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# au Jibun Bank Flash Japan Composite PMI®

Including au Jibun Bank Flash Japan Manufacturing and Services PMI®

## Private sector activity stalls in November

### Key findings

Flash Composite Output Index, November: 50.0  
(October Final: 50.5)

Flash Services Business Activity Index, November:  
51.7 (October Final: 51.6)

Flash Manufacturing Output Index, November:  
46.4 (October Final: 48.2)

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.

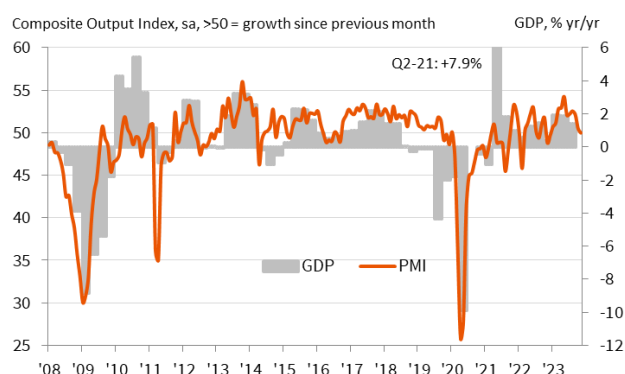
Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

*“Activity at Japanese private sector firms stagnated midway through the fourth quarter of 2023, according to the November flash PMI data. The latest reading marked the end of a ten-month sequence of rising activity. Manufacturers posted the strongest decline in production in nine months, while service providers signalled the second-softest expansion in business activity in 2023 to date.*

*“Concurrently, demand conditions at private sector firms remained muted in November and were little-changed from October. New work at manufacturing firms fell at a solid and stronger rate, though service providers noted a slightly quicker uptick in incoming business. Despite the weakness in new orders, Japanese private sector companies mentioned that the level of outstanding business was unchanged, ending a four-month sequence of decline.*

*“November data also brought with it a further softening in price pressures in the Japanese private sector economy. The rate of input price inflation eased to a 27-month low in the latest survey period, yet remained stubbornly high, and well above the long-run series average. Higher prices were commonly attributed to rising raw material, fuel and labour costs, alongside sustained weakness in the exchange rate.”*

### 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>No change, from growth</b>
	Manufacturing	Stronger decline
	Services	Stronger growth
<b>New Orders</b>	<b>Composite</b>	<b>Growth, from no change</b>
	Manufacturing	Stronger decline
	Services	Stronger growth
<b>New Export Orders</b>	<b>Composite</b>	<b>Stronger decline</b>
	Manufacturing	Stronger decline
	Services	Unchanged rate of decline
<b>Employment</b>	<b>Composite</b>	<b>Weaker growth</b>
	Manufacturing	Weaker decline
	Services	Weaker growth
<b>Backlogs of Work</b>	<b>Composite</b>	<b>No change, from decline</b>
	Manufacturing	Stronger decline
	Services	Growth, from decline
<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	Stronger inflation
	Services	Weaker inflation
<b>Future Output</b>	<b>Composite</b>	<b>Stronger positive outlook</b>
	Manufacturing	Stronger positive outlook
	Services	Stronger positive outlook
Stocks of Purchases	Manufacturing	Unchanged rate of growth
Stocks of Finished Goods	Manufacturing	Weaker decline
Quantity of Purchases	Manufacturing	Stronger decline
Suppliers' Delivery Times	Manufacturing	Weaker 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.

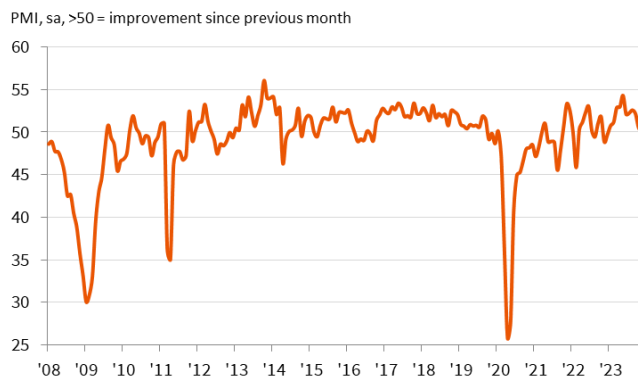
The headline au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index™ (PMI)® fell from 48.7 in October to 48.1 in November to the strongest deterioration in Japanese manufacturing business conditions since February. Both output and new orders were scaled back further in the latest survey period, with the rate of reduction in incoming business accelerating slightly on the month. In line with the trend for new orders, pressure on capacity continued to ease as signalled by the strongest decrease in backlogs for eight months. In turn, Japanese manufacturers reduced staffing levels for the second successive month.

## 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.

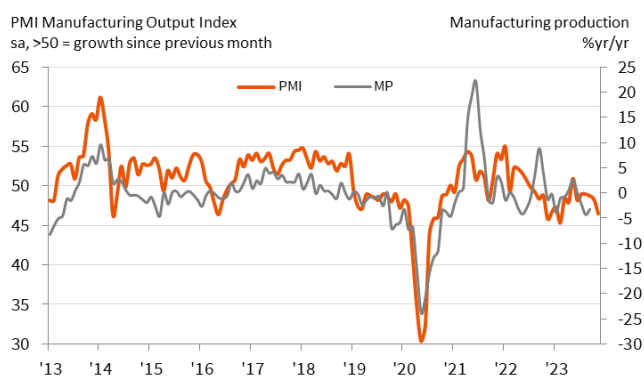
The au Jibun Bank Flash Japan Services Business Activity Index was little-changed at 51.7 in November, following a final reading of 51.6 in October. This signalled a sustained yet modest expansion in business activity in Japan's service sector, which was the second-weakest recorded in 2023 to date. The pace of expansion in incoming business picked up slightly midway through the fourth quarter, and was also modest overall. Moreover, November data indicated renewed pressure on capacity, as outstanding business rose at the steepest rate in five months. Firms also signalled the strongest degree of positive sentiment regarding the year-ahead outlook for activity since August. Meanwhile, the pace of input cost inflation eased to the softest since the start of 2022.

## au Jibun Bank Japan Composite Output PMI®



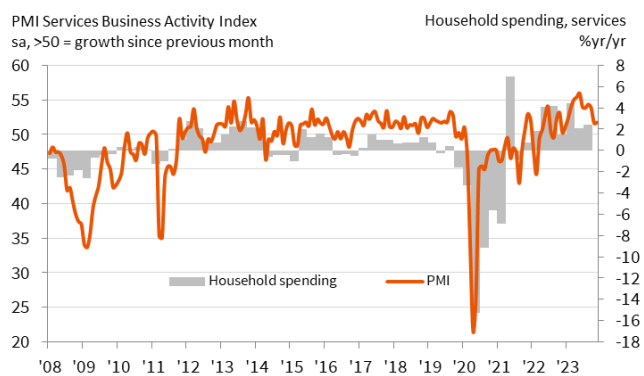
Sources: au Jibun Bank, S&P Global PMI.

### 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.

November 2023 flash data were collected 09-21 November 2023. 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 [ihsmarket.com/products/pmi.html](https://ihsmarket.com/products/pmi.html).

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