

# News Release

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## S&P Global Steel Users PMI™

### Asia supports global steel-using sector in September

#### Key findings

New orders and output at Asian steel users continue to rise

Europe suffers steeper downturn than US

Output price inflation at seven-month high

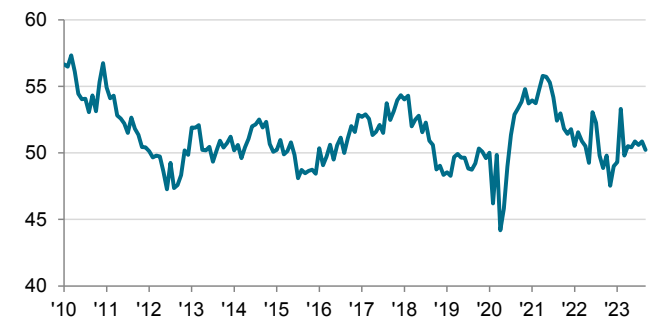
The Global Steel Users PMI™ for September pointed to a near-stagnation in operating conditions at the global level, albeit extending the current sequence of growth to six months. The overall rate of expansion was negligible as only Asia registered an improvement in operating conditions while Europe and the US both contracted. Output rose at the global level, but new orders and employment fell. Input price inflation remained below the long-run series average, but output price inflation rose to the highest since February.

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 – remained above 50.0 in September, signalling a sixth successive monthly improvement in operating conditions. That said, at 50.2, the upturn was fractional and the weakest in the current growth sequence. The upturn was entirely driven by Asia-based firms, as both Europe and the US posted steeper downturns.

Output in the global steel-using sector rose for the sixth time in as many months in September. The rate of growth was only modest, however, and entirely driven by a moderate expansion at Asian users. Firms in the US saw a decline in production for the second month running, while Europe posted the strongest fall since July 2022.

S&P Global Steel Users PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Global steel-using firms registered a second decline in new orders in the past three months in September, albeit at only a marginal rate. Europe recorded the joint-fastest contraction in over three years, and the US the sharpest reduction since February. New orders at steel users in Asia rose for the ninth month running, albeit marginally.

The level of employment in the global steel-using sector fell during September, with the rate of reduction the strongest since November 2022. Asia saw continued job shedding, with no change in Europe and a renewed rise in the US.

There was a further reduction in outstanding business in September, the sixth decline in 2023 so far. The depletion at the global level reflected sharp falls in both Europe and the US, partly offset by sustained growth in Asia.

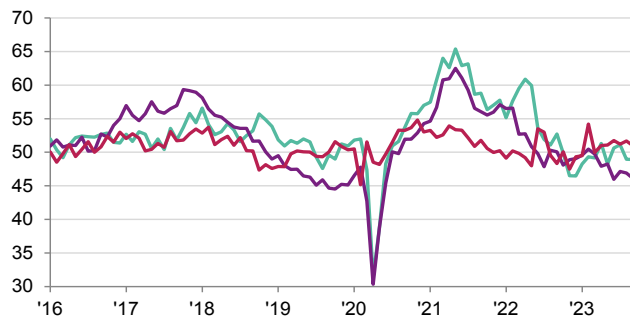
Purchasing activity fell for the first time in eight months, with notable reductions in Europe and the US contrasting with further growth in Asia. Stocked inputs were broadly unchanged, while suppliers' delivery times lengthened slightly for the third successive month.

Input prices rose for the third month running in September, and signalled a solid increase in cost burdens that was the second-strongest since February. Output charges were raised at the fastest rate in seven months.

## Steel 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 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@spglobal.com](mailto:economics@spglobal.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. [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)