

# Steel PMI

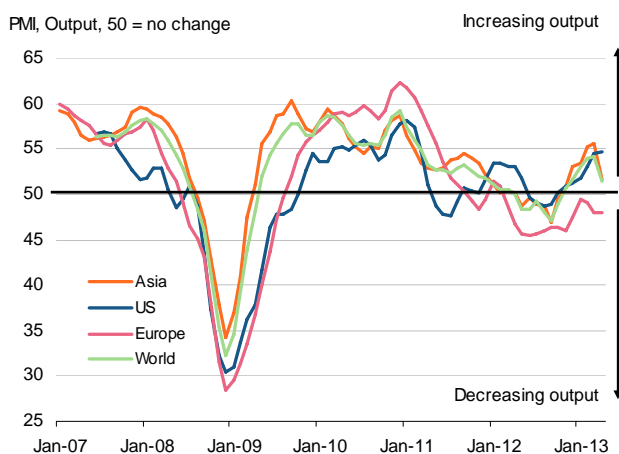
## Output growth at global steel-users eases to five-month low

- **Asia slowdown and further European decline offsets faster US growth**
- **Input prices fall for first time since last September**

Worldwide steel-using firms reported a weaker expansion of output during April. The latest data from Markit showed that production at intensive users of steel rose at the slowest pace in five months, with growth moderating from the two-year high registered in March.

Underling the slowdown was a much weaker increase in output at Asian firms, with growth easing to a five-month low. European companies signalled a fall in production for the fourteenth consecutive month, with the pace of contraction unchanged since March. Only in the US was there an improvement in the latest survey period, with output there rising at the fastest rate since February 2011.

### Steel-users' output



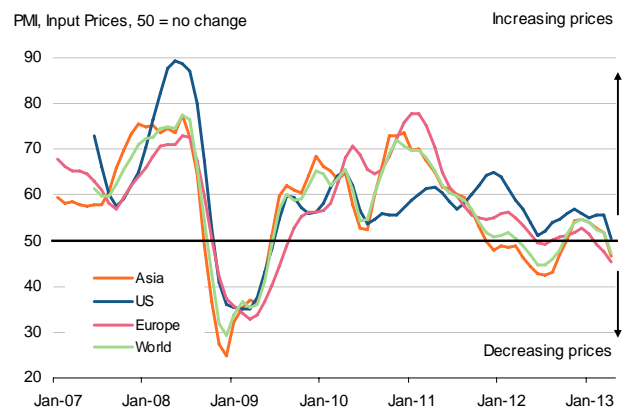
Source: Markit

The weaker trend in output was mirrored by a similar easing in the rate of growth of purchasing activity at global steel-using firms during April. The latest rise in input buying volumes was only marginal and the weakest in the current six-month period of expansion.

### Drop in input costs

Average purchasing costs faced by global steel-users decreased for the first time in seven months during April. Asian firms reported the first fall in input prices since last September, while European companies signalled a third consecutive drop and the sharpest rate of decline since July 2009. Input costs faced by US firms increased only marginally and at the weakest pace in nearly four years.

### Steel-users' input prices

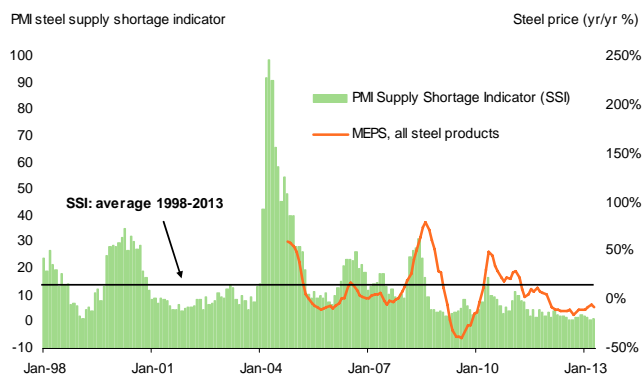


Source: Markit

### Availability of steel items remains generally positive

The incidence of supply shortages for steel items remained historically low in April, according to Markit's worldwide surveys of purchasing managers. A strong supply picture corresponds with the recent downward trend in steel prices, as shown by data compiled by MEPS.

## Steel supply shortages and steel prices



Sources: Markit, EcoWin

For further information on PMI data, please contact [economics@markit.com](mailto:economics@markit.com).

### Jack Kennedy Senior Economist

Markit

Tel: +44 1491 461087

Email: [jack.kennedy@markit.com](mailto:jack.kennedy@markit.com)

For further information, please visit [www.markit.com](http://www.markit.com)

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