

# Absa Purchasing Managers' Index: August 2019

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

The seasonally adjusted Absa Purchasing Managers' Index (PMI) declined to 45.7 index points in August. This followed on July's surprisingly solid reading despite the weak domestic demand environment and growing concerns about the health of the global economy.



## Expected Business Conditions

The index tracking expected business conditions in six months' time dipped back below the neutral 50-point mark for the first time since November 2018. This means that more purchasing managers expect conditions to worsen (from already weak levels) going forward.



### Supplier Performance



Apr 51.9  
May 48.7



### Purchasing commitments



Apr 44.1  
May 41.5



### Purchasing prices



Apr 67.9  
May 73.6



### Business activity



Apr 56.9  
May 45.8



### New sales orders



Apr 54.5  
May 48.5



### Backlog of sales orders



Apr 41.8  
May 35.9



### Inventories



Apr 50.9  
May 46.2



### Employment



Apr 43.1  
May 39.1