

News Release

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S&P Global PMI[®] Commodity Price & Supply Indicators

Commodity prices and supply shortages both stay below long-run average for fourth month running

Key findings

Global price pressures remain broadly muted (index at 0.6)

Supply shortages stay below long-run trend (index at 0.6)

Sharp rise in reported transport shortages

Data were collected 10-26 October 2024.

The Global PMI[™] Commodity Price & Supply Indicators by S&P Global continued to highlight subdued price and supply pressures across the global manufacturing sector at the start of the final quarter of 2024. With an index reading of 0.6, the Global Price Pressures Index was unchanged from September's six-month low and indicated that commodity prices were rising at a weaker pace than the long-run average. Of the 26 monitored commodities, six registered a fall in price, with the sharpest seen in semiconductors and polyethylene. Elsewhere, there was reportedly a reduction in oil prices for the first time since February, alongside a softening of prices for steel and stainless steel amid weak demand in Mainland China.

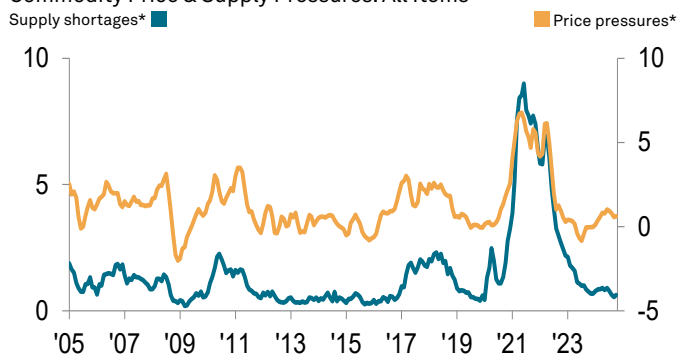
Coming in at 0.6 in October, the Global Supply Shortages Index highlighted that shortfalls of raw materials were less common than the long-run average. Of the monitored items, transport recorded the worst shortages at more than three-and-a-half times the usual level, the highest since September 2023. Outside of this, manufacturers reported higher-than-average shortfalls for textiles and oil only.

Commenting on the latest results, **Usamah Bhatti, Economist at S&P Global Market Intelligence** said:

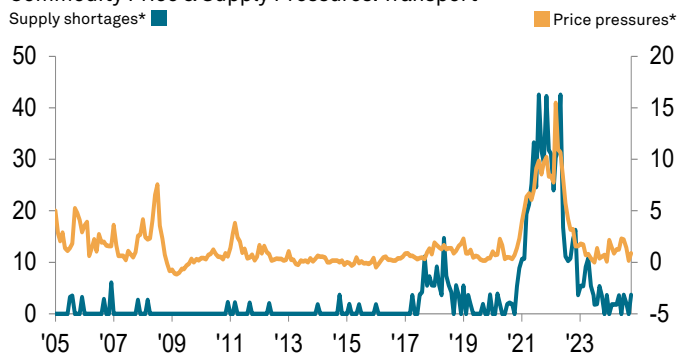
"Price and supply pressures remained subdued in October, with both metrics solidly below their respective long-run averages. The broadly muted reading of global price pressures was in line with a gradual easing of input price inflation across the global manufacturing sector, which PMI data showed was unchanged from September's six-month low and softer than the pre-pandemic average.

"Bucking the wider trend in October was a renewed rise in reported shortfalls of transport. Pressure on transport capacity came amid global reports of extreme weather, including hurricanes in the US and typhoons across the Asia-Pacific region."

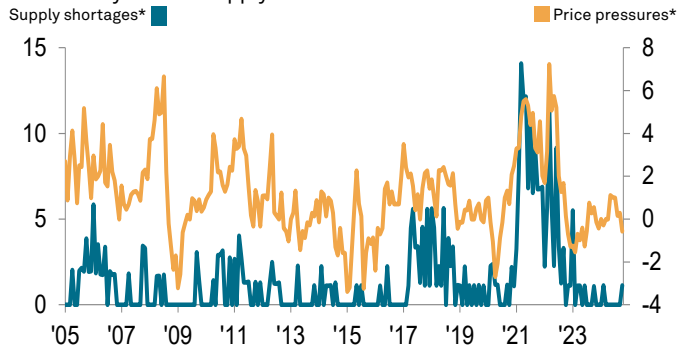
Commodity Price & Supply Pressures: All Items



Commodity Price & Supply Pressures: Transport



Commodity Price & Supply Pressures: Oil



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@spglobal.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. www.spglobal.com/marketintelligence/en/mi/products/pmi