

NEWS RELEASE: Embargoed until 09:00 (AEDT) 5 August 2019

Business activity growth eases at start of third quarter

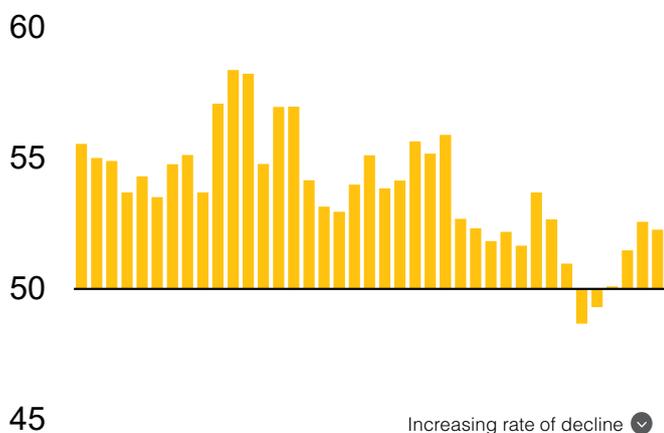
Key findings

PMI survey data showed business activity in the Australian service sector rising at the start of the third quarter, supported by order book growth. Backlogs of work accumulated further while business sentiment remained positive. However, employment fell for the first time in three months. Meanwhile, cost inflation intensified, lifted by higher supplier fees and greater energy prices, pushing firms to raise fees further.

Commonwealth Bank Services PMI[®] May 2016 – Jul 2019

(50 = no change on previous month)

Increasing rate of growth 



Commonwealth Bank Composite PMI®

	Output	Interpretation
Jul-19	52.1	Expansion, slower rate of growth
Jun-19	52.5	Expansion, faster rate of growth

The Commonwealth Bank Composite Output Index is a GDP-weighted average of the Commonwealth Bank Manufacturing Output Index and the Commonwealth Bank Services Business Activity Index. It is designed to provide a timely indication of changes in business activity in the Australian private sector economy as a whole. Readings above 50.0 signal an improvement in business activity on the previous month, while readings below 50.0 show deterioration.

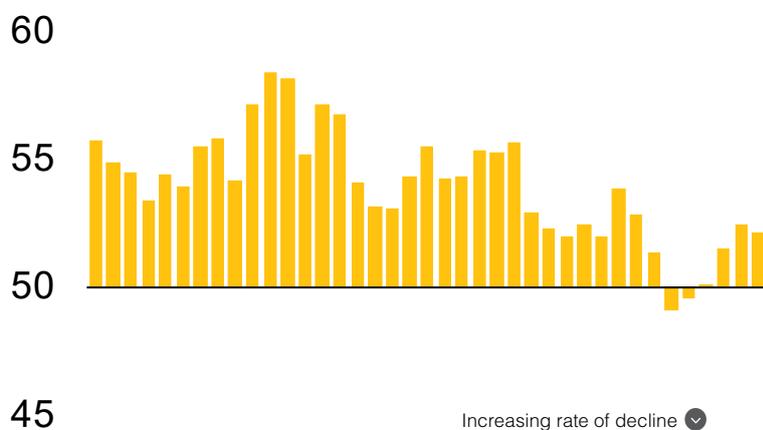
The seasonally adjusted Commonwealth Bank Composite Output Index slipped from 52.5 in June to 52.1 in July, indicating slower growth of private sector business activity at the start of the third quarter. The latest reading reflected softer expansions in both manufacturing and services activity.

Commonwealth Bank Composite PMI®

May 2016 – Jul 2019

(50 = no change on previous month)

Increasing rate of growth 



Increasing rate of decline 

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About Commonwealth Bank Services PMI® and the Purchasing Managers' Index™ Report

The Commonwealth Bank has commissioned IHS Markit to conduct research and provide insights for this edition of the Commonwealth Bank Services PMI through the Purchasing Managers' Index Report. The Commonwealth Bank Services PMI is based on data compiled from monthly replies to questionnaires sent to a representative panel of purchasing executives in over 400 private sector services firms in Australia. The panel is stratified by GDP and company workforce size. The services sector is divided into the following five broad categories: Transport & Storage, Consumer Services, Information & Communication, Finance & Insurance and Real Estate & Business Services.

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