

# News Release

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## S&P Global Steel Users PMI™

### Steepest downturn in global steel-using sector since May 2020

#### Key findings

All three regions post declines in output and new orders

US records sharpest rates of contraction for both variables

Input price inflation remains below long-run average

The Global Steel Users PMI™ for November pointed to deteriorating output and new orders across all three monitored regions for the first time since May 2020. The US registered the steepest declines in both variables, while Asia posted the weakest fall in new orders and Europe the slowest drop in output. On the jobs front, the US joined Asia in posting lower staffing at steel-using firms, while Europe registered renewed job creation. Pressure on supply chains was only slightly greater than the long-run series average, while input price inflation was below-par for the fifth survey running.

The seasonally adjusted Global Steel Users Purchasing Managers Index™ (PMI) – a composite indicator designed to give an accurate overview of operating conditions at manufacturers identified as heavy users of steel – fell from 49.7 in October to 47.6 in November, signalling the steepest deterioration in operating conditions since May 2020. The fall in the headline figure reflected stronger declines in new orders, output, employment and stocks of purchases, slightly offset by a greater lengthening of suppliers' delivery times. Conditions worsened in all three regions, most notably in the US, while Europe posted a weaker deterioration than in October.

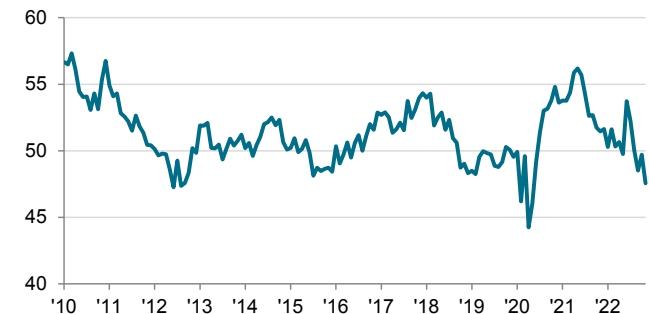
Output in the global steel-using sector fell for the fourth month running in November, and at the fastest rate since May. Asia posted a sharp decline for the second time in three months, while the US registered the steepest drop since May 2020. Europe posted a ninth successive contraction, but at the weakest rate over this sequence.

Global steel-using firms registered falling new orders for the fourth month running in November, and at the strongest rate since May 2020. All three regions registered declines, led by the US, although Europe posted a slower rate of contraction than in October.

Employment in the global steel-using sector fell for the fifth

S&P Global Steel Users PMI

sa, >50 = improvement since previous month



Source: S&P Global.

#### Comment

Trevor Balchin, Economics Director at S&P Global Market Intelligence, said:

*"A broad-based downturn by region in November brought overall business conditions at global steel users to their worst since May 2020. The US was a notable source of weakness for many indicators, with the steepest declines in output and new work in two-and-a-half years. Europe posted slower declines in both variables, though the drop in demand remained sharp overall. Trends in Asia have been volatile of late, reflecting ongoing turbulence in China."*

*"Supply chain pressure rose slightly but remained below the pandemic era trend, while input price inflation has been below its long-run average since July."*

PMI™

by S&P Global

month running in November, and at the fastest rate over this period. US steel users cut headcounts for the first time in three months, while Asia posted the sharpest decline since February 2020. European steel users raised employment following the first decline in nearly two years in October.

The volume of outstanding business rose further in November, following the first decline in over two years in September. The increase at the global level again wholly reflected growth in Asia, as the US posted the fastest decline since June 2020 and Europe registered a fifth straight reduction, albeit at a slower rate.

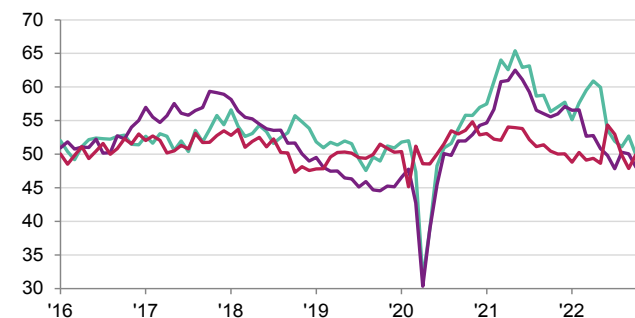
Purchasing fell for the third time in four months, with all three regions seeing declines for the first time since May 2020. Stocked inputs fell at the fastest rate in over two years. Pressure on supply chains rose slightly but remained weaker than the pandemic era trend.

Input price inflation at steel users was little-changed from October's four-month high, but remained below the long-run series trend. Output price inflation was among the weakest seen since 2021, but still above the long-run average.

Steel Users PMI by region

Europe USA Asia

sa, >50 = improvement since previous month



Source: S&P Global.

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Survey methodology

The Global Steel Users PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in manufacturers identified as heavy users of steel. 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 steel 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](mailto: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](https://ihsmarkit.com/products/pmi.html).