

# News Release

Embargoed until 0800 (UTC) 05 August 2022

## S&P Global Copper Users PMI™

### Softer improvement in operating conditions in July

#### Key findings

Production and new order growth slows

Employment levels fall at strongest rate in just over two years

Input price inflation eases to 21-month low

Global copper users indicated a second successive improvement in operating conditions at the start of the second half of 2022. That said, the rate of improvement eased from June as panellists recorded softer expansions in both output and new orders. At the same time, capacity pressures eased notably in July, and employment levels fell for the third time in four months and at the fastest pace since June 2020. Softer wage pressures from falling workforce numbers and a moderation in raw material prices and demand led to a slower rise in average cost burdens. Moreover, the rate of inflation was the weakest seen since October 2020.

The seasonally adjusted Global Copper Users *Purchasing Managers Index™* (PMI) – a composite indicator designed to give an accurate overview of operating conditions at manufacturers identified as heavy users of copper – eased from 53.3 in June to 51.1 in July, signalling a modest improvement in the health of the sector. This was largely driven by a further upturn on conditions at Asia-based firms, whereas growth in the US was the slowest seen since June 2020. European users meanwhile noted the first deterioration in operating conditions for 23 months.

Global copper users registered a rise in output levels for the second successive month in July. The rate of growth slowed from June, however, and was only modest. On a regional basis, output in Asia rose at a softer yet still solid rate. Copper users in Europe meanwhile saw production levels fall at the quickest pace since May 2020, while US-based firms registered the steepest rate of contraction since October 2021.

#### Demand

July survey data pointed to a further uptick in total new work received by global copper users. The increase was only mild however, following June's 13-month high, with growth in new business inflows in Asia softening notably on the month. By contrast, Europe-based firms noted the fastest contraction

S&P Global Copper Users PMI

sa, >50 = improvement since previous month



Source: S&P Global.

#### Comment

Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

*"The global copper-using industry reported a softer PMI reading at the start of the second half of 2022, indicative of slowing expansions in output and demand levels. Panel members reported rates of growth eased considerably from June, with anecdotal evidence suggesting that the boost to global copper markets from the lifting of COVID-19 restrictions in China had waned.*

*"Moreover, the rate of growth in new orders once again lagged that of output, as firms commented that cost of living pressures and the Ukraine war had weighed on demand, notably in the US and Europe. In fact, regional data pointed to the strongest contractions in the latter since the initial pandemic wave in May 2020.*

*"Reports of softening demand conditions and easing raw material prices contributed to a slower rise in average cost burdens during July. The increase was still sharp, yet was the softest recorded for 22 months. This contributed to the slowest rise in output charge inflation since November 2020."*

PMI™

by S&P Global

in new orders for 26 months, while new business in the US fell moderately. Concurrently, new export business at global copper users fell for the ninth time in ten months, albeit only marginally.

### Capacity

Firms in the global copper-using industry reported a renewed contraction in employment in July, the third in the past four months. Though moderate, the rate of job shedding was the steepest seen since June 2020. There was evidence that despite reduced workforces, softer demand conditions had led to reduced capacity pressures and allowed firms to work through backlogs, which increased at a fractional pace that was the weakest in 25 months.

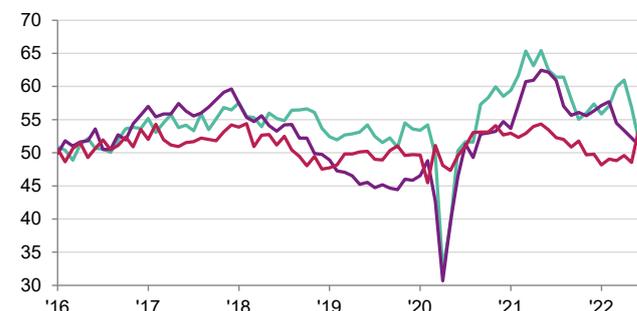
Purchasing activity rose for the second month running in July, though at a softer, milder pace. Difficulties in sourcing and receiving inputs worsened slightly on the month, as suppliers' delivery times lengthened to a greater extent. Reports suggested that firms continued to hold safety stocks of pre-production goods, with inventories of purchases increasing at the joint-quickest pace this year.

### Prices

Global copper users signalled a further rise in average input costs in July. The rate of inflation was sharp, yet eased to the softest since October 2020. This contributed to the weakest rate of charge inflation for 20 months.

### Copper Users PMI by region

■ Europe ■ USA ■ Asia  
sa, >50 = improvement since previous month



Source: S&P Global.

## Contact

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

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

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, [click here](#).

### Survey methodology

The Global Copper Users PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in manufacturers identified as heavy users of copper. 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 copper 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).

### Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.