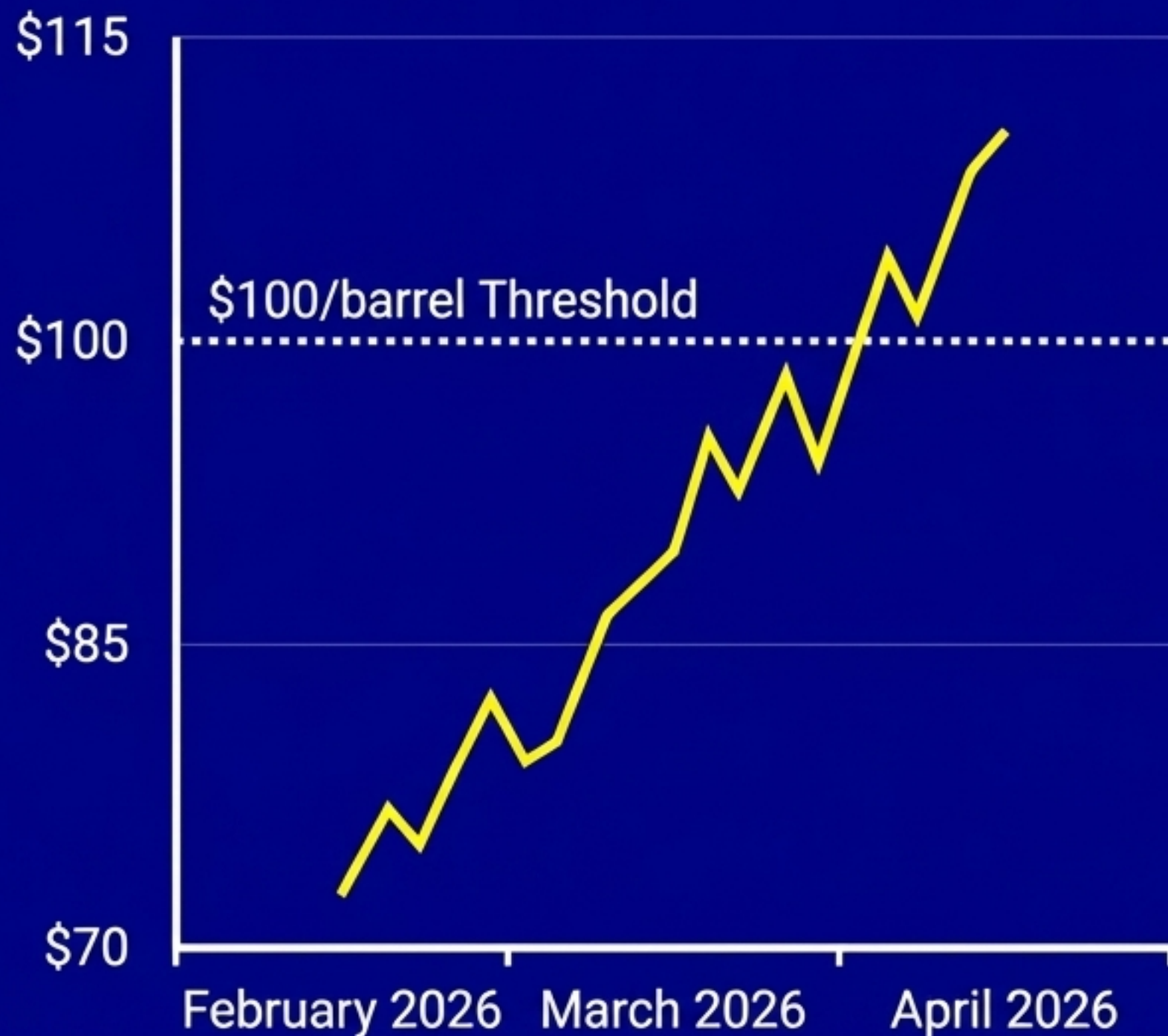
# Electronics Manufacturing Supply Chain Heat Map & Daily Index

	Economic Data	Tone	Geopolitical Risk	End Market Activities	Growth Opportunity
<b>PCBs</b>	NEUTRAL	NEUTRAL	NEUTRAL	<b>HIGH</b>	MODERATE
<b>OEMs</b>	NEUTRAL	NEUTRAL	NEUTRAL	LOW	MODERATE
<b>ODM &amp; Assembly</b>	NEUTRAL	LOW	MODERATE	STABLE	LOW
<b>Electronic Components</b>	NEUTRAL	MODERATE	MODERATE	LOW	MODERATE
<b>Electronic Materials</b>	NEUTRAL	LOW	<b>HIGH</b>	MODERATE	<b>HIGH</b>
<b>Process Equipment</b>	LOW	LOW	LOW	STABLE	<b>CRITICAL</b>

**Maximum Heat:**  
Geopolitical Risk and Growth Opportunity due to export curbs and localized capacity build-outs.

**Maximum Heat:**  
End Market Activities driven by server and telecom infrastructure demand.

# Macroeconomics & Geopolitics: The Energy Shock



- Global oil supply reduced by 13% due to Middle East conflict and Strait of Hormuz blockage (Georgieva, 2026, Reuters).
- All roads now lead to higher prices and slower growth via energy shock (IMF, 2026).
- China exits 3-year factory deflation, with producer prices rising 0.5% (Bloomberg, 2026).
- Japan producer inflation ticks up to 0.8% amid weak yen and climbing import costs (Bank of Japan, 2026).

# Raw Materials: Critical Shortages & Input Price Hikes

## Gases & Metals

Tungsten Hexafluoride (WF6) supply from Japan severely constrained; prices up 557% in one year (Fastmarkets, 2026).

Helium tightening driven by US reliance and Qatar shipping blocks (Kyodo News, 2026).

## Precious Metals

60% surge in gold/precious metals driving TXC and Tai-Saw to increase frequency component prices by 5-10% (Liu, 2026, Digitimes).

## Chemicals & Resins

Mitsubishi Gas Chemical (MGC) raising semiconductor/CCL materials prices by 30% due to rising petrochemical costs (SemiMedia, 2026).

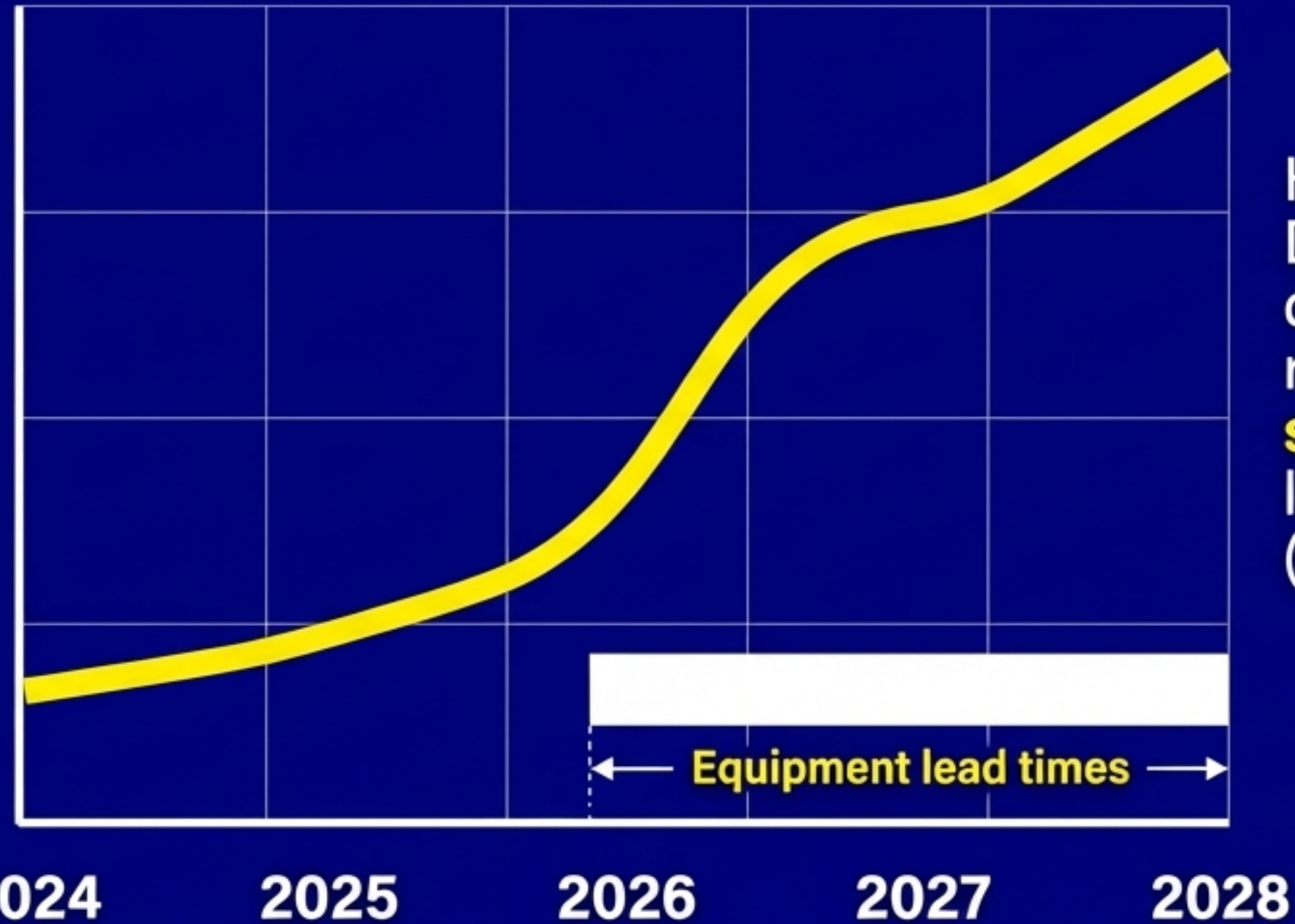
**Cost Pressure**

**Component Price Spikes**

# Electronic Materials & Substrates: The Capacity Squeeze

Advanced ABF substrates entering a severe three-year upcycle; **demand exceeds capacity by >50%** (Tsai, 2026, Digitimes).

Copper-clad laminate (CCL) lead times for manufacturing equipment have stretched (stretched) **from 8 months to 2 years**, pushing peak shipments to **2027** (Wang, 2026, Digitimes).



High-Speed Digital CCL demand expanding rapidly for **800G switches** and >22-layer counts (JMS, 2026).

**Secure long-term agreements (LTAs) immediately; spot market availability for high-end HDI materials is evaporating.**

# Process Equipment: Geopolitical Fences Drive Record Billings

## 2025 Regional Equipment Billings



(SEMI, 2026)

## Policy Catalyst

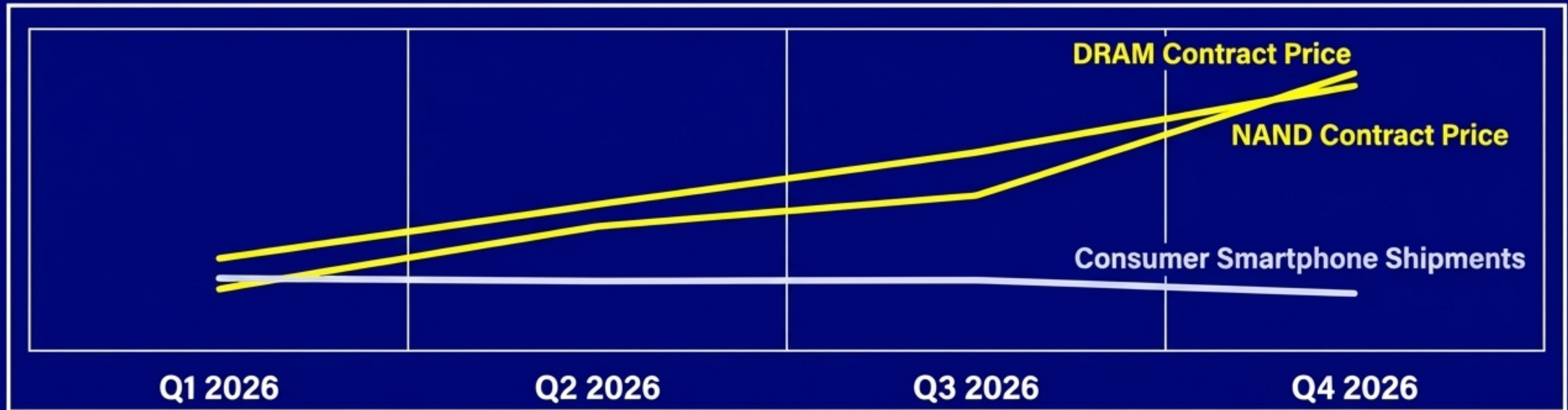
- U.S. MATCH Act proposal aims to tighten DUV exports to China, forcing accelerated localized equipment purchases (TrendForce, 2026).
- Chinese domestic equipment localization rate aggressively expanding, pressuring foreign suppliers (Chiang, 2026, Digitimes).

# WSTS Semiconductor Sales Data (February 2026)

Market	Sales (Feb 2026)	Growth
Global Total	\$88.78B	+61.8% YoY   +7.6% MoM
Americas	\$29.70B	+59.2% YoY   +12.6% MoM
China	\$23.63B	+57.4% YoY   +3.6% MoM
Asia Pacific/All Other	\$25.98B	+93.5% YoY   +6.0% MoM
Europe	\$5.70B	+42.3% YoY   +10.2% MoM
Japan	\$3.77B	-0.3% YoY   +3.0% MoM

**Global chip sales heavily driven by the Americas and Asia Pacific, remaining highly insulated from broader consumer macroeconomic headwinds.**

# Electronic Components: The Memflation Era



**Adata and Team Group** project minimum **40% contract price hikes** in Q2 2026 (Han, 2026, Digitimes).

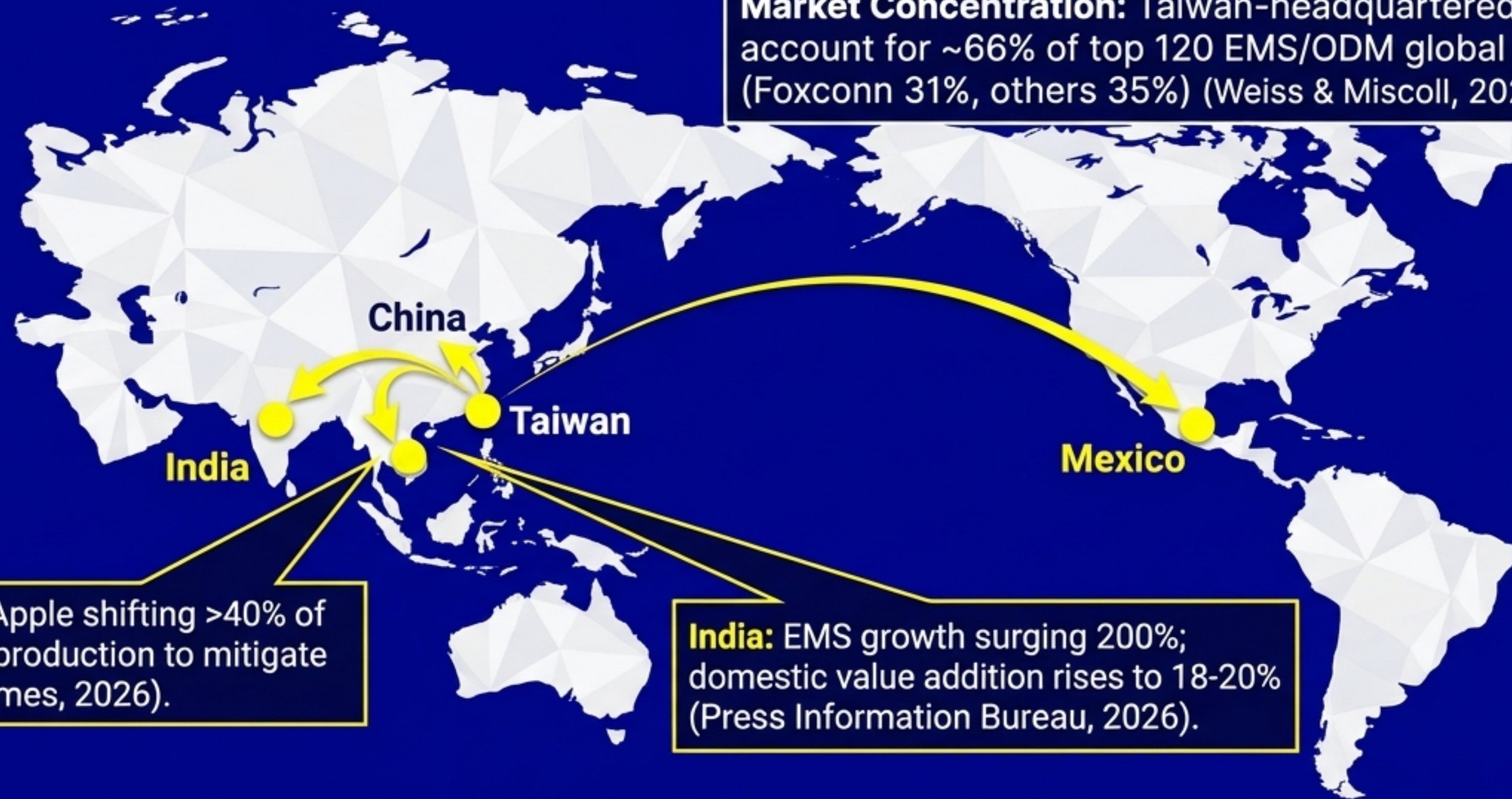
**Memory revenue** projected to increase **125% (DRAM)** and **234% (NAND)** by 2026; relief not expected until late 2027 (Rajput, 2026, Gartner).

Mature-node foundries (UMC, VIS, Nexchip) planning **10%+ quote increases** (TrendForce, 2026).

**Purchasing Behavior: PC OEMs pulling orders forward** to beat anticipated component cost inflation (IDC, 2026).

# EMS, ODM & Assembly: Relocation & Revenue Records

**Market Concentration:** Taiwan-headquartered firms account for ~66% of top 120 EMS/ODM global revenue (Foxconn 31%, others 35%) (Weiss & Miscoll, 2026, EMSNow).



**Vietnam:** Apple shifting >40% of MacBook production to mitigate risk (Digitimes, 2026).

**India:** EMS growth surging 200%; domestic value addition rises to 18-20% (Press Information Bureau, 2026).

## Q1 Revenue Records

Foxconn Q1 jumps 29.7% to \$66.6B (Reuters, 2026). Inventec posts record Q1 revenue of NT\$200.31B (Lee, 2026, Digitimes)

# End Markets: Advanced Infrastructure vs. Consumer Hardware



## Data Centers & Telecom

- **30% to 50%** of planned 2026 US data centers face delays due to power grid limits and transformer shortages (Sims, 2026, Techspot).
- **Liquid cooling hardware** and high-density heat sinks driving record revenues for suppliers like AVC and Auras (Lee, 2026, Digitimes).



## Consumer & PC Markets

- Global PC shipments grew a modest 2.5% YoY to 65.6M units in Q1 2026 (IDC, 2026).
- Smartphone AP orders cut by 10-15% at TSMC due to sluggish consumer recovery and soaring memory costs (Chen, 2026, Digitimes).

# End Markets: Robotics, Automation & Displays

**US: 307  
units/10k  
employees**



**Europe: 267  
units/10k  
employees**



**China: 166  
units/10k  
employees  
(+17% YoY)**



(IFR, 2026)

## Displays & Component Shifts

- Energy constraints driving structural shift from LCD to low-power e-paper for industrial and commercial signage (Kuo, 2026, Digitimes).
- Automotive ADAS and electrification driving high-reliability flex PCB and IC package demand (JMS, 2026).

# Executive SWOT Analysis

## Strengths

- Robust infrastructure and data center demand decoupling from consumer cycles.
- Record Q1 revenues in EMS, ODMs, and advanced ABF substrates.

## Weaknesses

- Over-reliance on concentrated regions for critical gases (WF6, Helium).
- Vulnerability to Middle East energy shocks inflating petrochemical inputs.

## Opportunities

- Capitalize on capacity relocations (India, ASEAN, Mexico).
- Secure LTAs before Q2 memory/CCL price hikes.
- Expand into high-margin liquid cooling, panel-level packaging, and robotics.

## Threats

- Equipment lead times (2+ years) bottlenecking facility expansions.
- MATCH Act and export controls accelerating global supply chain fragmentation.
- Inflation eroding baseline consumer hardware demand.

# Three-Month Geographic Forecast Matrix (May - July 2026)

	North America	Europe	China	Japan	S. Korea	Taiwan	ASEAN
EMS	-	-	-	-	-	-	Massive growth via China + 1 mandates
PCBs	-	-	-	-	-	Capacity maxed	-
Materials	-	-	-	Pricing power up (MGC +30%)	-	-	-
Process Equipment	High infrastructure demand	High infrastructure demand	Localization accelerating rapidly	-	-	-	-
Semi/ Components	-	-	Aggressive mature-node memory output	-	Memory/substrate pricing power increasing	-	-
End Markets	Soft consumer demand	Soft consumer demand	-	Vulnerable to energy costs	-	-	-

# Conclusion & Strategic Imperatives

## 1

### **Structural Inflation, Not Just Demand**

The electronics supply chain has entered a phase of structural cost inflation driven by geopolitical fragmentation and energy shocks. Do not wait for prices to drop.

## 2

### **From Just-In-Time to Strategic Stockpiling**

Procurement strategies must immediately pivot to secure critical components (memory, substrates, specialty gases) and extend inventory buffers to 60+ days.

## 3

### **High-Margin Relocation**

Revenue expansion lies in pivoting from consumer volume to infrastructure value: high-layer count PCBs, advanced substrates, liquid cooling, and resilient, localized assembly networks in ASEAN and India.