News Release

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S&P Global Copper Users PMI™

Global copper users report faster drop in new orders

Key findings

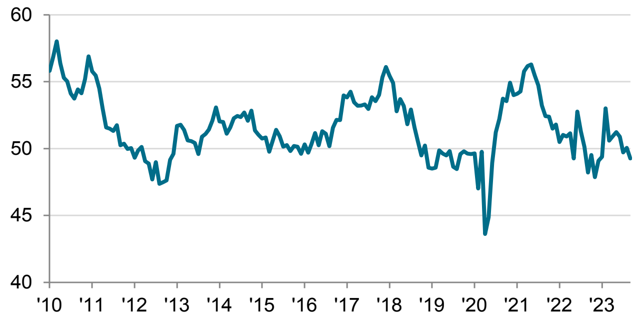
Sharpest fall in new business since January

Renewed decline in production

Output in Asia continues to expand

S&P Global Copper Users PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

The latest Global Copper Users PMI™ data revealed a renewed deterioration in the health of the global copper-using sector at the end of the third quarter of 2023. The downturn was led by Europe, while Asia recorded a further improvement in conditions at copper users. At the global level, there were concurrent falls in output, new orders and jobs for the first time since January. Input price inflation in the copper-using sector eased, remaining below the long-run series trend, while output price inflation was only just below the historic average as firms attempted to rebuild margins. Suppliers' delivery times lengthened for the first time since January.

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 – fell from 50.1 in August to 49.3 in September, signalling an overall deterioration in operating conditions for the second time in three months, albeit one that was only fractional. Only Asia-based firms recorded an improvement in conditions, as there were steeper contractions in the US and Europe.

Output in the global copper-using sector fell for the second time in three months in September, although the rate of contraction was marginal. European copper users recorded the fastest decline in production since May 2020, while their US counterparts cut output the most since January. Asian copper users registered higher output for the eighth month running, albeit at a slower rate.

Global copper-using firms registered a third successive monthly reduction in new orders in September. Europe registered another rapid contraction, and the US posted the fastest fall in 40 months. Asian copper users continued to buck the trend, although the rate of growth slowed in the latest period.

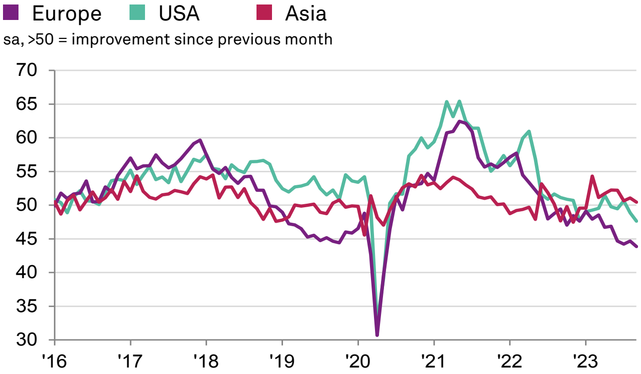
Employment in the global copper-using sector fell for the fourth time in the past five months. While only modest, the rate of job shedding was the strongest seen since November 2022. For the first time in more than a year, all three monitored regions posted lower staffing at copper users, with the fastest reduction occurring in Europe.

The volume of outstanding business fell for the fifth month in a row, and at the fastest rate in 2023 so far. Europe and the US posted the steepest falls since mid-2020, while backlogs at Asian copper users continued to rise.

Purchasing fell for the second month running in September, although the rate of decline remained marginal. Despite lower demand for inputs, suppliers' delivery times lengthened slightly for the first time since January. Stocks of purchases fell for the third month running.

Average operating expenses increased at global copper users in September, though the rate of inflation remained relatively weak. Output prices set by copper-using manufacturers rose at a slightly faster rate than in August, but one that was modest overall.

Copper Users PMI by region



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

PMI™

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