

MARKET SENSITIVE INFORMATION

Embargoed until 0730 ICT (0030 UTC) 4 September 2024

S&P Global ASEAN Manufacturing PMI®

ASEAN manufacturing sector growth cools, but remains modest overall

Key findings:

Headline index edges to four-month low

Solid, albeit softer upticks in output and new orders

Renewed fall in employment

Data were collected 12-23 August

Modest improvement in the health of the ASEAN manufacturing sector was recorded midway through the third quarter. However, growth cooled on the month, as weaker expansions in output and new orders were recorded, the latter in part dragged down by the ongoing decline in new export sales. Meanwhile, employment slipped back into contraction territory.

A slightly more subdued performance of the manufacturing sector was accompanied by cooling inflationary pressures. Both cost burdens and selling prices rose at weaker rates in August, the upticks softer than their respective series averages.

The headline S&P Global ASEAN Manufacturing Purchasing Managers' Index™ (PMI®) fell from 51.6 in July to a four-month low of 51.1 in August. Nonetheless, ASEAN goods producers reported an eighth successive month of improvement in the health of its manufacturing sector, and one which was modest overall.

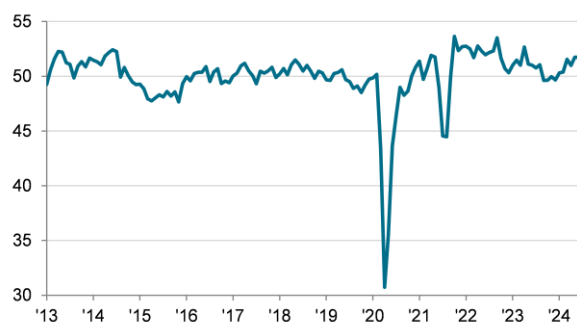
August data noted strengthening underlying demand trends, as expansions in new factory orders and output was solid overall. However, there were signs of cooling growth as the respective seasonally adjusted indexes measured an eight- and a four-month low, respectively.

Furthermore, demand was largely bolstered by domestic markets, as sales to foreign clients continued to fall in August. The downturn was sharp overall.

Growth in overall new orders supported firms' decisions to further raise their buying activity in August, the rate of growth quickening slightly from July's three-month low. That said, manufactures made further inroads in their holdings, as both pre- and post-production inventories were depleted at stronger rates.

S&P Global ASEAN Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Following two months of slight job creation, August data revealed a renewed, albeit marginal decline in workforce numbers. Manufacturers also noted a sixth consecutive month of backlog accumulation, pointing to rising pressures on capacity.

Turning to inflationary pressures, surveyed goods producers indicated that cost burdens, and in turn selling prices charged, rose at moderated paces in August. Moreover, price pressures were historically subdued.

Lastly, firms remained confident regarding output growth in the coming year. Expectations were the highest since February. That said, the index has now printed below the long-run average for 22 consecutive months.

Commenting on the ASEAN Manufacturing PMI data, Maryam Baluch, Economist at S&P Global Market Intelligence said:

"The ASEAN manufacturing sector benefited from strengthening underlying demand trends, as new orders rose solidly, thus encouraging firms to also raise their output in August. That said, latest data revealed a slight cooling on the month, as deteriorating foreign demand continued to act as a headwind to growth."

"The employment picture looks murky. Despite rising pressures on capacity, firms recorded a fresh decline in payroll numbers, albeit only fractionally. Instead, companies opted to further deplete their inventories to meet business requirements."

PMI®

by S&P Global

News Release

Contact

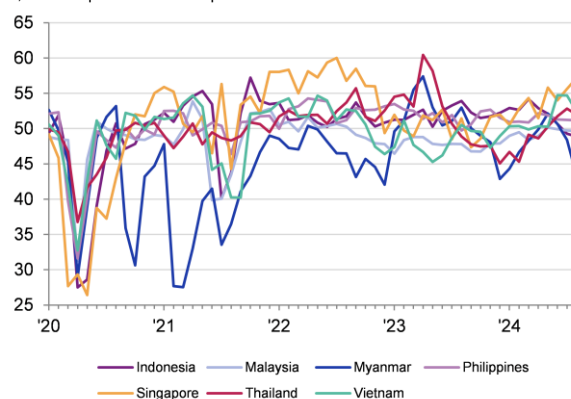
S&P Global Market Intelligence

Maryam Baluch
Economist
T: +44-12-4432-7213
maryam.baluch@spglobal.com

SungHa Park
Corporate Communications
T: +81 3 6262 1757
sungha.park@spglobal.com

Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Methodology

The S&P Global ASEAN Manufacturing PMI® is compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in panels of manufacturers in Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, totalling around 2,100 manufacturers. These countries account for 98% of ASEAN manufacturing value added*. The panels are stratified by detailed sector and company workforce size, based on contributions to GDP.

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 at the national level. 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. ASEAN indices are calculated by weighting together the national indices. Country weights are calculated from annual manufacturing value added*.

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@spglobal.com.

*Source: World Bank World Development Indicators.

S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2024 S&P Global Ltd. All rights reserved. www.spglobal.com

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. To learn more go to www.spglobal.com/marketintelligence/en/mi/products/pmi.

If you prefer not to receive news releases from S&P Global, please contact sungha.park@spglobal.com. To read our privacy policy, [click here](#).

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.