

MARKET SENSITIVE INFORMATION

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S&P Global ASEAN Manufacturing PMI®

ASEAN manufacturing production returns to growth in July but outlook wanes

Key findings:

Output rises solidly and for the first time since March

Headline index surpasses 50.0 mark

Business sentiment wanes to five-year low

Data were collected 10-25 July

After three consecutive months of declining output, the ASEAN manufacturing sector saw a rebound in July. Output growth was solid, and the downturn in new orders eased, suggesting a recovery in underlying demand trends. Notably, July marked the first month in three where purchasing activity was not curtailed, with firms indicating stability in buying patterns. Moreover, although job shedding persisted, the rate of reduction slowed.

However, despite these positive developments, confidence for the year-ahead output slipped to a five-year low. Producers were cautious, projecting relatively subdued growth over the next twelve months compared to the historical average.

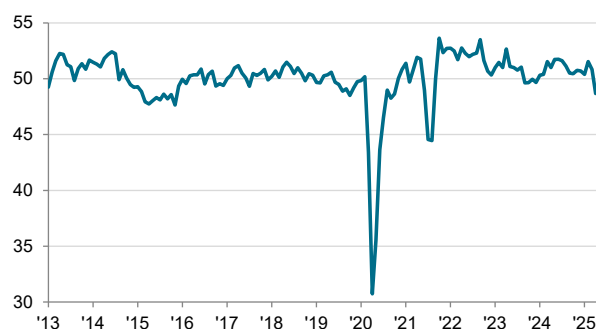
The S&P Global ASEAN Manufacturing Purchasing Managers' Index™ (PMI®) fractionally surpassed the neutral mark of 50.0 which separates expansion from contraction in July, printing 50.1 up from 48.6 in June. The headline index signalled broadly stabilised operating conditions across the ASEAN manufacturing sector, thereby ending the previous three-month sequence of declining sector health.

Manufacturers in the region recorded a renewed rise in production levels in July. The rate of growth was solid overall and stronger than the historical average. Demand trends also exhibited signs of recovery, as new orders declined only marginally, marking the softest decrease in the current four-month sequence of contraction.

In response to rising production requirements and the easing downturn in new orders, firms adjusted their purchasing activities and employment levels accordingly. Notably, after falling for three consecutive months, buying activity remained stable from that observed in June, while reductions in staffing were implemented at a slower pace.

S&P Global ASEAN Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Turning to prices, inflationary pressures intensified in July. Cost burdens and charges grew at the fastest rates in four and five months respectively. That said, the rates of inflation across both the measures were weaker than their respective survey averages.

Despite a relatively improved performance of the ASEAN sector, outlook for the year ahead outlook dimmed further. Confidence fell to a five-year low, with the index moving further below the long-run average. Firms are anticipating more modest production expansions.

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

"The onset of the second half of 2025 revealed a modest yet encouraging shift within the ASEAN manufacturing sector. For the first time in three months, operating conditions showed signs of improvement, with output returning to growth. The declines in new orders and employment softened, and purchasing activity remained stable throughout the month.

"However, despite these emerging positive trends, the latest data also indicated a further erosion of confidence regarding the year-ahead outlook among ASEAN manufacturers. Optimism reached its lowest point in five years, well below the long-run average. While an increase in output is anticipated, the growth rate is expected to remain subdued."

News Release

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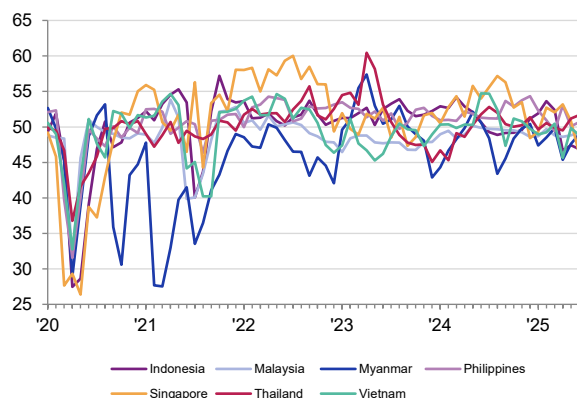
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Manufacturing PMI

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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PMI®

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