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# au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

## Softer rise in business activity in September

### Key findings

Flash Composite Output Index, September: 52.5 (August Final: 52.9)

Flash Services Business Activity Index, September: 53.9 (August Final: 53.7)

Flash Manufacturing Output Index, September: 49.4 (August Final: 51.3)

Today sees the latest release of the au Jibun Bank Flash Japan Composite PMI®. Published on a monthly basis approximately one week before final PMI data are released, this makes the PMI the earliest available indicator of private sector operating conditions in Japan. The estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate indication of final PMI data.

Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

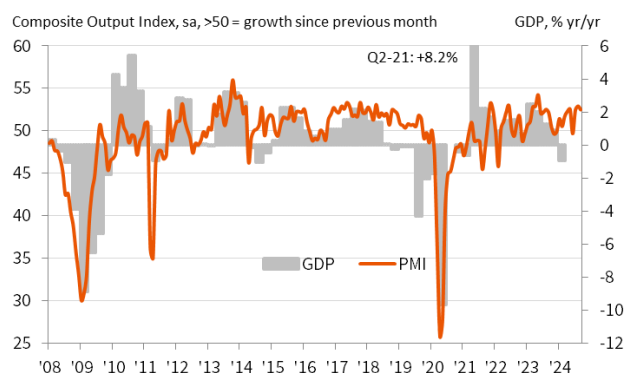
*“Japan’s private sector expansion continued into a third month during September, though the rate of growth softened slightly on the month. The latest reading indicated that growth momentum was sustained throughout the third quarter of 2024, and hints at a stronger Q3 GDP reading. The expansion in business activity remained services-led in September, where the rate of increase strengthened to a five-month high. Manufacturing output meanwhile fell back into contraction territory for the second time in three months, albeit only marginally.*

*“Growth in new orders was little-changed in the latest survey period, broadly matching the magnitude of the increases seen earlier the third quarter. A sustained fall in the levels of outstanding business was also recorded, though this was largely due to a solid reduction in backlogs in the manufacturing sector. This could dampen growth towards the end of the year if demand doesn’t pick up. While positive sentiment levels remained elevated, the overall degree of confidence eased to the lowest since April 2022, according to the Future Output Index.*

*“Finally, the rate of input cost inflation eased in September to reach the lowest for six months. Both manufacturing and services firms noted softer cost pressures, though average operating expenses remained historically elevated overall. Moreover, the rate of output price inflation ticked up slightly from August, amid a stronger rise in charges at service*

*providers, who increasingly opted to pass higher costs on to customers.”*

### au Jibun Bank Japan Composite Output Index



### Index summary

Index	Sector	Interpretation
<b>Output</b>	<b>Composite</b>	<b>Weaker growth</b>
	Manufacturing	Decline, from growth
	Services	Stronger growth
<b>New Orders</b>	<b>Composite</b>	<b>Weaker growth</b>
	Manufacturing	Weaker decline
	Services	Weaker growth
<b>New Export Orders</b>	<b>Composite</b>	<b>Stronger decline</b>
	Manufacturing	Stronger decline
	Services	Weaker growth
<b>Employment</b>	<b>Composite</b>	<b>Weaker growth</b>
	Manufacturing	Weaker growth
	Services	Unchanged rate of growth
<b>Backlogs of Work</b>	<b>Composite</b>	<b>Weaker decline</b>
	Manufacturing	Weaker decline
	Services	Growth, from decline
<b>Output Prices</b>	<b>Composite</b>	<b>Stronger inflation</b>
	Manufacturing	Weaker inflation
	Services	Stronger inflation
<b>Input Prices</b>	<b>Composite</b>	<b>Weaker inflation</b>
	Manufacturing	Weaker inflation
	Services	Weaker inflation
<b>Future Output</b>	<b>Composite</b>	<b>Weaker positive outlook</b>
	Manufacturing	Weaker positive outlook
	Services	Weaker positive outlook
Stocks of Purchases	Manufacturing	Growth, from decline
Stocks of Finished Goods	Manufacturing	Decline, from neutral
Quantity of Purchases	Manufacturing	Weaker growth
Suppliers' Delivery Times	Manufacturing	Renewed lengthening

## au Jibun Bank Flash Japan Manufacturing PMI®

The au Jibun Bank Japan Manufacturing PMI® is compiled by S&P Global from survey responses from a panel of around 400 manufacturers. The headline figure is the Purchasing Managers' Index (PMI), a composite single-figure indicator of manufacturing performance. 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.

The headline au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index™ (PMI)® fell slightly from 49.8 in August, to 49.6 in September, to signal that Japanese manufacturing business conditions weakened for the third consecutive month. Production levels fell marginally, but for the second time in three months, while new order inflows fell at a modest albeit slightly softer rate. At the same time, employment broadly stalled at the end of the third quarter. Lead times deteriorated in September, with the latest lengthening the most marked since February, which encouraged firms to build stocks of purchased items for the first time in three months. Rates of inflation for input costs and output prices eased on the month. Lastly, the overall degree of confidence regarding the 12-month outlook for output softened to its least pronounced since December 2022.

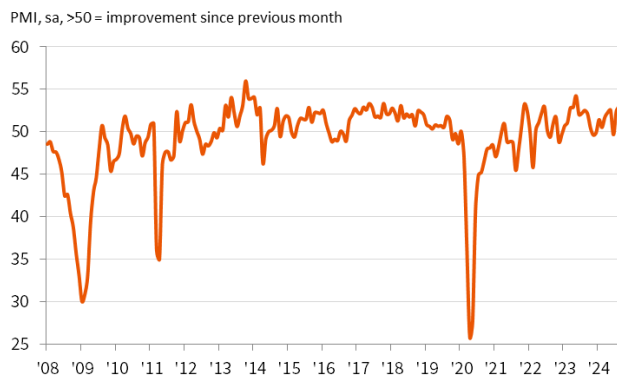
## au Jibun Bank Flash Japan Services PMI®

The au Jibun Bank Japan Services PMI® is compiled by S&P Global from survey responses from a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The headline figure is the Services Business Activity Index, which tracks changes in the volume of business activity compared with one month previously. A reading above 50 indicates an overall increase compared to the previous month, and below 50 an overall decrease.

The au Jibun Bank Flash Japan Services Business Activity Index posted 53.9 in September, up from a final reading of 53.7 in August, indicating that services activity continued to expand at a solid rate at the end of the third quarter. Supporting output was a twenty-ninth successive monthly rise in new business. As a result, Japanese service providers raised employment levels further, despite confidence levels slipping to a 20-month low. On the price front, average input costs rose at the softest rate since March. But

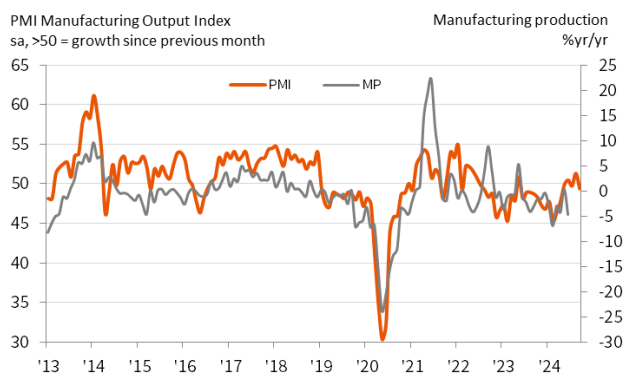
prices charged for Japanese services rose at an accelerated pace as firms looked to pass higher cost burdens on to clients.

### au Jibun Bank Japan Composite Output PMI®



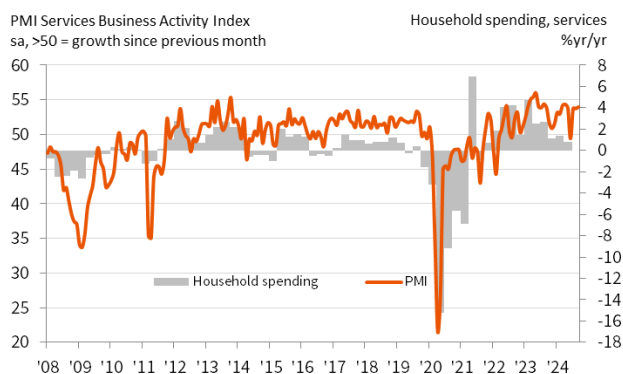
Sources: au Jibun Bank, S&P Global PMI.

### Manufacturing output



Sources: au Jibun Bank, S&P Global PMI, METI via S&P Global Market Intelligence.

### Services business activity



Sources: au Jibun Bank, S&P Global PMI, Cabinet Office via S&P Global Market Intelligence.

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## Methodology

The au Jibun Bank Japan Composite PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies and a panel of around 400 manufacturers. The service sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. 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. 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.

Composite indices are weighted averages of comparable manufacturing and services indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

The headline figure is the Composite Output Index. This index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The headline manufacturing figure is the Purchasing Managers' Index (PMI), a composite single-figure indicator of manufacturing performance. 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.

Flash indices are released approximately one week before the 'final' indices. Flash indices are typically based on approximately 85%–90% of total PMI survey responses each month and are designed to provide an accurate indication of final indices.

Final 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.

September 2024 flash data were collected 10-19 September 2024. For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

## The au Jibun Bank Japan PMI is sponsored by au Jibun Bank Corporation

The au Jibun Bank is an internet retail bank established in 2008 by a joint investment of KDDI – a major telecommunication service provider – and MUFG Bank – Japan's largest bank – As a "smartphone-centric bank", au Jibun Bank focuses on providing high-quality financial services via smartphones.

The au Jibun Bank provides unique services such as "Smartphone ATM", a service allowing to deposit and withdraw money from teller machine without cash card by just scanning a QR code shown on the smartphone app, and "AI Foreign Currency Forecast", a foreign currency trading support tool that predict the rise of foreign exchange rate based on past trend deep learned by an AI (artificial intelligence).

As a member of the "au Financial Group", au Jibun Bank aims to play a major role in providing comprehensive smartphone-centric banking services in line with the "Smart Money Concept" and enhance customer experience.

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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. To learn more, go to [ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html).

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