



Istanbul Chamber of Industry Istanbul PMI™ Manufacturing Index

Istanbul PMI rises to 48.9

September 2016

Key findings:

- Headline figure highest since June
- New orders decline at slower rate as exports stabilise
- Input price inflation at 2016 low

Summary

The Istanbul Manufacturing PMI™, which tracks operating conditions at manufacturers based in Turkey's largest city, remained below the no-change threshold of 50.0 in September. That said, the index rose further from July's recent low, indicating a slower overall contraction as new business declined at a weaker rate, helped by a stabilisation in export inflows.

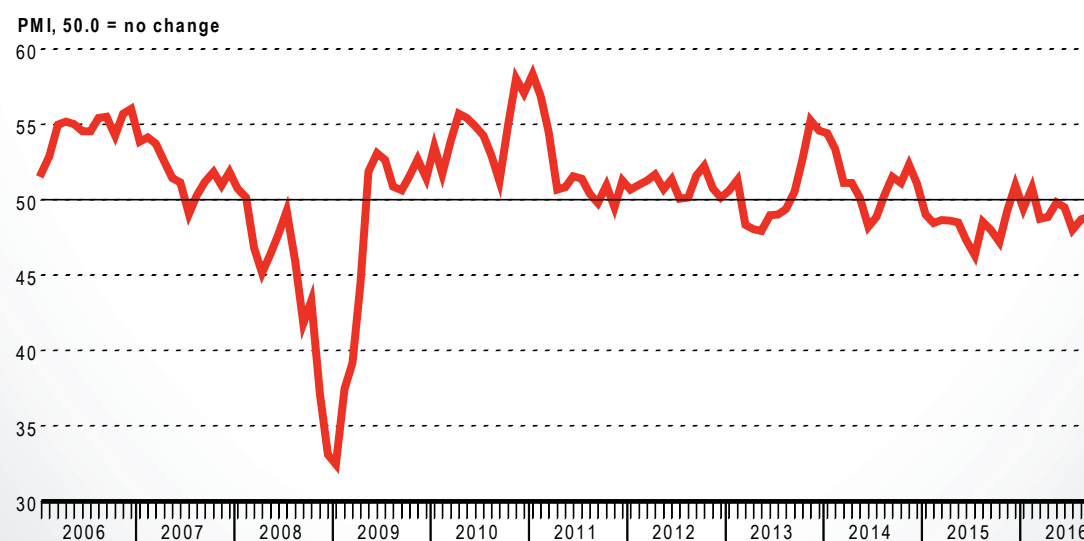
The headline Istanbul Chamber of Industry Istanbul Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall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

The PMI registered below the no-change mark of 50.0 in September, but rose further from July's 48.0 to 48.9. This signalled the weakest deterioration in operating conditions since June. The index has averaged 49.2 since the start of 2016, compared with an average of 48.4 for 2015.

The upward movement in the PMI reflected a slower fall in new orders, a return to lengthening suppliers' delivery times and a weaker contraction in input stocks. New business fell at the slowest rate in three months in September, while new export orders were broadly stable.

The sub-index measuring the change in manufacturing output remained below 50.0 in September. The rate of decline signalled was unchanged from that registered

Historical overview



continued...

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in August, when it decelerated since July.

Manufacturers undertook a cautious approach to purchasing and hiring in September. Input volumes and employment both fell, albeit at marginal rates. Stocks of purchases declined at the slowest rate in 2016 so far.

Survey data indicated relatively weak inflationary pressures. Input prices rose at the slowest rate in 2016 so far, while manufacturing output prices fell for the third month running.

Comment

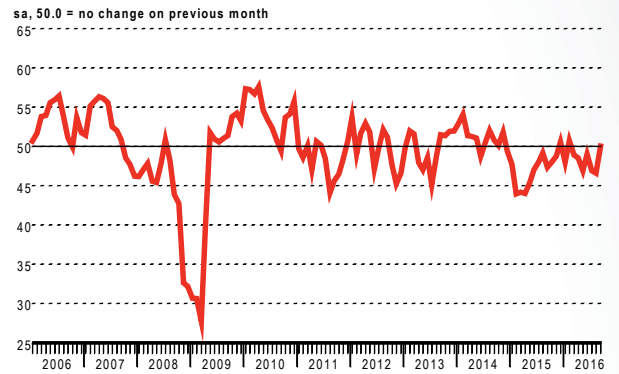
Commenting on the Istanbul Chamber of Industry Istanbul Manufacturing PMI survey data, Trevor Balchin, Senior Economist at IHS Markit, said:

“Istanbul’s manufacturing headline PMI remained below 50.0 in September. That said, the headline figure moved closer to the neutral threshold of 50.0, indicating that the downturn in the sector eased further at the end of the third quarter. New orders declined at the slowest rate in three months, supported by a stable trend in exports.”

New Export Orders Index

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

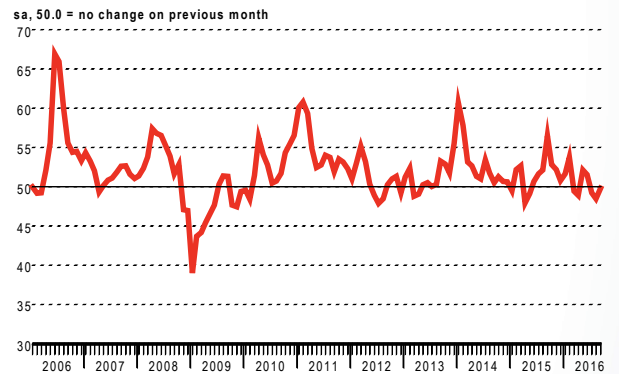
The seasonally adjusted New Export Orders Index rose sharply in September, to register close to the no-change mark of 50.0. That signalled a broad stabilisation in the volume of new export orders received by Istanbul-based manufacturers.



Output Prices Index

Q. Please compare the average price that you charge per unit of output (volume weighted) this month with the situation one month ago.

Manufacturers in Istanbul reduced their output prices for the third month running in September. That said, the rate of reduction eased since August and was only fractional.



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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.

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