

Absa Purchasing Managers' Index: May 2020

The Purchasing Managers' Index (PMI) is a reliable monthly gauge of manufacturing activity and an early indicator of underlying economic activity in South Africa. The index is based on surveyed responses to a number of questions, including new sales orders, employment and purchasing prices. #AbsaPMI

After plunging to an all-time low of a mere 5.1 index points in April, the business activity index of the Absa PMI survey rose sharply to 43.2 index points in May. The sharp rise is relative to virtually no production recorded in April and still suggests very subdued overall activity levels in May.

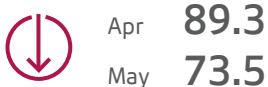


New sales orders

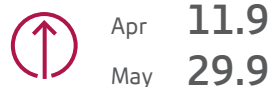
Worryingly, some respondents indicated that whereas the lockdown regulations in May would have allowed for a further ramp-up of production, there was not sufficient demand to warrant this. Indeed, the new sales orders index did not rebound to the same extent as the output index.



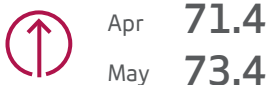
Supplier Performance



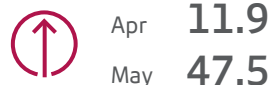
Purchasing commitments



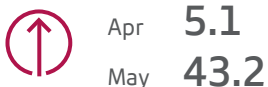
Purchasing prices



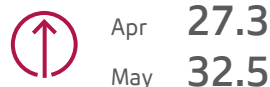
Expected Business Conditions



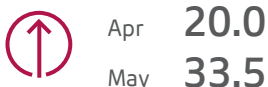
Business activity



Backlog of sales orders



Inventories



Employment

