

Steel PMI

US outperformance gap widens

- Output at US steel users rises at record rate in August...
- ...but Asian firms' output slips into contraction

Contrasting regional growth trends were signalled by Steel PMI data in August. Whereas US firms registered a series-record expansion of output, their counterparts in Asia saw a fall in production for the first time since October 2012. European companies' performance lay in between, posting a moderate rise in output. Overall production at global steel-buying firms increased marginally and at the weakest rate in the current ten-month period of growth.

Output developments reflected divergent new order trends. US steel users signalled strongly rising volumes of new work, while those in Europe noted a solid increase. In contrast, Asian firms recorded the sharpest reduction in new orders for 11 months.

Purchasing trends also diverge

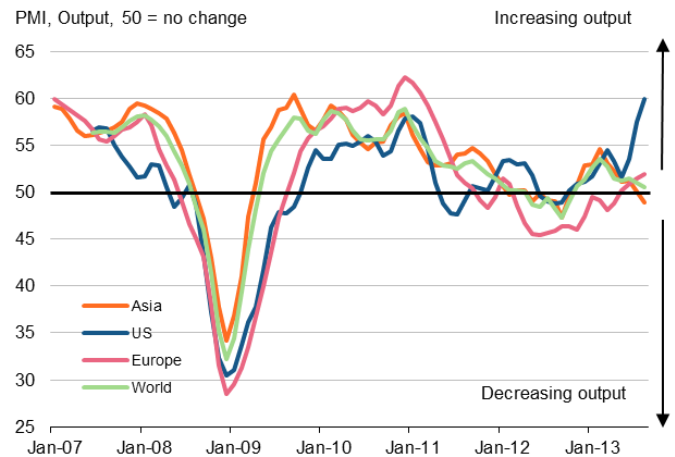
Developments in purchasing activity reflected the differing regional output trends. US steel users signalled a rise in input buying for the tenth consecutive month and the sharpest rate of growth since March. However, Asian firms reported the first decline in purchase quantities since last October, while those in Europe indicated a reduction in input buying for the twenty-fifth successive month.

Differing input price trends

Faster growth in the US was accompanied by stronger input price pressures. US companies noted a solid increase in average purchasing costs, whereas European firms signalled a modest fall while those in Asia recorded broadly no change.

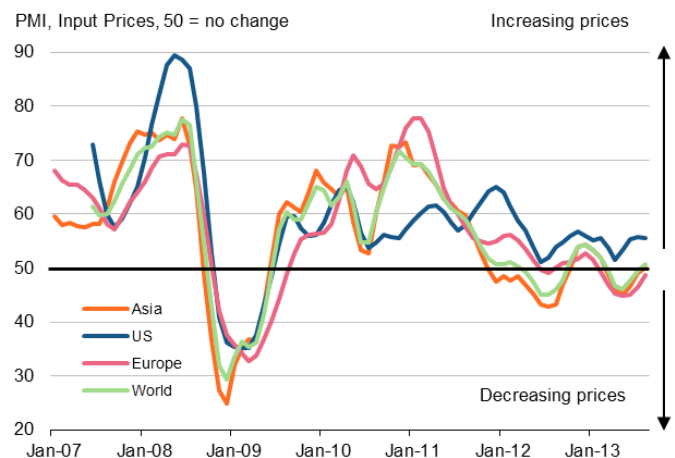
For further information on PMI data, please contact economics@markit.com.

Upturn in US steel users' output



Source: Markit

Input prices rise at solid pace in US



Source: Markit

Jack Kennedy Senior Economist

Markit

Tel: +44 1491 461087

Email: jack.kennedy@markit.com