

MARKET SENSITIVE INFORMATION

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S&P Global ASEAN Manufacturing PMI®

ASEAN manufacturing sector starts 2025 on a softer note

Key findings:

Headline index slips to 11-month low of 50.4

Growth rates for output and new orders moderate

Inflationary pressures continue to trend down

Data were collected 9-27 January

Marginal growth was eked out at the start of 2025 across the ASEAN manufacturing sector. Growth momentum cooled for both output and new orders, leading to a modest and restrained increase in purchasing activity. On a positive note, after two months of job losses, the employment landscape stabilised.

Additionally, price pressures continued to cool, with operating costs and charges rising at the weakest rates in 18 and four months respectively.

The S&P Global ASEAN Manufacturing Purchasing Managers' Index™ (PMI®) signalled only a modest improvement in the health of ASEAN manufacturing in January, with a reading of 50.4, down from 50.7 in December and the lowest for nearly a year.

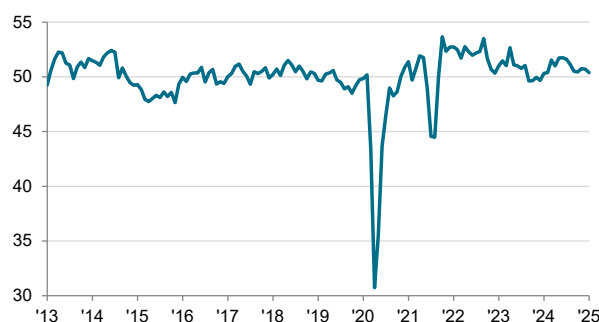
The improvement in operating conditions was highlighted by only slight increases in order book volumes and output. Growth rates in both categories have slowed, with the most recent gains being the weakest observed in their respective current 11- and four-month growth trends.

In light of the slight slowdown in manufacturing demands, input purchasing activity among ASEAN goods producers increased at a more subdued pace in January. The latest expansion was the weakest in three months.

However, backlogs continued to rise, thus indicating increasing pressures on capacity. The eleventh consecutive monthly uptick in outstanding work, though mild, was the strongest since September last year. Manufacturers also recorded a subtle shift in their hiring practices after minimal reductions were recorded in November and December of last year. The seasonally adjusted index had just barely surpassed the neutral 50.0 mark for the first time in four months.

S&P Global ASEAN Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Attitudes toward destocking remained steady as firms modestly reduced stocks of purchases and finished goods to meet production needs amid ongoing supply challenges. Vendor performance declined for the ninth consecutive month in January, though the latest drop was the least severe in six months.

January data revealed a continued easing of inflationary pressures. Input price inflation slowed for the second consecutive month, marking the weakest increase in operating costs since July 2023. Output charge inflation also moderated, rising modestly and at the weakest pace seen in four months.

Lastly, the level of business confidence across ASEAN manufacturers remained broadly unchanged from that seen in December. While firms anticipate output to rise in the coming 12 months, optimism remained historically subdued.

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

“As 2025 kicked off, the ASEAN manufacturing sector saw modest growth for the thirteenth month in a row, though this latest improvement was the slowest since February 2024. New orders and output both expanded at a softer pace, and the export market continued to hold back overall sales growth.”

“On the bright side, inflationary pressures eased, and after two months of job cuts, January brought a slight uptick in payroll numbers.”

News Release

Contact

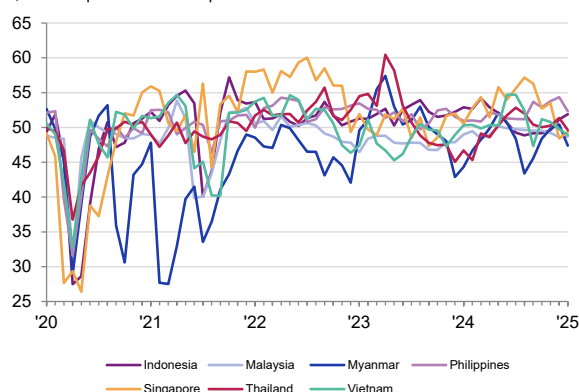
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Manufacturing PMI

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.

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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 www.spglobal.com/marketintelligence/en/mi/products/pmi.

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