China: Unofficial manufacturing PMI rose in August

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Bottom line:

The headline RatingDog China manufacturing PMI rose to 51.5 in August from 50.9 in July. Among the major sub-indexes, the output sub-index increased the most, followed by the new order sub-index. Both the NBS manufacturing PMI and the RatingDog manufacturing PMI rose in August, suggesting firmer growth in manufacturing activity.

Key numbers:

RatingDog manufacturing PMI: 51.5 in August (GS forecast: 50.6; Bloomberg consensus: 51.0), vs. 50.9 in July.

Main points:

1. China's RatingDog manufacturing PMI rose to 51.5 in August from 50.9 in July (Exhibit 1). Among major sub-indexes, the new order sub-index rose to 52.0 from 50.9, the output sub-index increased to 53.1 from 51.5, while the employment sub-index fell to 50.0 from 50.6. The suppliers' delivery times sub-index edged up to 49.8 in August from 49.6 in July. Surveyed companies linked rising orders to improved market conditions, stronger client demand, new clients, robust export growth and business development.

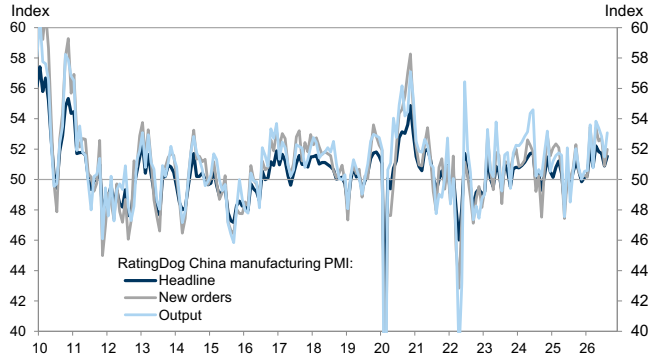
2. On the trade-related sub-indexes, the new export orders sub-index increased to 52.2 in August from 50.2 in July. The raw materials inventory sub-index rose to 51.4 from 50.7 and the finished goods inventory sub-index increased to 51.3 from 49.7. Price indicators point to rising cost pressures in August: the input prices sub-index increased to 52.2 from 51.7 in July, while the output prices sub-index declined to 49.6 from 50.1. According to S&P Global commentary, higher costs reflected rising raw material prices, particularly for metals and oil (Exhibit 2). Despite further increases in input prices in August, manufacturers cut output prices for the first time in 2026, citing intense market competition and promotional activity.

3. In August, both the NBS and RatingDog manufacturing PMIs rose, pointing to firmer manufacturing activity in August. Meanwhile, input price indices rose in both surveys and remained well above output price indices, pointing to continued pressure on profit margins.

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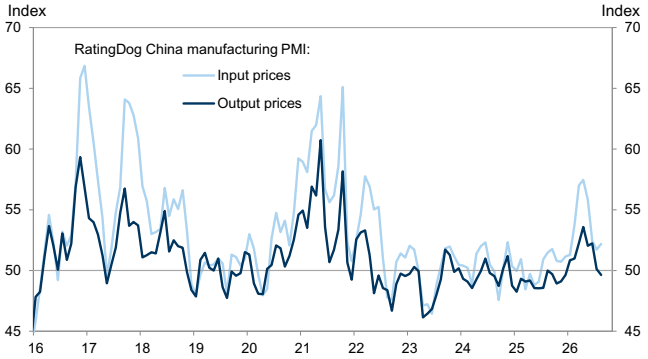
Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

Exhibit 1: RatingDog China manufacturing PMI rose in August



Source: S&P Global

Exhibit 2: The input prices sub-index rose while output prices sub-index fell in August



Source: S&P Global

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