

# News Release

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## S&P Global Copper Users PMI™

### Operating conditions at global copper users deteriorate further, but at slower rate

#### Key findings

PMI rises due to slower downturn in Asia

US and Europe post faster declines in output and new work

Input price inflation eases to two-and-a-half year low

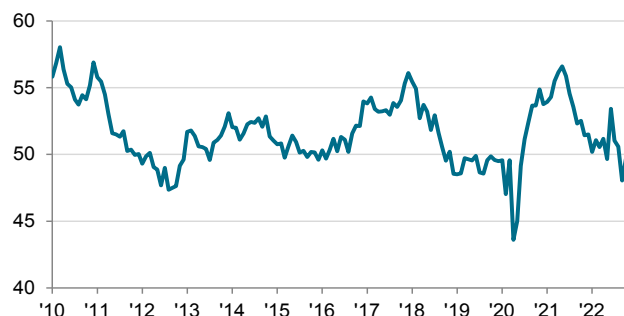
The Global Copper Users PMI™ for December pointed to a broad-based deterioration in conditions across the three monitored regions. There was an easing in the overall rate of decline, however, mainly due to developments in Asia which recorded slower falls in new orders and output and a stabilisation in employment. The US and Europe both posted faster declines in production and new work, with the latter expanding jobs and the former cutting staffing levels. On the supply side, lead times lengthened the most in seven months but delays remained less severe than the pandemic era trend, partly reflecting another drop in purchasing by copper users. This led to the weakest increase in input prices in two-and-a-half years.

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 – rose to 48.7 in December from 47.8 in November, signalling a fourth successive deterioration in operating conditions. The increase in the headline figure reflected a slower decline in output, a stabilisation in employment and a greater lengthening of suppliers' delivery times. Conditions deteriorated in all three regions with the steepest downturn in Europe, closely followed by the US.

Output in the global copper-using sector fell for the fourth month running in December, albeit at a softer rate than in November. All three regions registered declines, led by Europe in a reversal since November when it had the slowest contraction. The rate of decline in the US accelerated to the fastest since July, while in Asia the contraction in output eased.

S&P Global Copper Users PMI

sa, >50 = improvement since previous month



Source: S&P Global.

#### Comment

Trevor Balchin, Economics Director at S&P Global Market Intelligence, said:

*"Business conditions in the global copper-using industry continued to deteriorate in December, although a slower drop in output and stable employment levels pushed the PMI closer to the neutral 50.0 mark. New orders continued to fall sharply, however, and supplier delays crept up despite another drop in purchasing."*

*"The recent drop in demand continues to bring down inflationary pressures, with input prices paid by copper users globally rising at the slowest rate in two-and-a-half years. The Input Prices Index stands at 53.5, below its long-run trend of 56.2 (since 2007) for the sixth straight month. US and European firms are still increasing their output prices at elevated rates, however, in contrast to the trend in Asia where charges are rising only marginally."*

PMI™

by S&P Global

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Global copper-using firms registered falling new orders for the fourth month running in December, and at the second-strongest rate since May 2020. This reflected faster declines in the US and Europe which offset a slower fall in Asia.

The level of employment in the global copper-using sector was stable in December, having previously declined four times during the second half of 2022. Increased staffing at European firms was offset by job shedding at their US counterparts, while no change in headcounts was indicated in Asia.

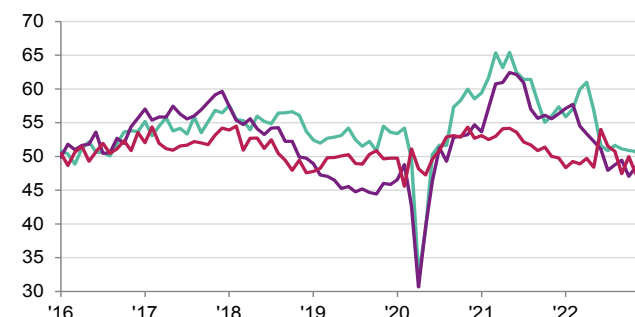
The volume of outstanding business fell for the fifth time in six months in December, reversing November's marginal increase. Purchasing activity declined for the third time in four months, with all three regions posting contractions again. Stocked inputs fell at the fastest rate since January 2021. Pressure on supply chains worsened slightly, however, a trend driven by Asia, and was slightly greater than the long-run series average.

Input price inflation at copper users eased to a two-and-a-half year low in December, remaining below the long-run trend. Output price inflation was little-changed from November's two-year low. The US and Europe continued to see much stronger inflationary pressures than Asia.

### Copper Users PMI by region

■ Europe ■ USA ■ Asia

sa, >50 = improvement since previous month



Source: S&P Global.

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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](mailto:economics@ihsmarkit.com).

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