Economics | Greater China

Monday, 31 August 2026

Economics

PMI

Manufacturing PMI Beats, But Both PMIs Stay Below 50

- August's manufacturing PMI rose to 49.8 (+0.6ppt mom), above Bloomberg's consensus of 49.5, led by the new orders sub-index returning to expansion at 50.6 (+2.1ppt mom), while the new export orders index edged up to 50.1 (+0.5ppt mom). The much larger gain in total new orders suggests the improvement was led by domestic demand.
- Non-manufacturing PMI was unchanged at 49.0, below Bloomberg's consensus of 49.4, as the construction industry index slipped to 46.9 (-0.1ppt mom) and the services industry index held flat at 49.3 (0.0ppt mom), both remaining in contraction.
- The large-sized enterprises composite index returned to expansion at 50.6 (+1.1ppt mom), while the small-sized enterprises composite index improved to 47.9 (+0.5ppt mom) but continued to lag.

What's New

- **August's manufacturing PMI improved to 49.8 (+0.6ppt mom),** 0.3ppt above Bloomberg's consensus of 49.5. The new orders sub-index returned to expansion at 50.6 (+2.1ppt mom) and the manufacturing output sub-index moved back above the threshold at 50.4 (+0.5ppt mom). The new export orders index also returned to expansion at 50.1 (+0.5ppt mom), but its smaller gain relative to total new orders points to domestic demand leading the recovery, reversing July's pattern. Moreover, the purchases index rose to 50.5 (+1.1ppt mom) and the imports index to 48.6 (+1.1ppt mom), pointing to a restart in input procurement. On the cost front, the purchase prices index jumped to 56.6 (+3.4ppt mom), while the outdoor prices index returned to expansion at 50.4 (+2.6ppt mom). The improvement in pricing power is encouraging, but the gap between the two widened to 6.2ppt from 5.4ppt, suggesting persistent margin pressure. The employment sub-index eased to 48.7 (-0.3ppt mom), alongside a softer business expectations index (53.8, -0.3ppt mom).
- **Non-manufacturing PMI was flat at 49.0 (0.0ppt mom) in August,** 0.4ppt below Bloomberg's consensus of 49.4. The construction industry index fell to 46.9 (-0.1ppt mom), extending July's cycle low, underlining continued property sector weakness. The services industry index was unchanged at 49.3 (0.0ppt mom). Demand indicators deteriorated further, with the new orders sub-index falling further to 44.1 (-0.3ppt mom), and the new export orders index remaining flat at 47.0 (0.0ppt mom). The input prices sub-index rose to 51.1 (+1.4ppt mom) and the selling prices sub-index increased to 49.3 (+1.4ppt mom); the gap held at 1.8ppt, leaving margin pressure unchanged. The employment sub-index was flat at 45.4 (0.0ppt mom) and the business expectations sub-index eased to 55.0 (-0.4ppt mom).
- **Enterprise PMI diverged again.** The large-sized enterprises composite index returned to expansion at 50.6 (+1.1ppt mom), the largest gain across firm sizes, benefitting from the pickup in manufacturing orders. The medium-sized enterprises composite index was the only decliner at 49.4 (-0.3ppt mom), a second consecutive month below 50. The small-sized enterprises composite index improved to 47.9 (+0.5ppt mom) but stayed the weakest of the three.
- **August's PMI data was mixed,** with the recovery concentrated in manufacturing. The return of both the new orders and new export orders indices to expansion is encouraging. The non-manufacturing sector remains the drag; more targeted policy support will be needed in the coming months to stabilise domestic demand in 2H26.

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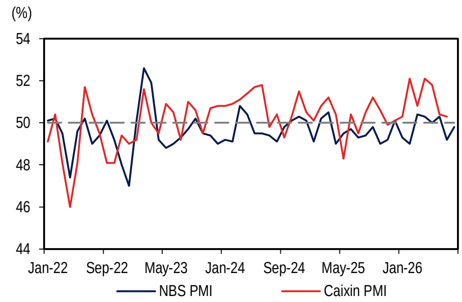
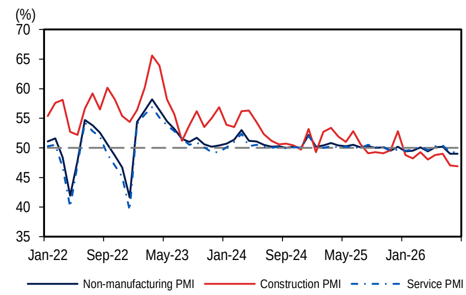
Manufacturing PMI



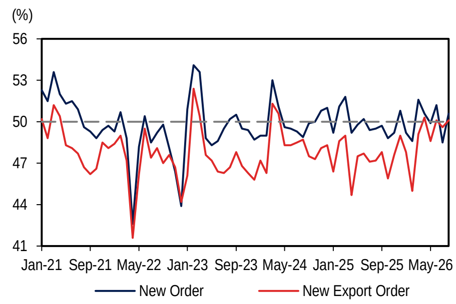
Source: NBS, Wind, UOB Kay Hian

Non-Manufacturing PMI



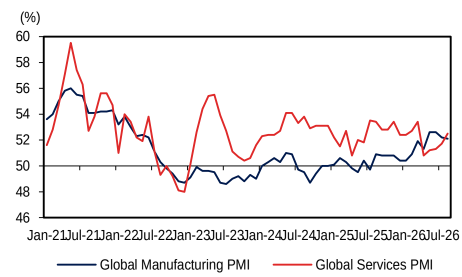
Source: NBS, Wind, UOB Kay Hian

Manufacturing PMI New Orders



Source: NBS, Wind, UOB Kay Hian

Global PMI



Source: Bloomberg, UOB Kay Hian

Manufacturing PMI

		Aug 26	mom points chg	Jul 26	Jun 26
Manufacturing PMI		49.8	0.6	49.2	50.3
Composite Indices	Manufacturing output	50.4	0.5	49.9	51.4
	New orders	50.6	2.1	48.5	51.2
	Raw material inventory	48.1	-0.2	48.3	48.4
	Employment	48.7	-0.3	49.0	48.5
	Suppliers' delivery time	50.1	0.6	49.5	49.9
Relevant Indices	New export orders	50.1	0.5	49.6	50.1
	Imports	48.6	1.1	47.5	49.6
	Purchases	50.5	1.1	49.4	51.4
	Purchase prices	56.6	3.4	53.2	54.2
	Outdoor prices	50.4	2.6	47.8	48.2
	Inventory of finished goods	48.4	-0.2	48.6	47.7
	Backlog orders	46.7	0.9	45.8	47.1
	Business expectations	53.8	-0.3	54.1	54.3

Source: NBS, Wind, UOB Kay Hian

Non-Manufacturing PMI

		Aug 26	mom points chg	Jul 26	Jun 26
Non-manufacturing PMI		49.0	0.0	49.0	50.2
Composite Indices	New orders	44.1	-0.3	44.4	48.0
	Input prices	51.1	1.4	49.7	49.7
	Selling prices	49.3	1.4	47.9	48.4
	Employment	45.4	0.0	45.4	45.8
	Business expectations	55.0	-0.4	55.4	55.3
Relevant Indices	New export orders	47.0	0.0	47.0	47.9
	Backlog orders	42.8	-0.5	43.3	44.2
	Inventory	45.6	0.5	45.1	45.3
	Suppliers' delivery time	51.2	0.3	50.9	51.3
Industry Indices	Construction	46.9	-0.1	47.0	49.0
	Services	49.3	0.0	49.3	50.4

Source: NBS, Wind, UOB Kay Hian

PMI By Corporate Size

		Aug 26	mom points chg	Jul 26	Jun 26
Composite Indices	Large-sized enterprise	50.6	1.1	49.5	50.7
	Mid-sized enterprise	49.4	-0.3	49.7	50.5
	Small-sized enterprise	47.9	0.5	47.4	48.2

Source: NBS, Wind, UOB Kay Hian