

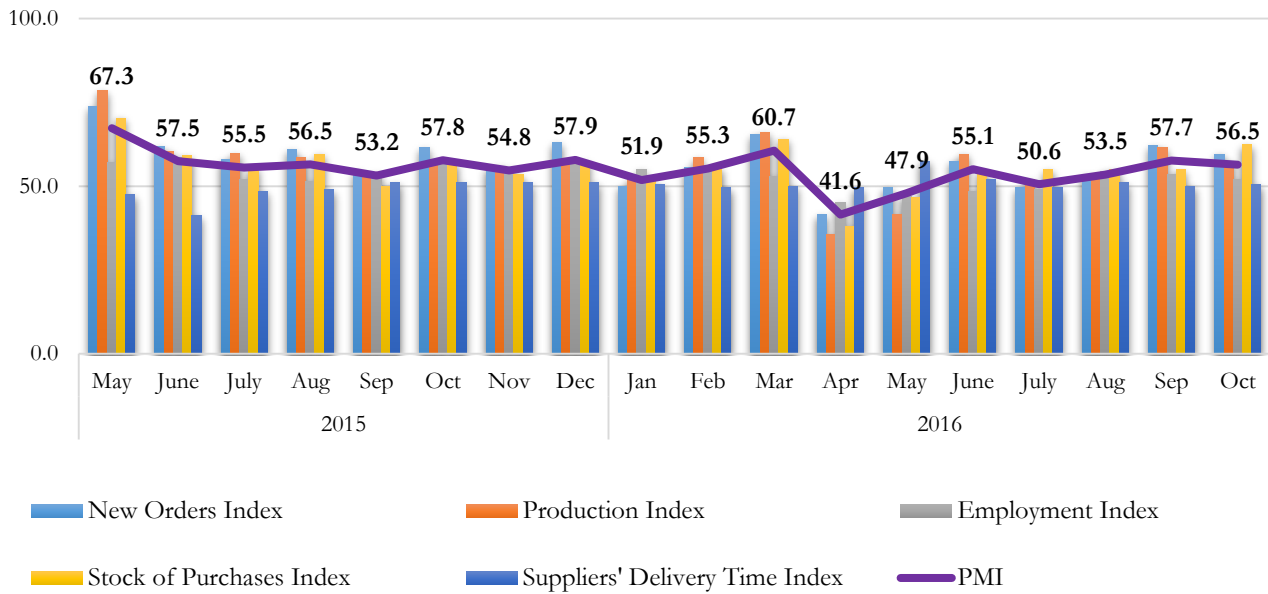
RESULTS OF PMI MANUFACTURING AND PMI SERVICES INDICES

KEY POINTS:

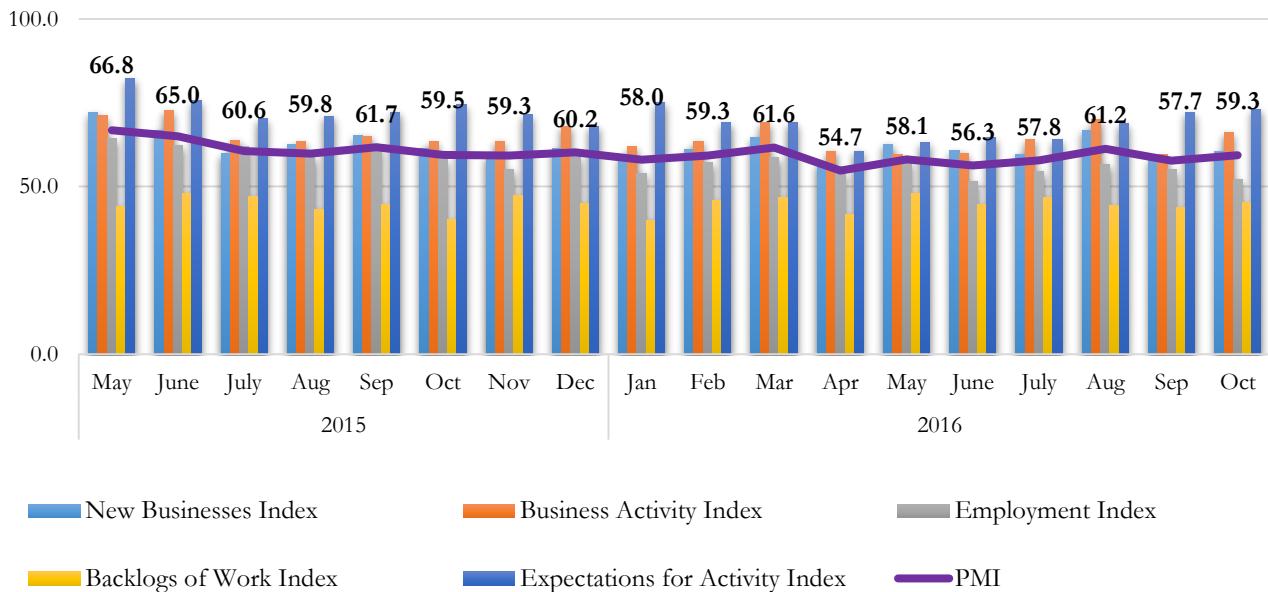
- **The Manufacturing Sector PMI** stood at 56.5 in October compared to 57.7 in September 2016. The deceleration in PMI indicate that the manufacturing activities are expanding at a moderate pace in October 2016. The deceleration in October compared to September was mainly due to the moderated pace in which Production and New Orders sub-indices performed. The Stock of Purchases sub-index increased significantly in October indicating a stack of stocks for the upcoming season while Suppliers' Delivery Time increased marginally. The Employment sub-index also decelerated compared to the previous month. Overall data points to an expansion where all the sub-indices are above the neutral 50.0 threshold. The expectations for activities indicate an improvement for the next three months.
- **The Services Sector PMI** increased to 59.3 index points in October from 57.7 index points in September 2016. The increase in PMI over the last month's value indicates that economic activities in the Services sector expanded at a higher rate in October 2016 compared to the previous month. The increase in Services PMI was caused by increases in New Businesses, Business Activity, Employment and Expectations for Activity sub-indices. However, Backlogs of Work declined in October 2016 compared to the previous month. Prices Charged, which is not taken into consideration in PMI compilation process, increased at a higher rate in October 2016.

	Y\M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PMI Manufacturing	2015	n.a.	n.a.	n.a.	n.a.	67.3	57.5	55.5	56.5	53.2	57.8	54.8	57.9
	2016	51.9	55.3	60.7	41.6	47.9	55.1	50.6	53.5	57.7	56.5	-	-
PMI Services	2015	n.a.	n.a.	n.a.	n.a.	66.8	65.0	60.6	59.8	61.7	59.5	59.3	60.2
	2016	58.0	59.3	61.6	54.7	58.1	56.3	57.8	61.2	57.7	59.3	-	-

PMI Manufacturing



PMI Services



Technical Note:

The Index

PMI is calculated as a 'Diffusion Index', where it takes values between 0 and 100.

PMI=50 sector remained neutral on month-on-month basis

PMI>50 sector is generally expanding on month-on-month basis

PMI<50 sector is generally declining on month-on-month basis

Sample

The sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a minimum target of 100 responses for each month.

Definitions of Variables

Employment : Number of staff working for the organization

Stock of purchases : Raw materials purchased and kept in a warehouse to be used for production

Supplier Delivery Time : Time lag between order placement and delivery by the supplier

Backlogs of Work : Uncompleted orders due to increased flow of business activity

Other variables are self-explanatory.