

Nikkei Myanmar Manufacturing PMI™

April PMI rises to series high

Key points:

- PMI signals strong manufacturing expansion
- Rates of output and new order growth accelerates to fastest in series history
- Inflationary pressures soften

Data collected April 9-27

April survey data indicated a strong improvement in operating conditions across Myanmar's manufacturing sector. The overall expansion was supported by faster growth rates for output and new orders, with both reaching series highs. That said, employment growth softened to a three-month low and backlogs continued to fall markedly. On a positive note, inflationary pressures eased with input price increases the slowest since July 2016. Business optimism however decreased to a muted level and a six-month low.

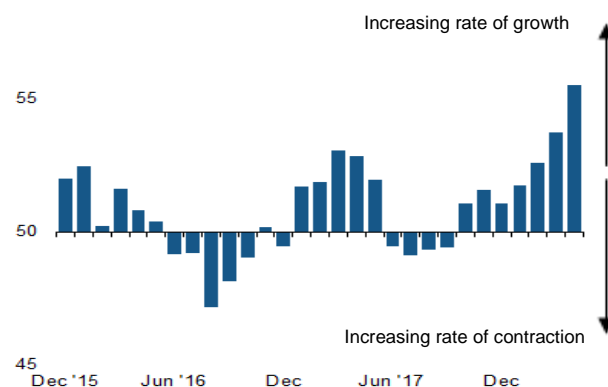
At 55.5 in April, the headline Nikkei Myanmar Manufacturing *Purchasing Managers Index*™ (PMI™) – a composite single figure indicator of manufacturing performance – was up from 53.7 in March, and indicated the fastest improvement in business conditions across the Myanmar goods-producing sector since the series began in December 2015. Furthermore, the expansion signalled a strong start to the second quarter of 2018.

Output growth at manufacturing firms expanded at a sharp and faster pace in April. The upturn accelerated for the fourth successive month and was the quickest since the series began in December 2015. Panellists linked the rise in production to greater client demand and larger new order volumes.

Similarly, the rate of increase in new business received was the fastest in the series history. The marked rise was largely attributed to greater client demand across a range of regions and sectors.

Nikkei Myanmar Manufacturing PMI

50 = no change on previous month; S.Adj
60



Sources: Nikkei, IHS Markit

In contrast, employment growth softened to a three-month low. Although it was above the long-run series average, the rate of job creation was only marginal overall. Where increases in workforce numbers were reported, panellists linked this to sustained new order growth.

Meanwhile, backlogs continued to decline, with the pace of decrease accelerating. That said, April data signalled the second-weakest fall in outstanding business since December 2016.

Average cost burdens faced by manufacturing firms rose further in April, but at the weakest rate since July 2016. The pace of cost inflation was still strong overall and stemmed from higher raw material prices and input shortages.

Output charge inflation also eased in April, with the rate of increase softening to a seven-month low. Factory gate price rises were marginal overall as some firms absorbed raw material cost rises from suppliers.

Purchasing activity rose at the quickest pace since the series began in December 2015. Greater efforts to obtain safety stocks were reflected in a softer overall fall in pre-production inventories, the

weakest decline in the current 23-month sequence of contraction.

Finally, expectations towards output over the coming 12 months dipped to a six-month low in April. Moreover, the degree of confidence was muted in the context of the series history. Where optimism was reported however, firms linked this to planned investment in business expansion.

Comment:

Commenting on the Myanmar Manufacturing PMI survey data, **Sian Jones, Economist** at IHS Markit, which compiles the survey, said:

“April survey data signalled a strong expansion across Myanmar’s manufacturing sector, with the PMI rising to the highest since the series began in December 2015. Output and new orders also increased at accelerated paces and reached series peaks.

“Meanwhile, firms registered weaker rates of inflation in April. Both input price and output charge increases were slower than the previous survey period, with input cost inflation softening to a 21-month low.

“Despite strong output growth and greater client demand, business confidence across the manufacturing sector was muted overall and dipped to a six-month low.”

-Ends-

Nikkei Myanmar Manufacturing PMI™ is sponsored by **NIKKEI**

Nikkei is a media organization with newspaper publishing at its core. Our flagship daily newspaper, The Nikkei, has approximately two and a half million subscribers. Nikkei's multi-platform media distribution also includes online, broadcast and magazines.

Since our founding in 1876 as the Chugai Bukka Shimpo (Domestic and Foreign Prices News), we have consistently provided high-quality reporting while maintaining fairness and impartiality. The Nikkei brand has become synonymous with trustworthiness at home and abroad.

Nikkei Inc. offers a range of media platforms to satisfy the diverse needs of our readers. At the core of these services is The Nikkei which has a circulation of approximately two and a half million. Adding further depth to our offerings are our premium content and strong digital technology. The number of paying subscribers to the Nikkei Online Edition, which was launched in 2010, has surpassed 500,000. Our fee-based online services have one of the largest readerships in the world among newspaper publishers. Eight years after its creation, the online edition has evolved from a medium for providing news to readers into a tool that helps people advance their careers.

In 2013, we kicked off the Nikkei Asian Review, an English-language news service provided both online and as a weekly print magazine. The following year, we established an Editorial Headquarters for Asia in Bangkok to deepen our coverage of Asian economic news. In addition, we doubled the number of reporters stationed in Asia outside Japan. 2014 also saw the launch of Nikkei Group Asia Pte., a new company in Singapore tasked with spreading the Nikkei brand in the region. Our goal is to make Nikkei the leading media voice in Asia.

<http://www.nikkei.co.jp/nikkeiinfo/en/>

NIKKEI ASIAN REVIEW <http://asia.nikkei.com/>

INTRODUCING THE ONLY BUSINESS PUBLICATION THAT BRINGS YOU INSIGHTS ABOUT ASIA, FROM THE INSIDE OUT

With more reporters and contributors across the region than any other business publication, only Nikkei Asian Review can give you a view of business in Asia from the inside.

Stay abreast of the latest news, analysis and insights with a subscription to Nikkei Asian Review – available in print, online, and on your mobile and tablet device.



Asia300:

Providing extensive coverage of over 300 leading companies in 11 countries and regions in Asia. Nikkei Asian Review aims to build the largest hub for Asian corporate news through enhanced reporting backed by large database of business and financial information on companies in the region.



JAPAN UPDATE:

Keeping you up-to-date with business and news from Japan.



VIEWPOINTS:

Bringing views of leading minds on Asia from around the world, including our column "Tea Leaves" written by some of our best writers.



POLITICS & ECONOMY:

Looking at fiscal and monetary policy, international affairs and more



MARKETS:

Deep analysis of the markets, with detailed industry news to keep you abreast of some of the fastest growing sectors in the region.



Video:

Watch analysts explain our articles, catch interviews with top executives.



Print Edition:

Weekly delivery of the best content from Nikkei Asian Review to your home or office

For further information, please contact:

IHS Markit (About PMI and its comment)

Sian Jones, Economist

Telephone 44-1491-461-017

Email sian.jones@ihsmarkit.com

Jerrine Chia, Marketing and Communications

Telephone +65 6922-4239

E-mail jerrine.chia@ihsmarkit.com

Bernard Aw, Economist

Telephone +65 6922 4226

Email bernard.aw@ihsmarkit.com

Nikkei inc. (About Nikkei)

Ken Chiba, Deputy General Manager, Public Relations Office

Atsushi Kubota, Manager, Public Relations Office

Telephone 81-3-6256-7115

Email koho@nex.nikkei.co.jp

Notes to Editors:

The Nikkei Myanmar Manufacturing PMI™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in over 400 industrial companies. The panel is stratified by GDP and company workforce size. The manufacturing sector is divided into the following 8 broad categories: Basic Metals, Chemicals & Plastics, Electrical & Optical, Food & Drink, Mechanical Engineering, Textiles & Clothing, Timber & Paper, Transport.

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'. 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.

The Nikkei Myanmar Manufacturing 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.

IHS Markit does not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact economics@markit.com.

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 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 ihsmarkit.com/products/pmi

The intellectual property rights to the Nikkei Myanmar Manufacturing PMI™ provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Nikkei uses the above marks under license. IHS Markit is a registered trademark of IHS Markit Ltd.

If you prefer not to receive news releases from IHS Markit, please email joanna.vickers@ihsmarkit.com. To read our privacy policy, click here.