China: Unofficial services PMI fell in June

Yuting Yang
+852-2978-7283 |
yuting.y.yang@gs.com
Goldman Sachs (Asia) L.L.C.

Bottom line:

The headline RatingDog China Services PMI (formerly the Caixin Services PMI) fell to 54.1 in June from 54.4 in May, suggesting service sector activity continued to expand but at a slower pace.

Key numbers:

S&P Global services PMI: 54.1 in June (GS forecast: 52.9; Bloomberg consensus: 53.0), vs. 54.4 in May.

Main points:

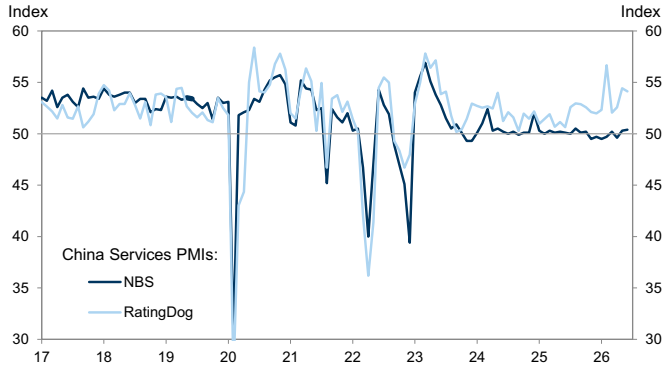
1. The RatingDog China services PMI fell to 54.1 in June from 54.4 in May, suggesting service sector activity continued to expand but at a slower pace. The new business index decreased to 53.1 in June (vs. 53.3 in May), the outstanding business index inched down to 51.6 in June (vs. 51.8 in May), while the employment sub-index rose to 51.1 in June (vs. 50.4 in May). The new export orders sub-index rose to 52.9 in June (vs. 51.5 in May). Surveyed companies attributed the growth in new orders to stronger client demand, business expansion, new client acquisitions, and the launch of new projects.

2. Price indicators suggest that input prices continued to increase but profit margin pressures lessened. The input prices sub-index fell to 51.5 in June (vs. 52.0 in May), while the output prices sub-index rose to 51.1 from 49.9 in May, marking its highest reading since May 2024. Surveyed companies attributed higher costs to increased personnel expenses, higher raw material prices, business expansion, greater procurement volumes and higher transportation costs. Supported by a robust expansion in new business, service providers raised their charges in June to boost revenues and profits.

Yuting Yang

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

RatingDog services PMI fell in June, while NBS services PMI edged up



Source: NBS, S&P Global

The China Economics Team

Andrew Tilton
+852-2978-1802
andrew.tilton@gs.com
Goldman Sachs (Asia) L.L.C.

Hui Shan
+852-2978-6634
hui.shan@gs.com
Goldman Sachs (Asia) L.L.C.

Lisheng Wang
+852-3966-4004
lisheng.wang@gs.com
Goldman Sachs (Asia) L.L.C.

Xinquan Chen
+852-2978-2418
xinquan.chen@gs.com
Goldman Sachs (Asia) L.L.C.

Yuting Yang
+852-2978-7283
yuting.y.yang@gs.com
Goldman Sachs (Asia) L.L.C.

Chelsea Song
+852-2978-0106
chelsea.song@gs.com
Goldman Sachs (Asia) L.L.C.

