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# au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

## Private sector activity stagnates

### Key findings

Flash Composite Output Index, February: 50.3  
(January Final: 51.5)

Flash Services Business Activity Index, February: 52.5  
(January Final: 53.1)

Flash Manufacturing Output Index, February: 45.4  
(January Final: 47.7)

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.

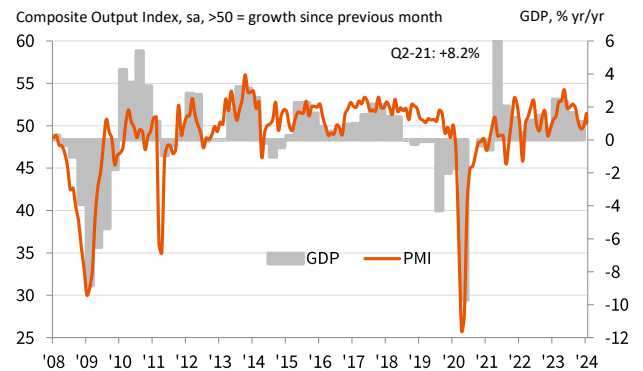
Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

*“The Japanese private sector economy saw the slight improvement at the start of the year all but evaporate during February, as business activity broadly stagnated. According to the latest Flash PMI data, growth was only fractional, as a softer upturn in services activity was offset by the steepest contraction in manufacturing output for a year.”*

*“Firms were also the least upbeat since January 2023, reflecting reduced optimism with regards to future output. This was reinforced by other forward-looking indicators from the survey, including new orders which saw the rate of growth shift only slightly from the fractional increase seen in the previous survey period.”*

*“One bright spot was the accelerated rise in employment, with the rate of job creation reaching an eight-month high. That said, higher staffing levels were driven entirely by the service sector, where growth reached the highest since last May while manufacturing firms recorded the steepest reduction in workforce numbers in just over three years.”*

### au Jibun Bank Japan Composite Output Index



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

### Index summary

Index	Sector	Interpretation
<b>Output</b>	<b>Composite</b>	<b>Weaker growth</b>
	Manufacturing	Stronger decline
	Services	Weaker growth
<b>New Orders</b>	<b>Composite</b>	<b>Stronger growth</b>
	Manufacturing	Stronger decline
	Services	Stronger growth
<b>New Export Orders</b>	<b>Composite</b>	<b>Stronger decline</b>
	Manufacturing	Stronger decline
	Services	Decline, from growth
<b>Employment</b>	<b>Composite</b>	<b>Stronger growth</b>
	Manufacturing	Stronger decline
	Services	Stronger growth
<b>Backlogs of Work</b>	<b>Composite</b>	<b>Growth, from neutral</b>
	Manufacturing	Weaker decline
	Services	Stronger growth
<b>Output Prices</b>	<b>Composite</b>	<b>Weaker inflation</b>
	Manufacturing	Weaker inflation
	Services	Weaker 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	Stronger positive outlook
	Services	Weaker positive outlook
Stocks of Purchases	Manufacturing	Unchanged rate of decline
Stocks of Finished Goods	Manufacturing	Stronger decline
Quantity of Purchases	Manufacturing	Stronger decline
Suppliers' Delivery Times	Manufacturing	Stronger 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 from 48.0 in January to 47.2 in February, signalling a ninth consecutive deterioration in operating conditions that was the most marked since August 2020. A steep reduction in new orders led to production shrinking at the fastest rate for a year. In turn, purchasing activity fell sharply while lower capacity pressures led to employment levels falling at the quickest pace since January 2021. Price pressures faced by Japanese manufacturers softened during February, as the rate of input price inflation eased to a seven-month low, which contributed to the softest rise in output charges since June 2021.

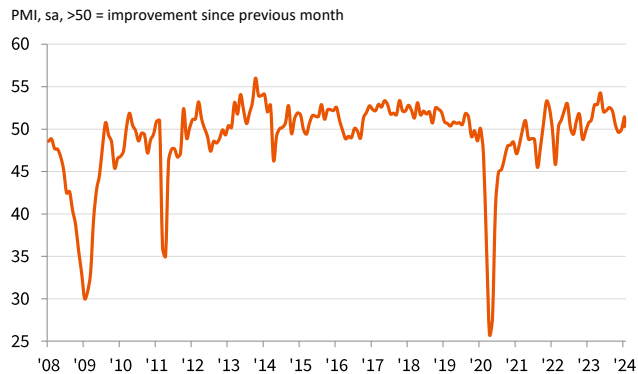
## au Jibun Bank Flash Japan Services PMI®

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 52.5 in February, down from 53.1 in January. Despite easing slightly on the month, the latest expansion extended the current sequence of growth to 18 months. Moreover, the rate of growth in new business accelerated during February and was the strongest recorded since last August. Optimism with regards to future activity and indications of capacity pressures nevertheless led to a solid increase in employment that was the most marked for nine months. On prices, inflationary pressures

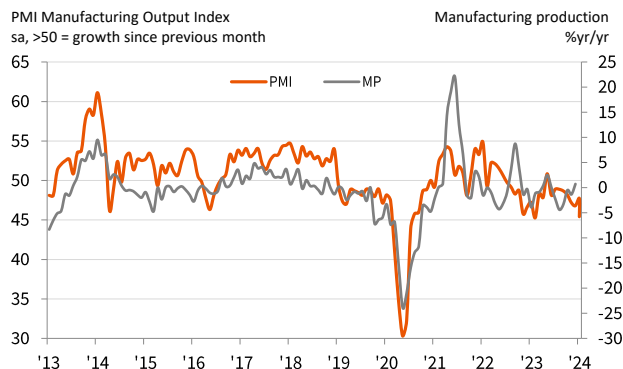
led to a sustained albeit softer increases in both input costs and charges.

## au Jibun Bank Japan Composite Output PMI®



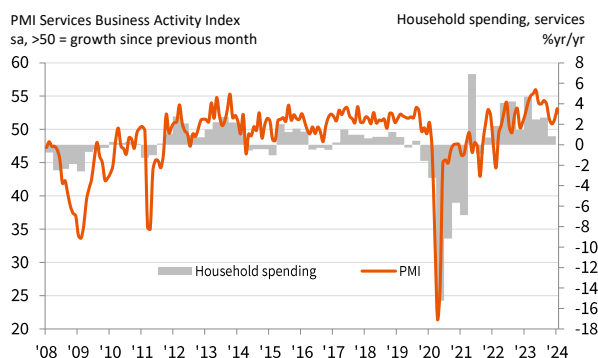
Sources: au Jibun Bank, S&P Global PMI.

### 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.

February 2024 flash data were collected 12-20 February 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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