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# HSBC Flash China Manufacturing PMI™

Chinese manufacturing sector close to stagnation in June

- **Flash China Manufacturing PMI™ at 50.1 (51.6 in May). 11-month low.**
- **Flash China Manufacturing Output Index at 50.0 (51.6 in May). 11-month low.**

Data collected 13–21 June.

The HSBC Flash China Manufacturing *Purchasing Managers' Index™ (PMI™)* is published on a monthly basis approximately one week before final PMI data are released, making the HSBC PMI the earliest available indicator of manufacturing sector operating conditions in China. The estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate indication of the final PMI data.

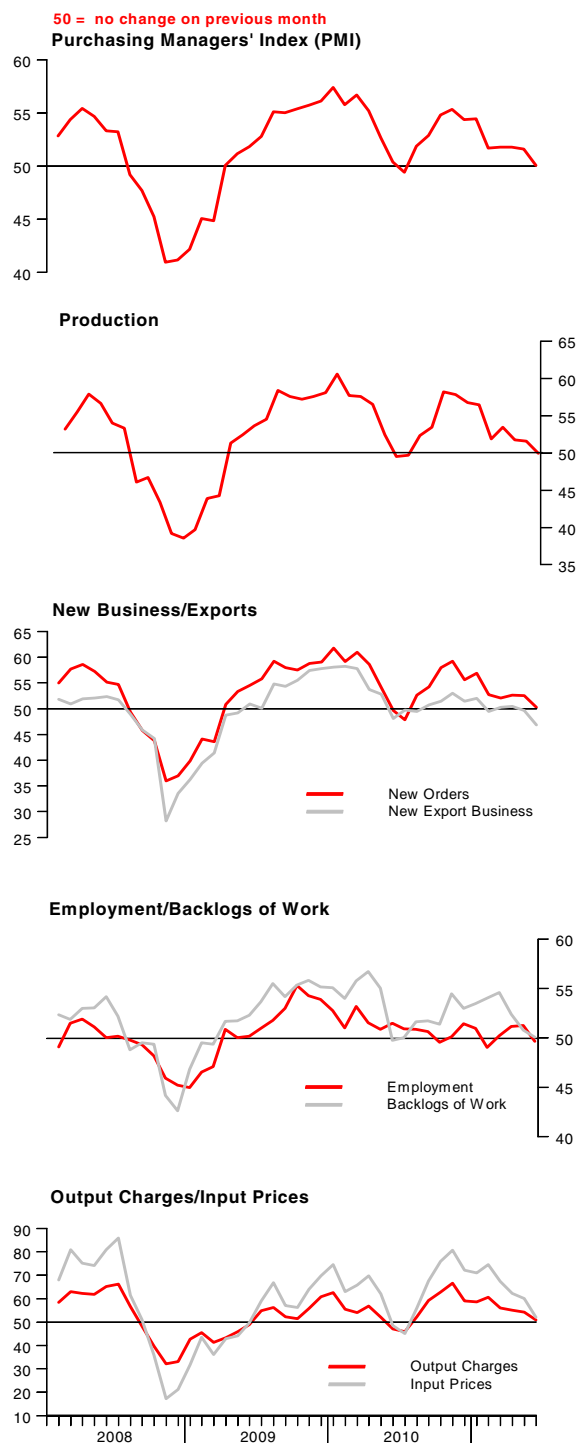
## China Flash Manufacturing PMI Summary

**50.0 = no change on previous month (seasonally adjusted)**

PMI	Expansion, slower rate
<b>Output</b>	<b>No change</b>
<b>New Orders</b>	<b>Expansion, slower rate</b>
<b>New Export Orders</b>	<b>Contraction, faster rate</b>
<b>Employment</b>	<b>Contraction, change of direction</b>
<b>Backlogs of Work</b>	<b>Expansion, slower rate</b>
<b>Output Prices</b>	<b>Inflation, slower rate</b>
<b>Input Prices</b>	<b>Inflation, slower rate</b>
<b>Stocks of Purchases</b>	<b>Contraction, slower rate</b>
<b>Stocks of Finished Goods</b>	<b>Contraction, faster rate</b>
<b>Quantity of Purchases</b>	<b>Expansion, slower rate</b>
<b>Suppliers' Delivery Times</b>	<b>Lengthening, slower rate</b>

Commenting on the Flash China Manufacturing PMI survey, Hongbin Qu, Chief Economist, China & Co-Head of Asian Economic Research at HSBC said:

*"Demand is cooling thanks to the effect of tightening measures and the slackness in external markets. This, plus the ongoing inventory destocking, has led to a slowdown in output growth. But hard-landing worries are unwarranted not least because the current PMI is at a level consistent with around 13% IP growth. The good news is that inflationary pressures started to ease meaningfully in June amid slowing demand."*



**For further information, please contact:**

**HSBC**

Hongbin Qu, Chief Economist, China & Co-Head  
of Asian Economic Research  
Telephone +852-2822-2025  
Email hongbinqu@hsbc.com.hk

Diana Mao, Head of Group Communications, China  
Telephone +86 21-3888-1251  
Email dianayqmao@hsbc.com.cn

**Markit**

Alex Hamilton, Economist  
Telephone +44-1491-461-076  
Email alex.hamilton@markit.com

Caroline Lumley, Corporate Communications  
Telephone +44-20-7260-2047  
Mobile +44-781-581-2162  
Email caroline.lumley@markit.com

**Notes to Editors:**

Final June data are published on 1 July.

The HSBC China Report on Manufacturing is based on data compiled from monthly replies to questionnaires sent to purchasing executives in over 420 manufacturing companies. The flash estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate advance indication of the final PMI data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2008 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
HSBC China Manufacturing PMI	0.0	0.7
HSBC China Manufacturing Output Index	0.1	1.0

The panel is stratified geographically and by Standard Industrial Classification (SIC) group, based on regional and industry contribution to Chinese Industrial Production. 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.

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 Markit. Please contact [economics@markit.com](mailto:economics@markit.com).

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