

# News Release

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## IHS MARKIT GLOBAL COPPER USERS PMI™

### Stronger output expansion leads to renewed employment growth

#### KEY FINDINGS

Strongest increase in output since January 2018

New order growth sharpens amid further rise in exports

Firms expand workforces at quickest rate in over two years

September data pointed to an even stronger rebound in conditions at global copper users, as the headline PMI™ rose to its highest in over two-and-a-half years. The upturn was notably fuelled by sharper demand growth and a further improvement in export sales. Activity has now risen throughout the third quarter, helping firms to boost employment at the fastest rate since July 2018.

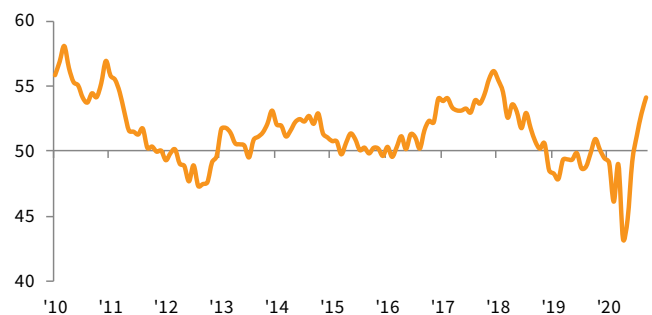
The seasonally adjusted Global Copper Users Purchasing Managers Index™ (PMI) – a composite indicator designed to give an accurate overview of operating conditions at manufacturers identified as heavy users of copper – posted at 54.1 in September, up from 52.9 in August, to signal a third successive upturn in operating conditions. The index rose to its highest since February 2018 and was indicative of a sharp rate of growth.

Copper-using businesses reported a steep increase in output at the end of the third quarter, continuing the growth trend that began in July. The expansion was the fastest seen for 32 months. Notably, the sharp increase was broad-based across all three key regions, as growth markedly accelerated among US and European users in particular.

Firms often highlighted a recovery in new orders as a key factor contributing to higher output in September, as global restrictions were reduced and industries such as automotive picked up.

Global Copper Users PMI

sa, >50 = improvement since previous month



Source: IHS Markit.

#### Demand

Alongside output levels, demand for copper-based goods continued to improve in the latest survey period, as new order growth was recorded for the third month in a row. Furthermore, the increase was the quickest since the start of 2018. International demand rose solidly after an initial rebound in August.

#### Capacity

Copper users started to expand their workforces in September, in part linked to a faster increase in work-in-hand as demand pressures grew. Employment rose to the greatest extent since July 2018, but still only modestly overall.

Firms increased their purchasing activity further to meet rising demand. However, efforts to reduce stock overheads led to sharper cuts to inventories of both pre-production and finished goods.

#### Prices

Input prices rose for the fourth month running during September. The rate of inflation matched that seen in August and was solid, with firms relating the rise to higher commodity prices and freight costs. Output charges also increased, but at a much softer pace than for input costs.

## COMMENT

David Owen, Economist at IHS Markit said:

*"The recovery among global copper users gathered pace in September, with the PMI rising to 54.1 and output growth accelerating to the fastest since the start of 2018. This marked a strong turnaround from the depths of the downturn resulting from the COVID-19 pandemic, although there is still ground to make up to return to pre-virus levels.*

*"Most notably, the sharp rise in output was seen in all three monitored regions: Europe, Asia and the US. After rising at different speeds in July and August, the latest dataset marked the first time that all three areas have registered strong increases in both activity and demand.*

*"Consequently, firms were confident enough to start rehiring in September, with employment increasing for the first time since the pandemic, and at the quickest pace since July 2018. This signals that higher demand is starting to pressure factory capacity, with backlogs rising at a moderate pace."*

## CONTACT

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### Methodology

The Global Copper Users PMI™ is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in manufacturers identified as heavy users of copper. The sample is selected from IHS Markit's global PMI survey panels, covering over 40 countries.

Survey responses are weighted by country, based on national copper consumption figures sourced from IHS Markit'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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### 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.  
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