

Caixin Flash China General Manufacturing PMI™

Production declines further as total new orders fall at faster pace

Key Points:

- Flash China General Manufacturing PMI™ at 47.0 in September (47.3 in August). 78-month low.
- Flash China General Manufacturing Output Index at 45.7 in September (46.4 in August). 78-month low.

Data collected 11–21 September 2015.

The Caixin Flash China General Manufacturing *Purchasing Managers' Index™ (PMI™)* is published on a monthly basis ahead of final PMI data, making the Caixin PMI the earliest available indicator of manufacturing sector operating conditions in China. The estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate indication of the final PMI data. September final PMI data will be released on 1 October 2015.

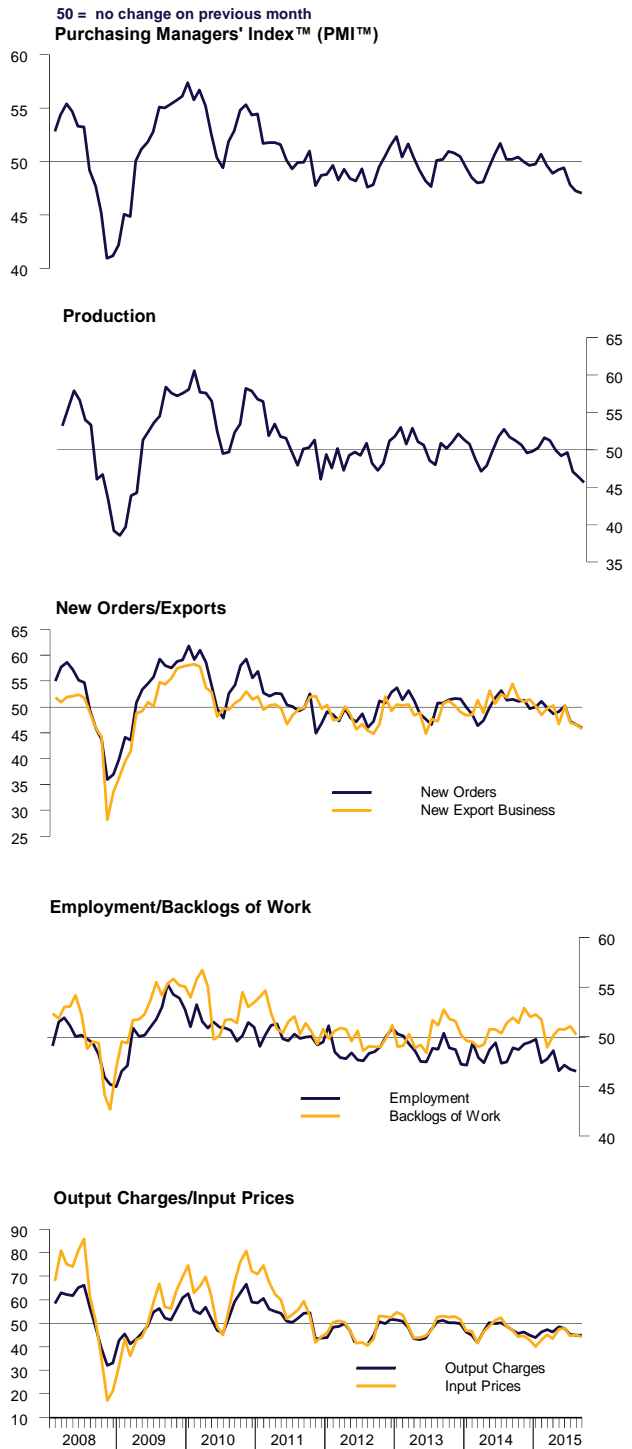
Summary

50.0 = no-change on previous month (seasonally adjusted)

PMI	Decrease, faster rate
Output	Decrease, faster rate
New Orders	Decrease, faster rate
New Export Orders	Decrease, faster rate
Employment	Decrease, faster rate
Backlogs of Work	Increase, slower rate
Output Prices	Decrease, faster rate
Input Prices	Decrease, faster rate
Stocks of Purchases	Decrease, slower rate
Stocks of Finished Goods	Increase, faster rate
Quantity of Purchases	Decrease, slower rate
Suppliers' Delivery Times	Lengthening, from no change

Commenting on the Flash China General Manufacturing PMI™ data, Dr. He Fan, Chief Economist at Caixin Insight Group said:

"The Caixin Flash China General Manufacturing PMI for September is 47.0, down from 47.3 in August. The decline indicates the nation's manufacturing industry has reached a crucial stage in the structural transformation process. Overall, the fundamentals are good. The principle reason for the weakening of manufacturing is tied to previous changes in factors related to external demand and prices. Fiscal expenditures surged in August, pointing to stronger government efforts on the fiscal policy front. Patience may be needed for policies designed to promote stabilization to demonstrate their effectiveness."



Sources: Markit, Caixin.

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Notes to Editors:

The Caixin China Report on General Manufacturing is based on data compiled from monthly replies to questionnaires sent to purchasing executives in over 420 manufacturing companies. The panel is stratified by company size and Standard Industrial Classification (SIC) group, based on industry contribution to Chinese GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'. The **flash** estimate is based on around 85% of total PMI survey responses each month and is designed to provide an accurate advance indication of the final PMI data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2008 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias)

Index	Average difference	Average difference in absolute terms
Caixin China General Manufacturing PMI	0.0	0.4
Caixin China General Manufacturing Output Index	0.1	0.7

The Purchasing Managers' Index™ (PMI™) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

Historical data relating to the underlying (unadjusted) numbers and seasonally adjusted series are available to subscribers from Markit. Please contact economics@markit.com.

About Caixin:

Caixin Media is China's leading media group dedicated to providing financial and business news through periodicals, online content, mobile applications, conferences, books and TV/video programs.

Caixin Insight Group is a high-end financial data and analysis platform. The group encompasses the monthly Caixin China Purchasing Managers' Index™, components of which include the Caixin China General Manufacturing PMI™ and Caixin China General Services PMI™. These indexes are closely watched worldwide as reliable snapshots of China's economic health.

For more information, please visit www.caixin.com.

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About PMI:

Purchasing Managers' Index™ (PMI™) surveys are now available for over 30 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to www.markit.com/economics.

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