China: Unofficial services PMI increased in August

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Bottom line:

The headline RatingDog China Services PMI, formerly the Caixin Services PMI, increased to 51.4 in August from 50.4 in July, indicating that service sector activity expanded at a faster pace.

Key numbers:

S&P Global services PMI: 51.4 in August (GS forecast: 50.6; Bloomberg consensus: 50.6), vs. 50.4 in July.

Main points:

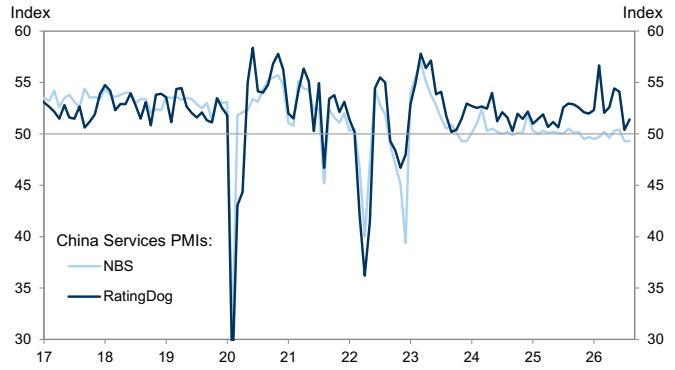
1. The RatingDog China Services PMI increased to 51.4 in August from 50.4 in July, signaling that service activity expanded at a faster pace. The new business index increased to 52.1 in August (vs. 50.9 in July), the outstanding business index edged down to 50.7 in August (vs. 50.8 in July), and the employment sub-index edged up to 51.0 in August (vs. 50.8 in July). The new export orders sub-index fell to 50.3 in August (vs. 52.0 in July). Surveyed companies highlighted stronger market demand, improved financial conditions, client acquisition, and innovation as key drivers of the increase.

2. Price indicators suggest cost pressures increased in August. The input prices sub-index increased to 51.4 in August (vs. 50.6 in July), while the output prices sub-index remained unchanged at 50.8 in July. Surveyed companies attributed the increase in costs mainly to higher labor, materials, diesel and oil expenses, as well as increased procurement and equipment replacement costs.

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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.

RatingDog services PMI edged up in August, while NBS services PMI remained flat



Source: NBS, S&P Global

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