

Nikkei Singapore PMI™

Headline PMI rises to 5-month high in November

Key points:

- Domestic and overseas demand conditions improve...
- ...supporting stronger growth in output
- Employment rises at fastest pace in eight months

Data collected November 12–26

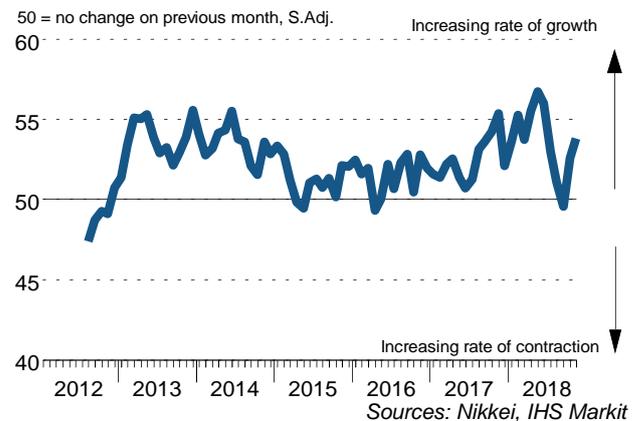
Survey data midway through the fourth quarter signalled improvements across key barometers of macroeconomic health, driving the headline index up to its highest since June. Output, new orders and employment all rose at stronger paces in November. Such was the strength of demand, backlogs of work increased to a marked degree, prompting a faster rise in purchasing activity and a renewed increase in stock levels. Meanwhile, price pressures continued, leading firms to increase their selling charges. Confidence towards the year ahead was also sustained.

The headline **Nikkei Singapore Purchasing Managers' Index™ (PMI™)** increased for a third straight month in November to 53.8. This was up from 52.6 in October and therefore signalled a sharper improvement in the private sector economy. In fact, growth was solid overall and the quickest in five months.

Panellists reported a favourable demand environment during November. This was reflected by a strong rise in new orders placed with private sector firms in Singapore. New contract wins, promotional work and improved market conditions were factors driving the greatest sales increase in five months. Survey data also signalled that the pick-up in demand was broad-based, with higher orders from the Asia-Pacific region supporting a faster rise in exports.

The upturn in workloads encouraged firms to boost output during November. In line with stronger new order inflows, business activity increased strongly and to a quicker extent. However, with demand growth outpacing that of output, the net result was higher backlogs. Incomplete business rose markedly during the latest survey period. To

Nikkei Singapore PMI™



enhance operating capacities firms hired extra staff. The rate of job creation was the fastest since March and sharp in the context of historical data.

A renewed increase in purchasing activity was recorded in November as firms looked to accommodate the favourable influx of new work. Input buying rose at the sharpest rate since April and starkly contrasted with reductions observed in the prior three months. However, renewed input demand growth saw pressure again applied to supply chains. Vendor performance deteriorated to an extent which was both greater than in October and seen on average.

The combined impact of slower deliveries and a greater appetite for inputs coincided with another monthly rise in purchasing prices. Meanwhile, staff costs rose sharply amid reports from panellists of higher commission and overtime payouts. To offset margin pressures, firms raised output charges at an accelerated rate.

Meanwhile, firms were confident that output would rise over the coming year, expected to be supported by improved sales and new marketing efforts. However, some firms expressed concerns that a slowdown may occur, pulling optimism down to a four-month low.

Continued...

Comment:

Commenting on the Singapore PMI survey data, **Joe Hayes**, Economist at IHS Markit, which compiles the survey, said:

“Latest survey data for Singapore signalled further gains in growth momentum, with the headline PMI at its highest since June. Solid upturns seen in October and now November are pointing to a year-on-year GDP expansion of around 4% in Q4, which would be a notable turnaround from slowdowns seen in the second and third quarters.

“Driving this renewed pick-up are more favourable demand conditions both domestically and overseas. Employment growth has accelerated, while input buying and stockpiling suggest firms are gearing up for further gains in order book volumes.”

-Ends-

Nikkei Singapore 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 is set to evolve 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)

Joe Hayes, Economist
Telephone +44-1491 461006
Email bernard.aw@ihsmarkit.com

Jerrine Chia, Marketing and Communications
Telephone +65 6922-4239
E-mail jerrine.chia@ihsmarkit.com

Nikkei inc.

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 Singapore *PMI*[™] is based on data compiled from monthly replies to questionnaires sent to executives in over 400 private sector companies, selected to accurately represent the true structure of the Singapore economy, including manufacturing, services, construction and retail. The panel is stratified by Standard Industrial Classification (SIC) group, based on industry contribution to 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 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.

IHS Markit do 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@ihsmarkit.com.

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. 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 <https://ihsmarkit.com/products/pmi.html>.

The intellectual property rights to the Nikkei Singapore *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. and/or its affiliates.

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