

News Release

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S&P Global Copper Users PMI™

Copper users report slower improvement in operating conditions

Key findings

Output and new order growth ease from May

Employment levels fall at strongest pace since January

Input prices drop for the first time since May 2020

Operating conditions at global copper users improved at a softer and modest rate during June. Both output and new order inflows rose at slower rates than those seen in May, while employment levels were reduced for the second month running. On the price front, there was further positive movement as a sustained improvement in supply chains helped to ease cost burdens faced by copper users. As a result, input prices fell for the first time in just over three years.

At 51.2 in June, 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 – dipped slightly from 51.4 in May to signal a modest, albeit softer improvement in the health of the copper-using sector. Conditions in Asia improved at the strongest pace for four months, though the region was alone in signalling an expansion. Firms in the US saw operating conditions fall further in June, while those in Europe saw the strongest contraction since May 2020.

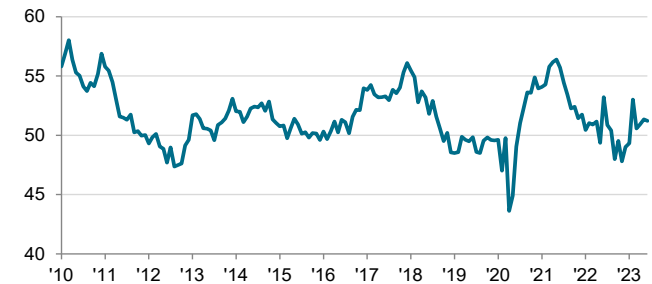
Output in the copper-using sector rose for the fifth consecutive month in June. While solid overall, the rate of growth eased from that seen in May. There were renewed falls in both the US and Europe that were the strongest in three and eight months, respectively. On the other hand, Asia-based firms signalled the joint-steepest rise in production levels since February.

Demand

Global copper-users registered a further increase in new orders during June. Growth was solely driven by Asia, where

S&P Global Copper Users PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

the upturn was the strongest for four months. Demand in Europe fell at the quickest pace in 2023-to-date, while the reduction at US firms was the sharpest recorded since March.

Capacity

The level of employment in the global copper-using sector fell for the second consecutive month in the latest survey period. Although marginal overall, the rate of job shedding was the strongest since January. There was a further reduction among Asia-based users, while firms in the US and Europe both saw staffing levels rise, with the former seeing the quickest increase for eight months.

The volume of outstanding business also fell for the second successive month during June, albeit only fractionally. Concurrently, purchasing activity rose at a quicker pace, owing to a sharp expansion in Asia which contrasted with solid reductions in the US and Europe. Pressure on supply chains continued to ease as lead times shortened, though the rate of improvement eased to a three-month low. Stocked input volumes returned to growth territory, albeit with only a slight uptick since May.

Prices

Average cost burdens at copper users fell for the first time since May 2020 at the end of the second quarter. The overall drop in input prices was modest, but masked mixed trends by region, as a sharp uptick in the US partially offset the strongest fall in European input prices since December 2019. Output prices broadly stagnated as a result, ending a 35-month sequence of rising charges.

PMI™

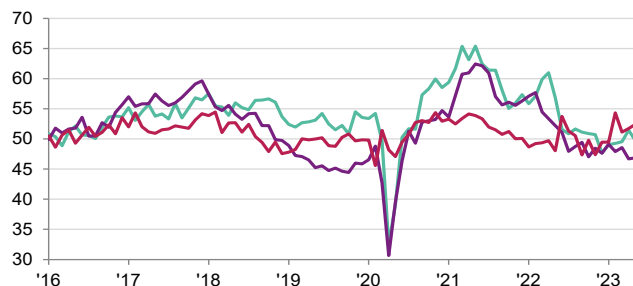
by S&P Global

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Copper Users PMI by region

Europe USA Asia

sa, >50 = improvement since previous month



Source: S&P Global PMI.

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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.

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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.