

# News Release

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

### Global price and supply pressures remain subdued in February

#### Key findings

Global supply shortages dip to lowest since September 2020 (index at 1.8)

Reports of price pressures unchanged from January (index at 0.4)

Firms see reduction in oil prices for fourth month in a row

Data were collected 12-27 February.

The Global PMI™ Commodity Price & Supply Indicators by S&P Global signalled a sustained softening in supply pressures across the global manufacturing sector during February, which contributed to only a modest uptick in prices. The Global Supply Shortages Index indicated that reported commodity shortfalls were at their lowest for nearly two-and-a-half years in the latest survey period. Manufacturers reported that supply shortages of all but four of the 20 monitored commodities were lower or the same compared to that seen in January, the exceptions being polyethylene, rubber, timber and iron. Notably, reported shortages of rubber doubled on the month.

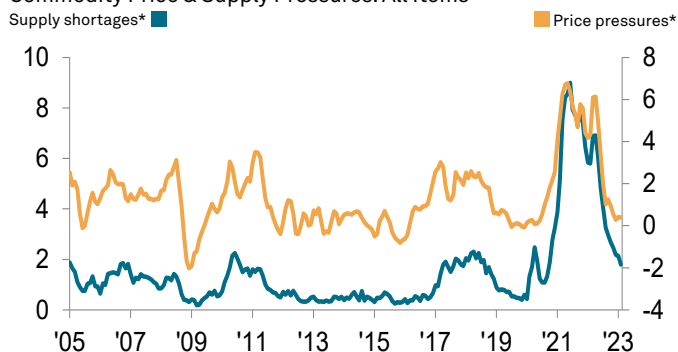
Reports of price pressures were unchanged from January during the latest survey period, and only slightly above December's 30-month low. Six of the 26 monitored commodities recorded price falls during February, with manufacturers signalling a fourth consecutive monthly reduction in oil prices. Moreover, the rate at which oil prices decreased was the steepest since May 2020.

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

*"Manufacturing supply chains showed sustained evidence of normalising during February, albeit on a backdrop of depressed output and demand. Latest data pointed to the least acute commodity shortages for 29 months. Overall, all but four of the monitored commodities signalled fewer or the same number of shortfall reports as in January, including semiconductors and electrical items - the latter saw the lowest reports of shortages since January 2021.*

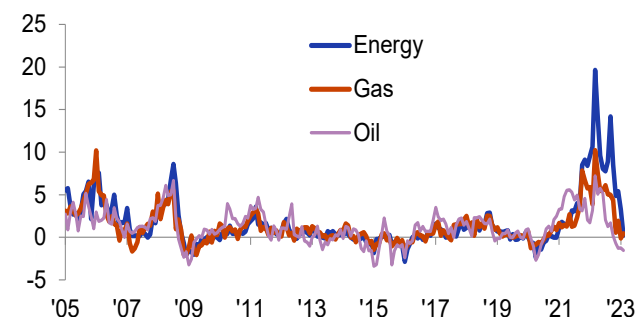
*"At the same time, manufacturers reported that the degree of commodity price rises was unchanged from January and among the lowest seen in two-and-a-half years. Panellists signalled price decreases for six commodities (out of 26), including a fourth successive reduction in oil prices. Indeed, reports of oil price reductions were at their greatest since May 2020."*

Commodity Price & Supply Pressures: All Items



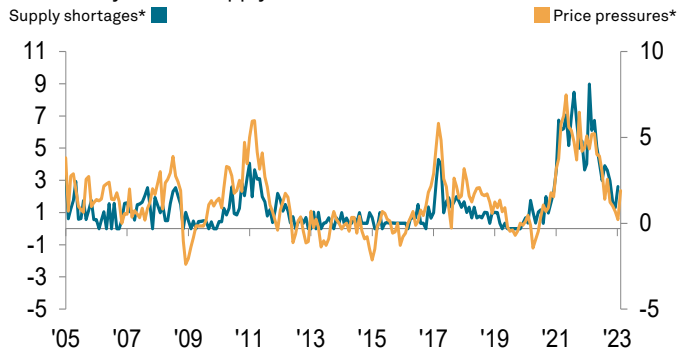
Source: S&P Global.  
\*multiple of long-run average

Global Price Pressures Index: Energy, Oil and Gas



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

Commodity Price & Supply Pressures: Rubber



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

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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.

## Contact

Usamah Bhatti  
Economist  
S&P Global Market Intelligence  
T: +44-134-432-8370  
[usamah.bhatti@spglobal.com](mailto:usamah.bhatti@spglobal.com)

Katherine Smith  
Corporate Communications  
S&P Global Market Intelligence  
T: +1 (781) 301-9311  
[katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com)

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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).