

# News Release

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## S&P Global Copper Users PMI™

### Copper users experience only marginal improvement in business conditions in August

#### Key findings

New orders at copper users little-changed in August

Europe is key source of weak demand

Input price inflation falls to 26-month low

Global copper users indicated a third successive monthly improvement in operating conditions in August. That said, the rate of improvement eased further due to softer expansions in output, new orders and stocks of purchases. Employment fell again, albeit more slowly than in July, and backlogs were reduced for the first time in over two years. More positively, input price inflation eased further to the slowest in over two years, while output prices increased at a rate little-changed on July's 20-month low.

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 – registered 50.8 in August, down from 51.1 in July, signalling only a weak improvement in the health of the sector. Output, new orders and stocks of purchases all rose at softer rates, while employment fell further. Pressure on supply chains was among the lowest over the past two-and-a-half years. By region, the US registered the best overall performance, followed by Asia, while Europe posted a further contraction.

Global copper users registered a rise in output levels for the third successive month in August. The rate of growth slowed further from June, however, and was only modest, reflecting a slower rise in Asia. Europe continued to register a stronger fall in output than the US, although rates of decline eased in both regions.

#### Demand

August survey data pointed to a third successive monthly rise in total new work received by global copper users. The increase was only fractional, however. Europe registered a sixth consecutive decline in new orders, and at the sharpest rate since May 2020. The US posted a fall for the third month running, albeit at the weakest rate in this sequence. Further growth was seen in Asia, but at a slower pace than in June

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:

*"Overall conditions at global copper-using manufacturers continued to improve in August. Growth of new orders and output at the global level was driven by Asia, while the US and Europe both registered contractions, with the latter posting marked rates of decline."*

*"There was further evidence of an easing of pressure on supply chains, although firms in the US and Europe continued to see lead times lengthen substantially. Reduced pressure on production capacity was highlighted by the first drop in backlogs of work in over two years."*

*"August data also signalled a further easing of inflationary pressures in copper-using industries, with input prices rising at the slowest rate in over two years."*

PMI™

by S&P Global

and July.

## Capacity

Firms in the global copper-using industry reported a further contraction in employment in August, the eighth in the past ten months. The rate of job shedding eased from July's 25-month record, however, mainly reflecting renewed hiring growth in Europe but also softer falls in the US and Asia. Meanwhile, backlogs fell for the first time since June 2020, and destocking of finished goods resumed.

Purchasing activity rose for the third month running in August, albeit at a weak rate. Suppliers' delivery times lengthened on the month, but to one of the weakest extents since the onset of the pandemic. Copper users continued to expand their input inventories, which rose for the sixteenth time in 17 months.

## Prices

Global copper users signalled a further rise in average input costs in August. That said, the rate of inflation eased for the fifth month running to the weakest in 26 months. Prices charged by copper users rose for the twenty-sixth successive month, but at a rate little-changed on July's 20-month low.

### 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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