

# News Release

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## IHS MARKIT GLOBAL COPPER USERS PMI™

### Output growth accelerates amid faster upturn in new business

#### KEY FINDINGS

New orders rise at fastest pace since March 2010

Employment increases slightly

Input cost inflation quickens to two-year high

The global copper-using industry registered a strong improvement in overall operating conditions in October, according to latest PMI™ data, amid the fastest rise in new business since early-2010. Growth momentum picked up across all three monitored regions, with increases in output and sales encouraging businesses to expand their staffing levels for a third consecutive month. Meanwhile, input costs rose at the fastest pace in two years, which led to a stronger increase in output prices.

At 55.1 in October, 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 – was up from 54.1 in September and pointed to the strongest improvement in business conditions since January 2018. The higher index reading was supported by a further recovery of production and new orders following disruptions earlier in the year stemming from the coronavirus disease 2019 (COVID-19) outbreak.

Copper users in the US saw the steepest improvement in operating conditions, though solid rates of expansion were also seen in Europe and Asia.

The latest increase in production at global copper users was substantial and the quickest since December 2017. Growth was led by the US, though there were also marked rises in output in Europe and Asia.

Global Copper Users PMI

sa, >50 = improvement since previous month



Source: IHS Markit.

#### Demand

Client demand continued to increase in October, which led to the fastest expansion in new orders since March 2010. All three monitored regions recorded an uptick, with the US registering the sharpest rate of growth. Foreign demand rose solidly and for a third month running.

#### Capacity

Employment at global copper users increased further in the latest survey period. However, the rate of job creation eased to a marginal pace. The overall upturn in hiring was led by a solid increase in US workforce numbers, while growth in Asia was marginal. Meanwhile, European copper users reported job losses for the twentieth month running, with the rate of job shedding quickening since September.

#### Prices

Average input costs rose sharply once again in October. Notably, the rate of inflation was the fastest for two years, and contributed to the quickest increase in output charges since September 2018.

COMMENT

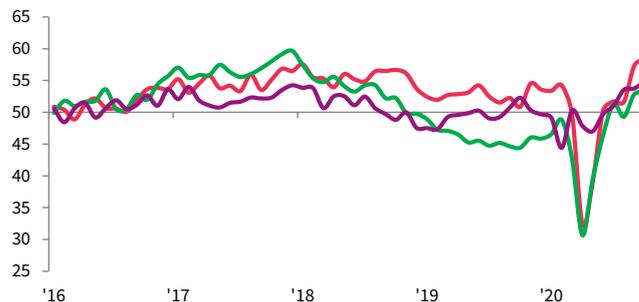
Usamah Bhatti, Economist at IHS Markit said:

*“The Global Copper Users PMI continued to rise above the neutral 50.0 threshold to signal a solid improvement in operating conditions for the fourth consecutive month. The latest data pointed to a sustained recovery following the disruption caused by COVID-19 restrictions in the spring. Moreover, these expansions were broad based across the US, Asia and Europe, with the former leading the way in the latest data.*

*“Copper users were buoyed by the fastest increase in incoming business for over ten years, which also encouraged businesses to expand staffing levels for a third month running, albeit at a marginal pace. However, firms continued to note ongoing price pressures, with the rate of input cost inflation rising at the fastest pace in two years.”*

Global Copper Users PMI  
Europe / USA / Asia

sa, >50 = improvement since previous month



Source: IHS Markit.

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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