

News Release

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S&P Global PMI™ Commodity Price & Supply Indicators

Sustained easing in commodity price and supply pressures

Key findings

Global price pressures dip to near three-year low (index at 0.2)

Reports of supply shortages down to 31-month low (index at 1.6)

Marked increase in semiconductors prices, following renewed drop in March

Data were collected 12-25 April 2023.

Latest data from the Global PMI™ Commodity Price & Supply Indicators by S&P Global highlighted that manufacturers worldwide experienced a further softening of price and supply pressures during April. The Global Price Pressures index fell to its joint-lowest level in almost three years to indicate that commodity prices were rising at just a fifth of the normal speed (index at 0.2). Still, half of the 26 monitored commodities reportedly rose in price from the previous data collection period. The sharpest increase was seen for semiconductors where prices rose at nearly five times the normal speed (index at 4.8), whereas oil registered the fastest decrease in price (-1.0).

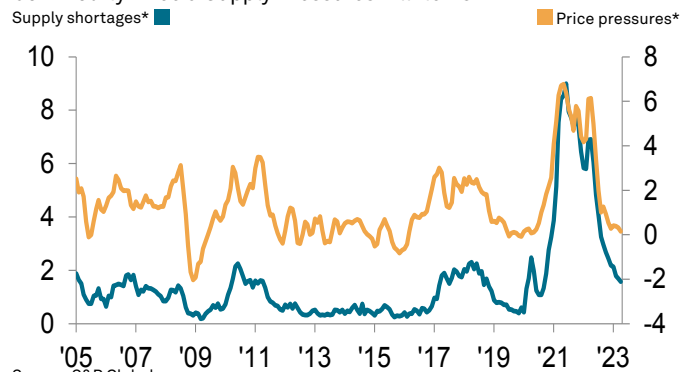
In line with the picture for prices, the Global Supply Shortages Index dipped to a 31-month low to indicate the lowest number of supplier shortfall reports since September 2020. Only five of the 20 monitored commodities saw supply pressures worsen during April - semiconductors, electrical items, transport, rubber and iron, with reports of transport shortages the highest in five months. However, shortfalls of items such as chemicals and aluminium were below the long-run average.

Commenting on the latest results, Laura Denman at S&P Global Market Intelligence said:

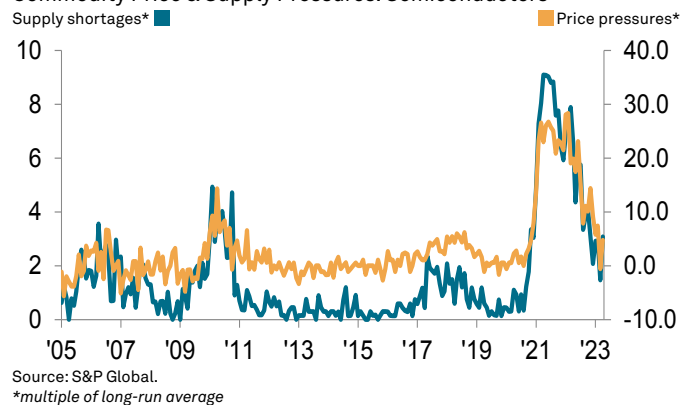
"With the global picture for demand still subdued, April data signalled a further alleviation in price and supply pressures currently faced by manufacturing firms across the globe. Reports of price increases were the lowest in almost three years, with nearly half of all monitored commodities posting fewer mentions when compared to March. News remained positive on the energy front with prices reportedly falling for the second month in a row, in stark contrast to the sharp increases recorded over the course of 2022. The lack of demand also supported supply chains' continued return to normalisation, as signalled by the lowest number of supplier shortfall reports since September 2020.

"There remained some evidence of price and supply challenges though. Following its first reduction since January 2020 in March, semiconductor prices were back up in April. There was also a resurgence in transport shortages, with reports here the highest since November 2022."

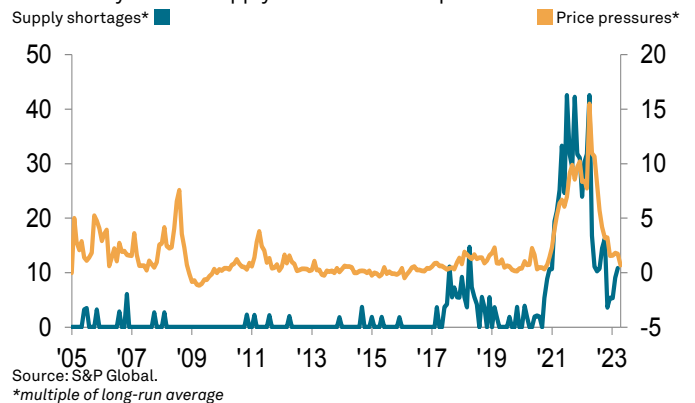
Commodity Price & Supply Pressures: All Items



Commodity Price & Supply Pressures: Semiconductors



Commodity Price & Supply Pressures: Transport



PMI™

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Methodology

S&P Global PMI™ Commodity Price & Supply Indicators are derived from S&P Global's monthly Purchasing Managers' Index™ (PMI) business surveys. These surveys are highly regarded worldwide for providing accurate and timely data on economic trends.

The manufacturing PMI survey covers variables such as output, order books, employment, purchase prices, and suppliers' delivery times, with monthly data collected from approximately 10,000 companies worldwide.

When questioned about suppliers' delivery times, companies are also asked to list any specific items that have been in short supply each month. These lists of items are transformed into Supply Shortage Indicators (SSIs), which show the development of supply pressures relative to long-run trends.

When questioned about purchase prices, companies are also asked to list any specific items that have increased or decreased in price each month. These lists of items are transformed into Price Pressure Indicators (PPIs), which show the development of price pressures relative to long-run trends.

Coverage

Historical data for the S&P Global PMI™ Commodity Price & Supply Indicators extend to January 2005.

Indices are calculated from responses to the following 15 manufacturing PMI surveys: Brazil, Canada, China, France, Germany, India, Ireland, Italy, Netherlands, Russia, South Korea, Spain, Taiwan, UK, US.

Each month's results are adjusted by survey response numbers, which accounts for different start dates across the national PMI surveys that feed into the global supply shortages dataset and any other variations in response rates.

Figures are published at the global level.

Supply Shortage Indicators (SSIs)

SSIs are calculated from the number of purchasing managers that report a specific item to have been in short supply during the survey month. An adjustment is made each month to allow for any month-to-month variation in the total number of survey respondents. Indices are presented as a multiple of the long-run average since 2005.

The index is based such that a value of 1.0 means that supply shortages are in line with the long-run average.

Any figure above 1.0 indicates that supply shortages are above the long-run trend, and the higher the figure the greater the number of shortages relative to the average. For example, an index value of 3.0 would signal that reports of supply shortages in the reference month are three times the normal amount.

Any figure below 1.0 therefore indicates that supply shortages are below the long-run trend, and the lower the figure the fewer the number of shortages relative to the average. For example, an index value of 0.2 would signal that reports of supply shortages in the reference month are one-fifth of the normal amount.

Data are not revised after first publication.

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No significant seasonality has been detected in the main SSIs hence the SSIs are not seasonally adjusted.

Items covered: Supply Shortage Indicators (SSIs)

The headline index is the 'All Items Index'. In addition, individual indices are published for the following 20 items and groupings: Semiconductors, Electrical Items, Oil, Transport, Chemicals, Polymers, Polyethylene, Polypropylene, PVC, Rubber, Timber, Paper, Packaging, Food, Textiles, Aluminium, Copper, Iron, Steel, Stainless Steel.

Price Pressure Indicators (PPIs)

PPIs are calculated from the number of purchasing managers that report a specific item to have been up in price during the survey month (less the number reporting an item down in price). An adjustment is made each month to allow for any month-to-month variation in the total number of survey respondents. Indices are presented as a multiple of the long-run average since 2005.

The index is based such that a value of 1.0 means that price pressure is in line with the long-run average.

Any figure above 1.0 indicates that price pressure is above the long-run trend, and the higher the figure the faster the rate of increase relative to the average. For example, an index value of 3.0 would signal that reports of price increases in the reference month are three times the normal amount.

Any figure above 0.0 but lower than 1.0 indicates that price pressure is below the long-run trend, and the lower the figure the slower the rate of increase relative to the average. For example, an index value of 0.2 would signal that reports of price increases in the reference month are one-fifth of the normal amount.

A value of 0.0 means that prices are stable during the reference month.

Any figure below 0.0 indicates that reports of price declines exceed reports of rising prices, and the lower the figure the greater the degree of negative price pressure. For example, an index value of -3.0 would signal that reports of price declines in the reference month are three times the normal amount of price pressure.

Data are not revised after first publication.

No significant seasonality has been detected in the main PPIs hence the PPIs are not seasonally adjusted.

Items covered: Price Pressure Indicators (PPIs)

The headline index is the 'All Items Index'. In addition, individual indices are published for the following 25 items and groupings: Semiconductors, Electrical Items, Oil, Transport, Chemicals, Polymers, Polyethylene, Polypropylene, PVC, Rubber, Timber, Paper, Packaging, Food, Textiles, Aluminium, Copper, Iron, Steel, Stainless Steel, Electricity, Energy, Gas, Cartons, Polystyrene.

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

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.