

News Release

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S&P Global Copper Users PMI[®]

Operating conditions improve for first time in seven months

Key findings

Strongest rise in output since last June amid new order growth

Employment levels rise for first time in six months

Inflationary pressures soften

The latest Global Copper Users PMI data revealed an improvement in the health of the global copper-using sector during January. The rate of growth was only marginal but the strongest since last May amid the first rise in new order inflows for seven months. A stronger improvement in the headline PMI was held back by weakness in Europe, while there were sustained expansions at US- and Asia-based copper users. At the global level, there were renewed rises in employment levels, exports, purchasing and stocks. Input price inflation meanwhile eased for the first time in three months, which contributed to only a fractional rise in output charges.

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 from 49.9 in December to 50.9 in January, signalling an overall expansion in operating conditions for the first time since last June, and one that was the quickest for eight months. Europe saw a sustained and sharp contraction, while there was a marginal rise in the US that was the strongest for six months. Firms in Asia recorded the strongest improvement in the health of the sector since last June.

Output in the global copper-using sector rose for the second time in three months in January, with the modest expansion the strongest seen for seven months. Asian copper users

S&P Global Copper Users PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

were the only ones to signal an expansion, and one that was the steepest since last June. Firms in both the US and Europe saw declines sustained in January, albeit at softer rates.

Global copper-using firms registered a renewed increase in total new orders at the start of 2024. As was the case with output, new order growth was confined to Asia. Meanwhile, firms in Europe continued to see a marked fall in new business, while US-based users reported the slowest reduction in the current nine-month decline sequence.

Employment in the global copper-using sector rose fractionally in January, marking the first expansion since last July. The US saw the strongest rate of job creation since October 2022, while there was also a marginal expansion in Asia. At the same time, the volume of outstanding business fell at a softer rate amid a stronger accumulation at Asian firms.

Purchasing rose in January, ending a six-month sequence of decline. Stocks of both purchases and finished goods also saw renewed increases, with the latter seeing the second-steepest rise in the series history. Vendor performance meanwhile deteriorated for the second successive month.

Average operating expenses increased at global copper users in January, with the rate of inflation easing for the first time in three months. This contributed to a softer increase in output charges that was only fractional overall.

PMI[®]

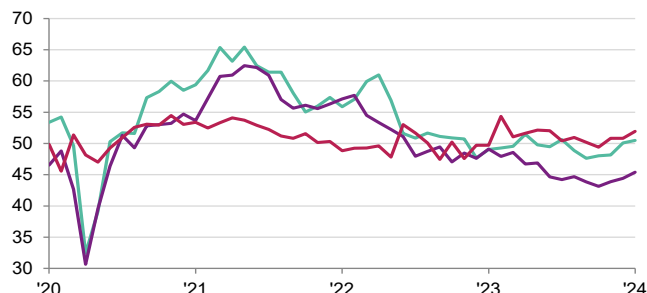
by S&P Global

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Copper 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 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@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