



Istanbul Chamber of Industry Istanbul PMI™ Manufacturing Index

Istanbul manufacturing sector stabilises

October 2016 Key findings:

- Headline PMI figure equals neutral threshold of 50.0
- New orders rise for first time since May
- Employment growth resumes

Summary

The Istanbul Manufacturing PMI™ signalled an overall stabilisation of business conditions at goods producers in Turkey's largest city in October. This reflected rising new orders and employment, which were offset by tendencies in output and input stocks. Meanwhile, input price inflation intensified during the month, linked to the weak lira, prompting firms to increase their own prices.

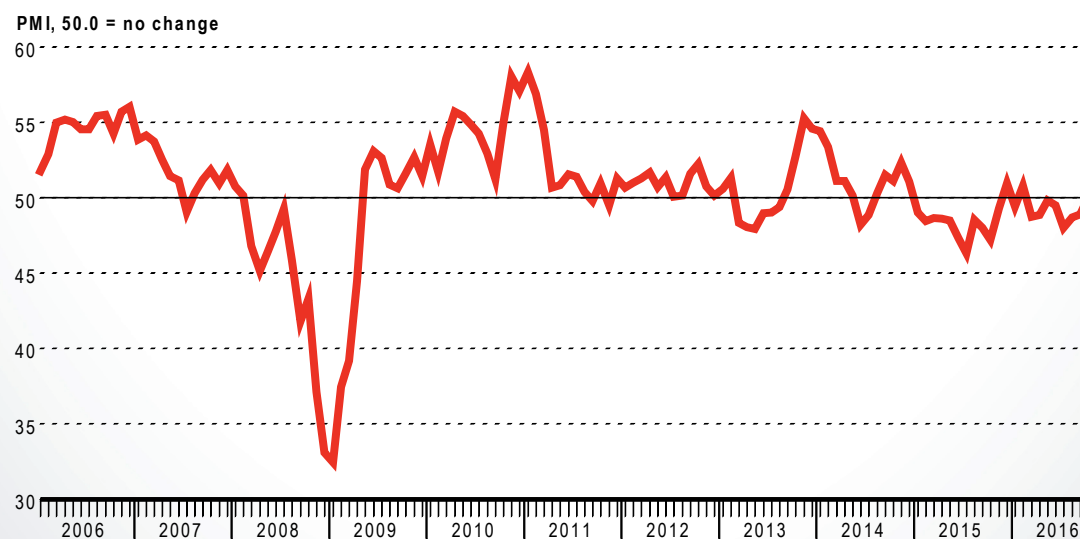
The headline Istanbul Chamber of Industry Istanbul Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The PMI rose for the third month running in October and equalled the no-change mark of 50.0, signalling a stabilisation of business conditions in the goods-producing sector of Istanbul. Moreover, the Index was at its highest level since February.

The main positive influences on the headline PMI figure in October were increases in new orders and employment. Jobs rose at the strongest rate since June while new work increased for the first time since May, albeit only slightly. New export business also increased fractionally.

The seasonally adjusted Output Index registered below the no-change mark of 50.0 in October but rose to the highest since June. The seasonally adjusted Backlogs of Work Index reached its highest since

Historical overview



continued...

Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) November 1 2016





Istanbul Chamber of Industry Istanbul PMI™ Manufacturing Index

August 2015.

Adding to the signs of a recovery in manufacturing business conditions, the volume of inputs purchased by manufacturers in Istanbul rose in October. This was the first increase in 2016 so far.

October data signalled an intensification of cost pressures at manufacturers in Istanbul. Having eased to a nine-month low in September, input price inflation strengthened to the fastest since January at the start of the fourth quarter. Higher input prices were mainly linked to the weak lira. As a result, firms raised their charges for the first time in four months.

Comment

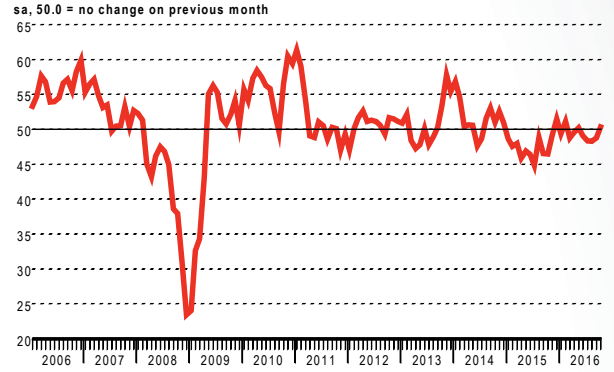
Commenting on the Istanbul Chamber of Industry Istanbul Manufacturing PMI survey data, Trevor Balchin, Senior Economist at IHS Markit, said:

“Manufacturing business conditions in Istanbul steadied in October, as new orders, exports and jobs all rose since September and the current phase of declining output showed signs of petering out. Despite higher input prices, firms felt confident enough to raise their purchasing activity for the first time this year, and also increased their own prices for the first time since June.”

New Orders Index

Q. Please compare your new orders (in units) this month with the situation one month ago.

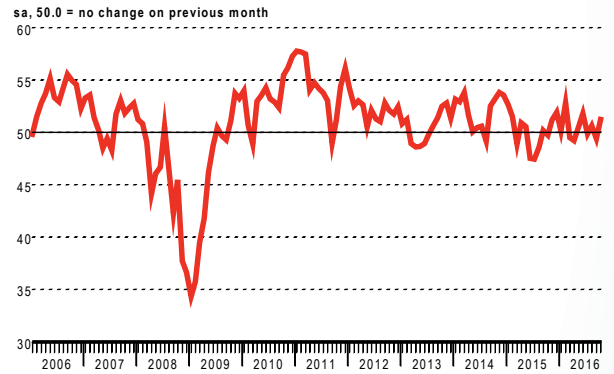
The volume of new business received by manufacturers in Istanbul rose for the first time in five months in October. Firms reported improving demand and growth in exports. That said, the rate of expansion in new work was only marginal.



Employment Index

Q. Please compare the level of employment at your unit this month with the situation one month ago.

Manufacturers in Istanbul reported an increase in workforces in October, as signalled by the seasonally adjusted Employment Index rising above the neutral threshold of 50.0. Employment in the goods-producing sector has expanded four times in the past six months. The rate of job creation in the latest period was the fastest since June.



For further information, please contact:

Istanbul Chamber of Industry

Nesrin Akçay, Economic Research Department Mng.
Telephone +90 212 252 29 00 Ext: 180
Email: nakcay@iso.org.tr

IHS Markit

Trevor Balchin, Senior Economist
Telephone +44 1491 461 065
Email: trevor.balchin@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44 207 260 2234
Email: joanna.vickers@ihsmarkit.com



Istanbul Chamber of Industry Istanbul PMI™ Manufacturing Index

Istanbul Chamber Of Industry

Driving strength from her members' contributions to Turkish economy and since her foundation in 1952, Istanbul Chamber of Industry (ICI) stands out as Turkey's largest chamber of industry and one of the most powerful representatives of Turkish industry. The added value generated by ICI members represents about 36% of the total added value propagated by Turkish industry. ICI members actualize approximately 34% of production of Turkish industry. Almost 40% of Turkey's Top 500 Industrial Enterprises consists of ICI members.

ICI promotes the sustainable development of Turkish industry and contributes the improvement of her competitiveness via offering innovative services to her members. For this purpose, she develops new projects and services to the use of industrialists in crucial fields such as; innovation, technology development, university-industry cooperation, vocational training, international relations, environment and energy with local and international partnerships.

Generating and conducting economic researches together with gathering data, ICI holds the widest knowledge on Istanbul industry whilst giving direction to Turkish industrialists and providing intense contribution for shaping economic and industrial policies.

About IHS Markit:

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

About PMI:

Purchasing Managers' Index™ (PMI™) surveys are now available for over 30 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to www.markit.com/product/pmi.

Notes to Editors:

The Istanbul Chamber Of Industry Istanbul Manufacturing PMI (Purchasing Managers' Index) is produced by Markit. The report features original survey data collected from a representative panel of around 300 companies based in Istanbul's manufacturing sector. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP.

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@ihsmarkit.com.

The Manufacturing 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.

The Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

The intellectual property rights to the Istanbul Chamber of Industry Istanbul Manufacturing PMI™ provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Istanbul Chamber of Industry uses the above marks under license. IHS Markit is a registered trademark of IHS Markit Ltd.