

News Release

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S&P Global Aluminium Users PMI™

Strongest uptick in global aluminium-using industry for four months

Key findings

Output growth reaches highest since February...

...but new orders rise at a weaker pace

Input prices fall for the first time in just over three years

The Global Aluminium Users PMI for June pointed to improved conditions at the global level for the third consecutive month at the midpoint of the year. The overall pace of growth picked up slightly to reach the strongest since February. Production levels rose at the quickest pace in four months, despite a slower upturn in new orders and a mild reduction in staffing numbers. Further improvements in supplier performance continued to ease price pressures on aluminium users, as input prices decreased for the first time since May 2020. This contributed to a second successive fall in output charges which, whilst slight, was the strongest for three years.

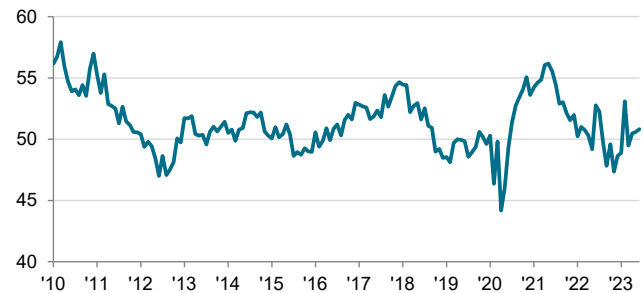
The seasonally adjusted Global Aluminium Users Purchasing Managers Index™ (PMI)—a composite indicator designed to give an accurate overview of operating conditions at manufacturers identified as heavy users of aluminium – rose slightly from 50.6 in May to 50.8 in June, signalling a marginal upturn in operating conditions that was the third in as many months. The upturn was led by the strongest expansion among Asia-based firms for four months, while there was also a renewed rise in the US. The rate of contraction at European users was the steepest since May 2020, however.

Output in the global aluminium-using sector rose for the third month in a row in June. The rate of growth was moderate and the strongest since February. Firms in Asia recorded a steeper rise in production, alongside a renewed increase in the US. This was partially offset by the strongest reduction in Europe since May 2020.

Demand

Global aluminium-using firms registered rising new

S&P Global Aluminium Users PMI
sa, >50 = improvement since previous month



Source: S&P Global PMI.

orders for the third consecutive month in June, though the rate of expansion softened from that seen in May. Growth in the US resumed in June and at a 13-month high, while the increase at Asian firms softened on the month. Concurrently, the contraction among European users accelerated to the strongest for eight months.

Capacity

The level of employment in the global aluminium-using sector fell for the second successive month in June, though the reduction was only fractional and solely driven by the Asian market. Conversely, US-based firms saw a broadly similar rate of job creation as in May, while firms in Europe saw a sustained, albeit softer increase.

There was also a fractional decline in outstanding business in June, the third in the past four months. Only European firms recorded a reduction, one that was the strongest for three years. At the same time, firms in the US saw an accumulation in backlogs of work for the first time in nine months.

Purchasing activity rose for the fifth month in a row in June and at a faster rate than in May, led by firms in Asia, though growth among US-based firms reached a ten-month high. Stocks of inputs also rose marginally, extending the current sequence of accumulation to three months. Pressure on supply chains eased as vendor delivery times shortened for the fifth month running.

Prices

Input prices at aluminium users fell for the first time since May 2020 during June. Concurrently, output charges were lowered at the fastest rate for three years, albeit mildly.

PMI™

by S&P Global

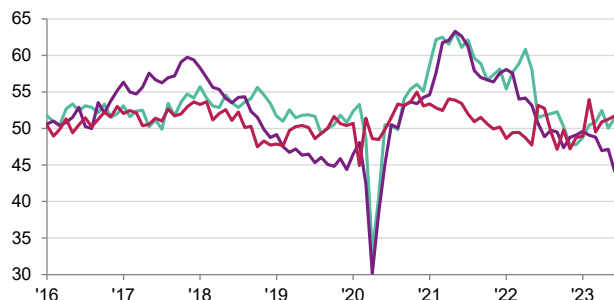
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S&P Global Aluminium Users PMI™

Aluminium Users PMI by region

Europe USA Asia

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Contact

Usamah Bhatti
Economist
S&P Global Market Intelligence
T: +44-1344-328-370
usamah.bhatti@spglobal.com

Katherine Smith
Corporate Communications
S&P Global Market Intelligence
T: +1-(781)-301-9311
katherine.smith@spglobal.com

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Survey methodology

The Global Aluminium Users PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in manufacturers identified as heavy users of aluminium. The sample is selected from S&P Global's worldwide PMI survey panels, covering over 40 countries.

Survey responses are weighted by country, based on national aluminium consumption figures sourced from S&P Global's Pricing & Purchasing Service. Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. ihsmarkit.com/products/pmi.html.