

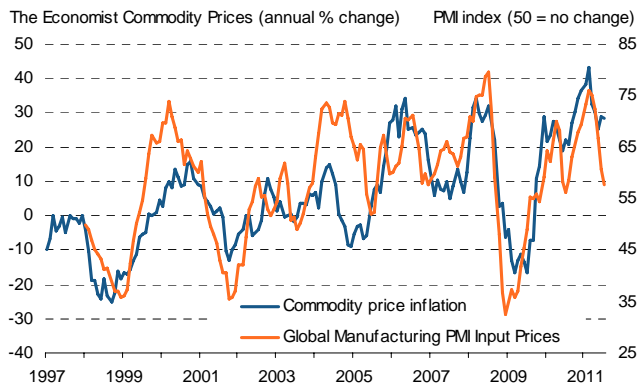
# Price & Supply Monitor

## Improving supply conditions help ease commodity price pressures

- Weaker input cost inflation in global manufacturing sector reflects easing supply constraints
- Lower metal prices widely reported
- Incidence of supply shortages for most raw materials well below long-run trend

Input price pressures in the global manufacturing sector eased further in July. Purchasing managers reported that the average price they paid for inputs and raw materials rose at the slowest pace for 12 months, with the rate of inflation well below February's recent peak.

### Global manufacturing costs and commodity prices

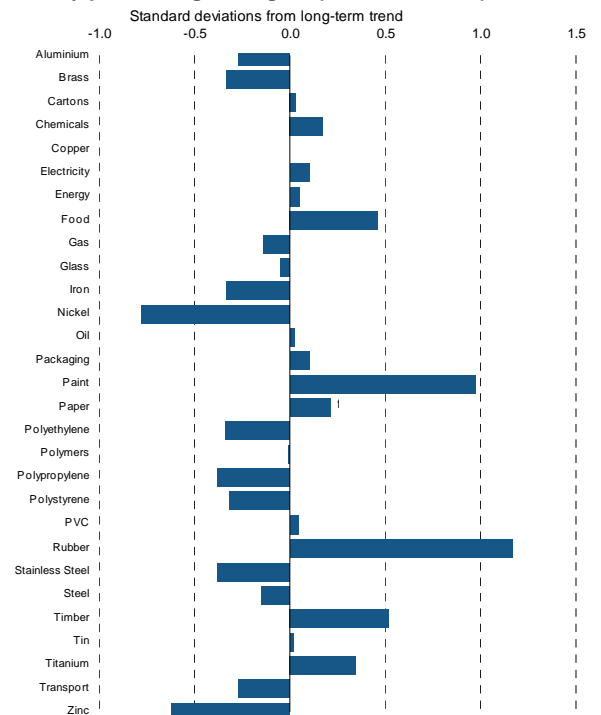


Easing price pressures partly reflected a lower incidence of delivery delays from suppliers. Average lead times faced by global manufacturers increased at the weakest rate for two years in July.

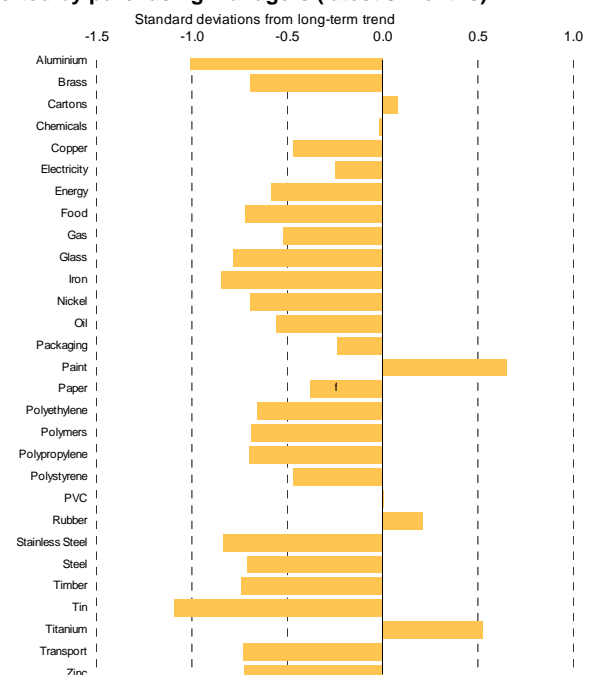
As well as reporting on average input prices and supplier lead-times, purchasing executives on Markit's PMI panels are invited to itemise specific goods which have changed price in the past month or for which supply shortages have developed. This information can be transformed into indicators which show the development of price and supply pressures relative to long-run averages.

These indicators show that, in the three months to July, supply shortages for the majority of monitored items

### Price pressures reported by purchasing managers (latest 3 months)



### Supply shortages reported by purchasing managers (latest 3 months)



were below long-term averages. This was particularly the case for a number of metals including tin, aluminium, iron and stainless steel. The only items which were in greater short-supply compared with long-term trends were paint, titanium, rubber and cartons.

A similar picture was evident for prices, with metals such as nickel and zinc registering the weakest trends, while rubber and paint posted the strongest increases.

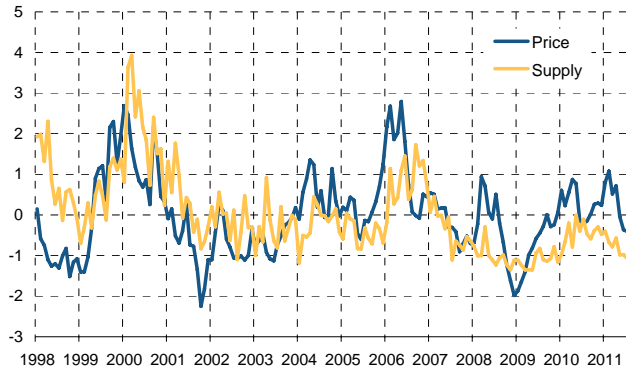
#### Key hot spots:

- **Rubber** price pressures remained elevated in the three months to July. Natural rubber prices have been climbing in recent times amid supply constraints.
- Purchasing managers continued to frequently report higher **paint** prices during the latest quarter. Paint producers have hiked prices in recent months in response to rising raw material costs and tight supply.

## Metals

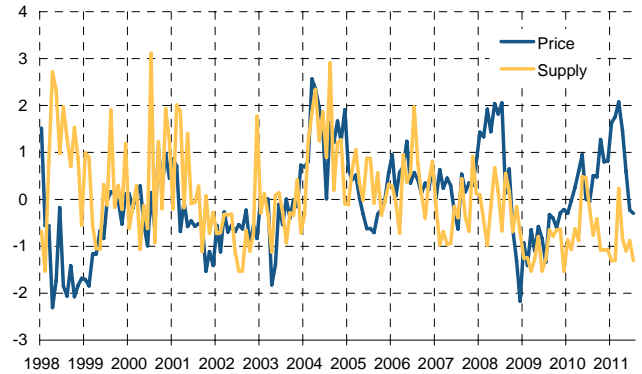
### Aluminium

Standard deviations from mean



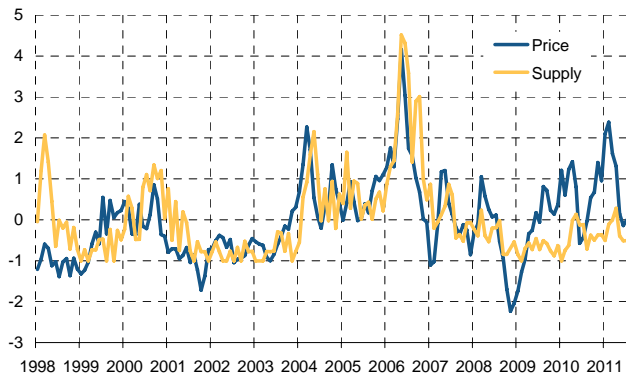
### Tin

Standard deviations from mean



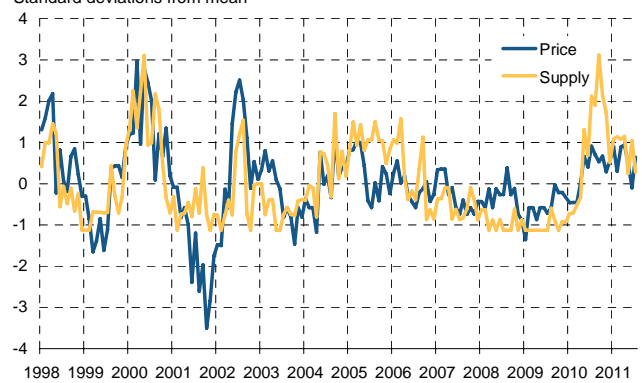
### Copper

Standard deviations from mean



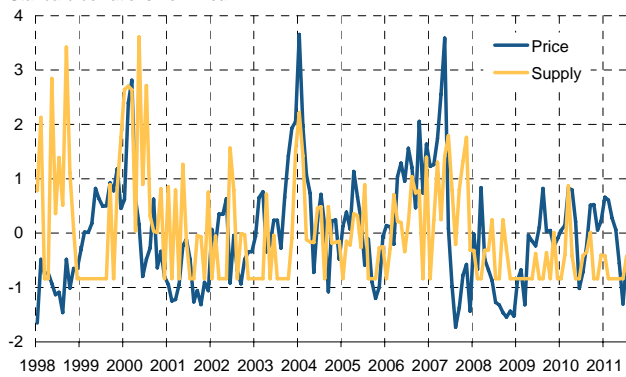
### Titanium

Standard deviations from mean



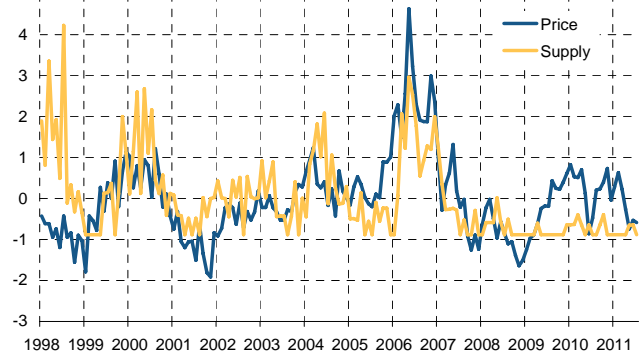
### Nickel

Standard deviations from mean



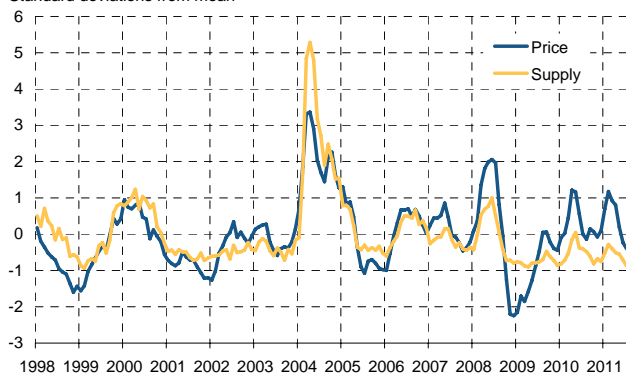
### Zinc

Standard deviations from mean



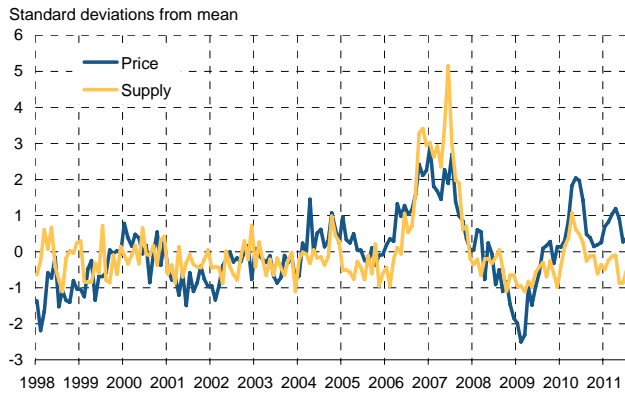
### Stainless steel

Standard deviations from mean



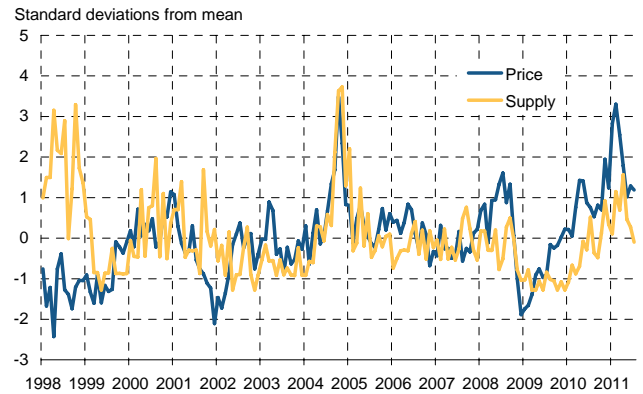
## Timber & timber products

### Timber

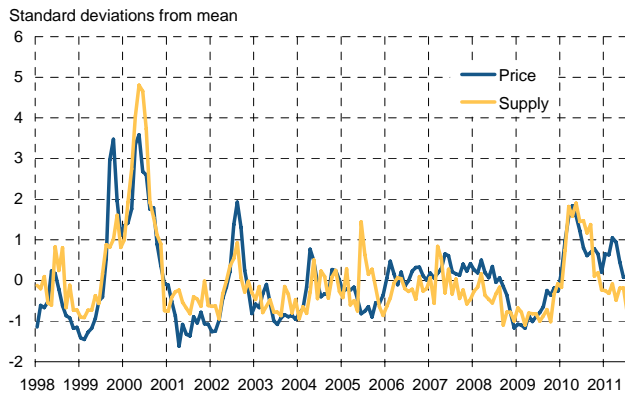


## Chemicals, plastics & rubber

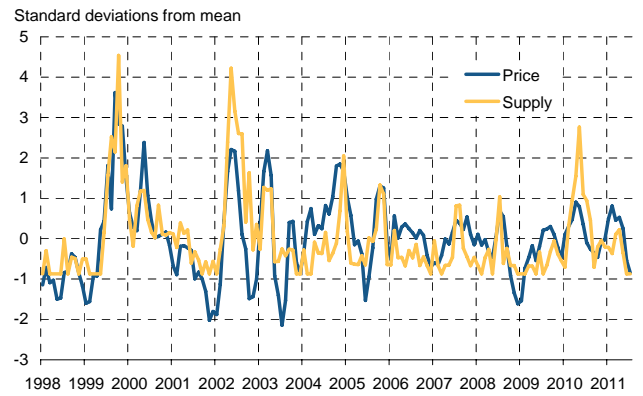
### Rubber



### Paper

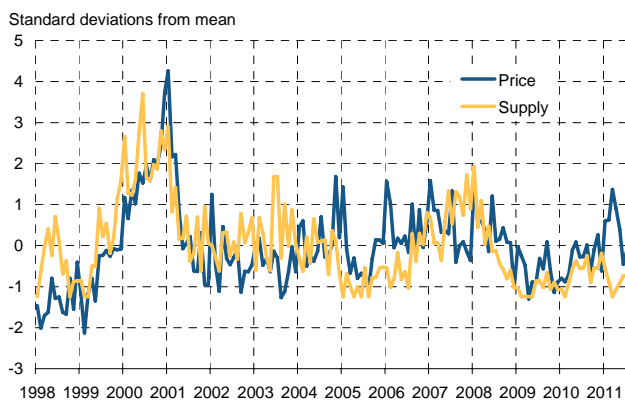


### Polypropylene



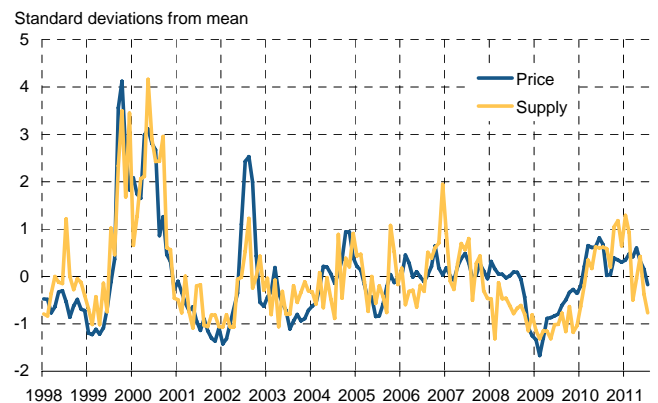
## Glass

### Glass



## Packaging

### General packaging



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## PMI Survey Price Indices

The Price Indices shown in this report are derived from Markit Economics' monthly Purchasing Managers' Index™ (PMI™) surveys. They are calculated from the number of purchasing managers that report a specific item to have risen in price, less those reporting the item to have fallen in price. Each month's resulting net balance is adjusted to take into account variations in survey response rates.

Countries covered are as follows: UK, Ireland, Germany, France, Italy, Spain, South Korea, Taiwan, US, Russia, Brazil, India and China.

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