

# News Release

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## S&P Global PMI™ Commodity Price & Supply Indicators

### Global price and supply pressures ease further in August

#### Key findings

Global price pressures at lowest for two years (index at 1.0)

Reports of supply shortages ease to 20-month low (index at 3.3)

Aluminium, copper and steel among metals reported to have fallen in price

Data were collected 12-30 August.

Latest data from the Global PMI™ Commodity Price & Supply Indicators by S&P Global showed that price and supply pressures at global manufacturers continued to subside in August. The Global Price Pressures Index fell to its lowest level in two years, with the index reading of 1.0 suggesting that commodity prices were rising at a pace that was in line with the long-run average. All monitored commodities saw either an easing of price pressures or an outright decline, with the exception of energy and electricity, while semiconductors registered a considerable softening in the rate of cost inflation.

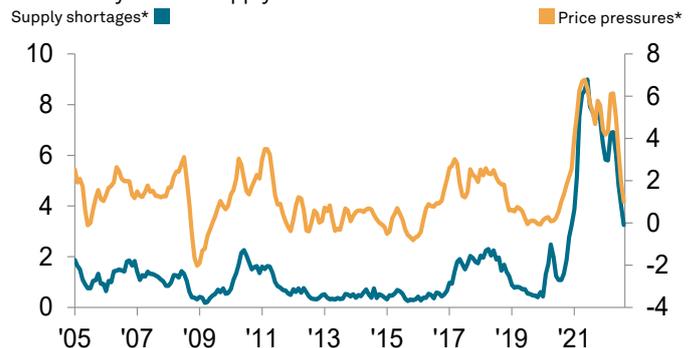
Similarly, the Global Supply Shortages Index slipped to a 20-month low in August (index at 3.3). This indicated that shortages of raw materials were the lowest since December 2020, albeit still over three times higher than the usual level. Supply shortfalls eased in 16 of the 20 commodity categories, particularly for oil and paper.

Commenting on the latest results, Annabel Fiddes at S&P Global Market Intelligence said:

*"The latest price and supply indicators from S&P Global add to evidence that cost pressures and supplier shortages at manufacturers worldwide continued to ease in August amid signs of weaker output and demand. Reports of price increases were the lowest for two years, as cost pressures moderated across the vast majority of commodities monitored by the survey, notably semiconductors. There were also declines in prices for all metals commodities for the first time since May 2020. Energy and electricity bucked the wider trend and saw cost pressures pick up on the month as the Ukraine war continues to impact energy markets."*

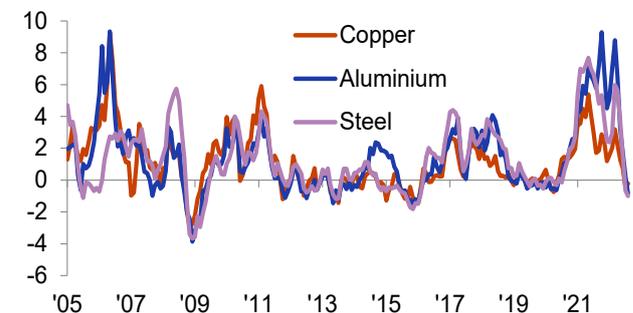
*"Supply shortages were meanwhile the least severe since December 2020, with over three-quarters of monitored commodities noting less severe shortfalls. Paper, oil and semiconductors were among those seeing supply shortages ease notably in recent months."*

Commodity Price & Supply Pressures: All Items



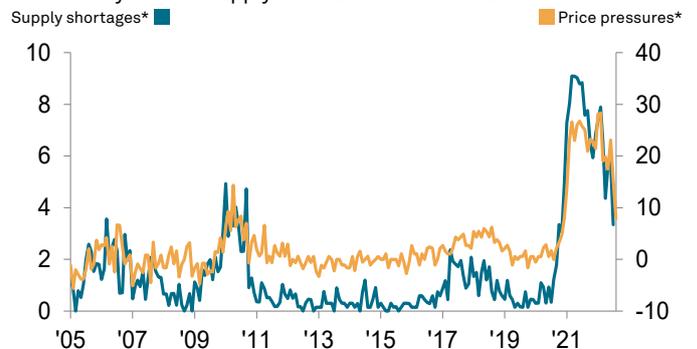
Source: S&P Global.  
\*multiple of long-run average

Global Price Pressures Index: Aluminium, Copper, Steel



Source: S&P Global.  
\*multiple of long-run average

Commodity Price & Supply Pressures: Semiconductors



Source: S&P Global.  
\*multiple of long-run average

PMI™

by S&P Global

## 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](mailto: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](http://ihsmarkit.com/products/pmi.html).