

MARKET SENSITIVE INFORMATION

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S&P Global ASEAN Manufacturing PMI®

Sustained, albeit slightly weaker improvement in ASEAN operating conditions

Key findings:

Further improvement in ASEAN manufacturing conditions

Growth in new orders quickens

Job shedding recorded for the first time in six months

Data were collected 04-24 April

April PMI data by S&P Global indicated an improvement in operating conditions across the ASEAN manufacturing sector, amid further expansions in new orders and output, although growth in the latter cooled slightly. Purchasing activity also rose further in April, and thereby allowed firms to accumulate pre-production holdings, though again the rates of increase in both areas softened. Elsewhere, employment took a hit, with job shedding recorded for the first time in six months.

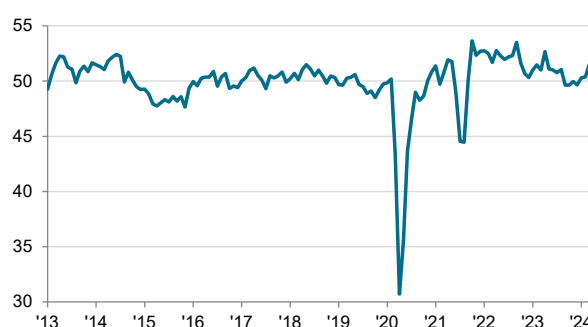
The headline S&P Global ASEAN Manufacturing *Purchasing Managers' Index*™ (PMI®) posted above the neutral 50.0 mark for the fourth successive month in April. At 51.0, down from 51.5 in March, the latest reading highlighted a softer improvement in the health of the ASEAN manufacturing sector.

New orders rose for the second straight month in April, the rate of growth quickening to the strongest since mid-2023. However, the data suggested that the latest upturn was primarily driven by domestic demand as the current downturn in export sales stretched to 23 successive months. In terms of output, while ASEAN manufacturers signalled solid growth in production, the upturn moderated from the ten-month high recorded in March.

The impact of cooling production growth resulted in a slower increase in purchasing activity. Reflective of this, holdings of pre-production items were accumulated at only a marginal pace. More concerning was the fall in manufacturing employment, the first seen since last October. The downturn, while modest, was the most severe since November 2021. The drop in staffing levels was recorded despite capacity pressures continuing to build, with backlogs rising at a quicker pace.

S&P Global ASEAN Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Cost burdens rose sharply, but the rate of inflation eased to a six-month low. Charges were raised at a muted pace, with the rate of increase broadly in line with the eight-month low seen in March.

Lastly, ASEAN manufacturers expected growth in output in the coming 12 months. That said, the level of confidence was the joint-weakest since July 2020, equal with that seen in July last year.

Country specific data noted improvements in manufacturing conditions across four of the seven ASEAN constituents, with Indonesia replacing Singapore at the top of the rankings table. Meanwhile, Thailand signalled the strongest deterioration in operating conditions for the second time in the past three survey periods.

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

"The ASEAN manufacturing sector remained in growth territory at the start of the second quarter of the year. New orders rose at a quickened pace, signalling a further improvement in demand trends. Growth in output remained solid overall, despite the upturn easing slightly."

"While firms remain optimistic about future output, sentiment slipped to the joint-weakest in almost four years, equal with that seen in July 2023. Further discouraging was the return to job shedding. Employment fell for the first time since October 2023, and at the fastest rate in 29 months."

PMI®

by S&P Global

News Release

Contact

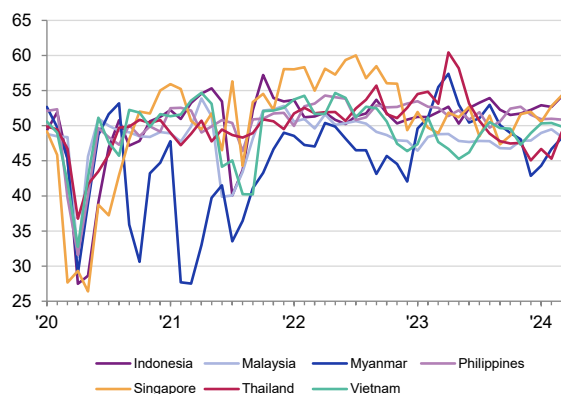
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Manufacturing PMI

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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