

## Nikkei Flash Japan Manufacturing PMI™

Operating conditions improve at sharpest pace since March 2014

### Key points:

- Flash Japan Manufacturing PMI™ at 52.5 (51.0 in September). Flash headline PMI posts highest reading in over one-and-a-half years.
- Flash Japan Manufacturing Output Index at 52.2 (50.7 in September). Growth in production accelerates to three-month high.

Data collected 12 – 21 October.

Today sees the latest public release of the **Nikkei Flash Japan Manufacturing Purchasing Managers' Index™ (PMI™)**. Published on a monthly basis approximately one week before final PMI data are released, this makes the PMI the earliest available indicator of manufacturing sector operating conditions in Japan. 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 final PMI data.

### Flash Japan Manufacturing PMI™ Summary

PMI	Increase, faster rate
Output	Increase, faster rate
New Orders	Increase, faster rate
New Export Orders	Increase, change of direction
Employment	Increase, change of direction
Backlogs of Work	Decrease, slower rate
Output Prices	Decrease, faster rate
Input Prices	Unchanged, increase in September
Stocks of Purchases	Increase, change of direction
Stocks of Finished Goods	Unchanged, increase in September
Quantity of Purchases	Increase, change of direction
Suppliers' Delivery Times	Lengthened, weaker extent

### Comment:

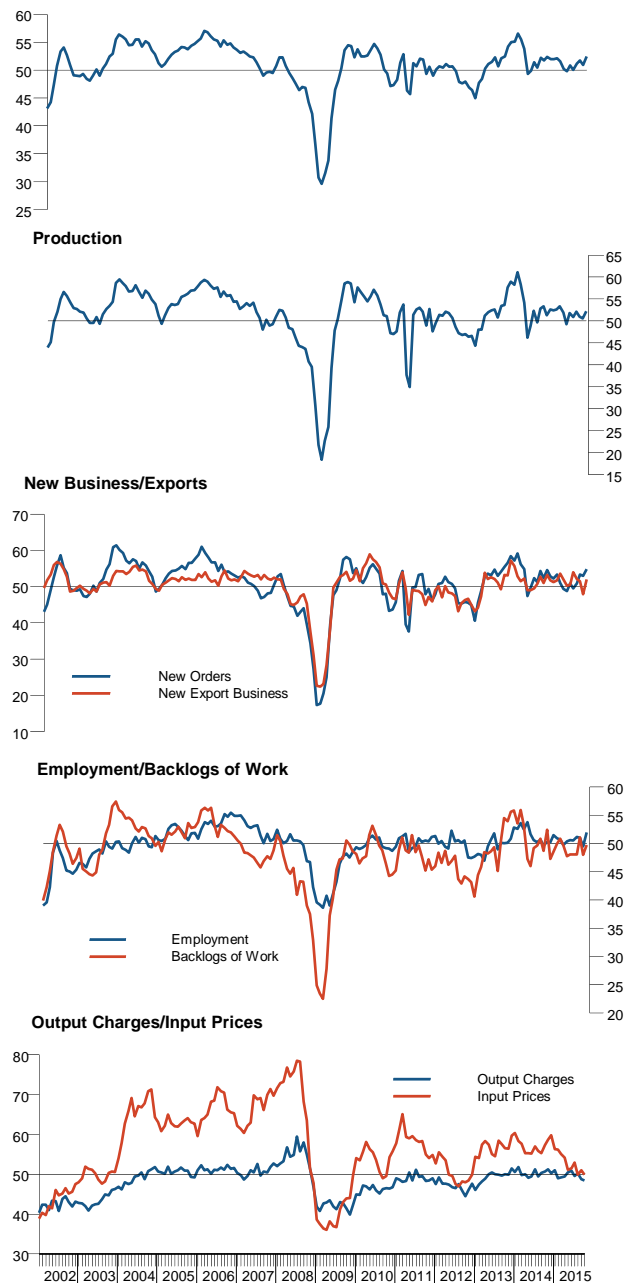
Commenting on the Japanese Manufacturing PMI survey data, **Amy Brownbill**, economist at Markit, which compiles the survey, said:

*"Latest survey data indicated a marked improvement in operating conditions at Japanese manufacturers. Production increased at the joint-sharpest rate since February and was marked in the context of historical data. Meanwhile, growth in total new orders accelerated to the highest in over one-and-a-half years, underpinned by a solid increase in international demand. Subsequently, both employment and buying activity rose during the month, offsetting the declines seen in September."*

### Nikkei Flash Japan Manufacturing PMI

sa, 50 = no change on previous month

Purchasing Managers' Index (PMI)



-Ends-

Sources: Nikkei, Markit

compiled by markit

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**Note to Editors:**

Final October data are published on November 2nd.

The Nikkei Japan Manufacturing PMI™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in over 400 industrial companies. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP. The manufacturing sector is divided into the following 8 broad categories: Basic Metals, Chemicals & Plastics, Electrical & Optical, Food & Drink, Mechanical Engineering, Textiles & Clothing, Timber & Paper, and Transport. The **flash** estimate is based on around 85% 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
Japan Manufacturing PMI <sup>(1)</sup>	0.0	0.3
Japan Manufacturing Output Index <sup>(2)</sup>	0.0	0.5

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'. 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).

**Notes**

1. The Manufacturing PMI is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
2. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"

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**About PMI**

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