

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

PMI at 46.6 at end of Q1

March 2019 Key findings:

- Output moderates, but to least degree in eight months
- Challenging demand conditions lead to further slowdown in new orders
- Slight scaling back of staffing levels

Summary

Challenging demand conditions led to a further moderation of the health of the Istanbul manufacturing sector, although there were some signs of improvement as output was scaled back to the least extent in eight months and employment slowed only marginally. Output prices rose for the first time in four months amid faster cost inflation, but rates of increase remained much weaker than 2018 levels in both cases.

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 headline PMI posted 46.6 in March, broadly in line with the reading of 46.7 in February and signalling a further solid slowdown in the Istanbul manufacturing sector.

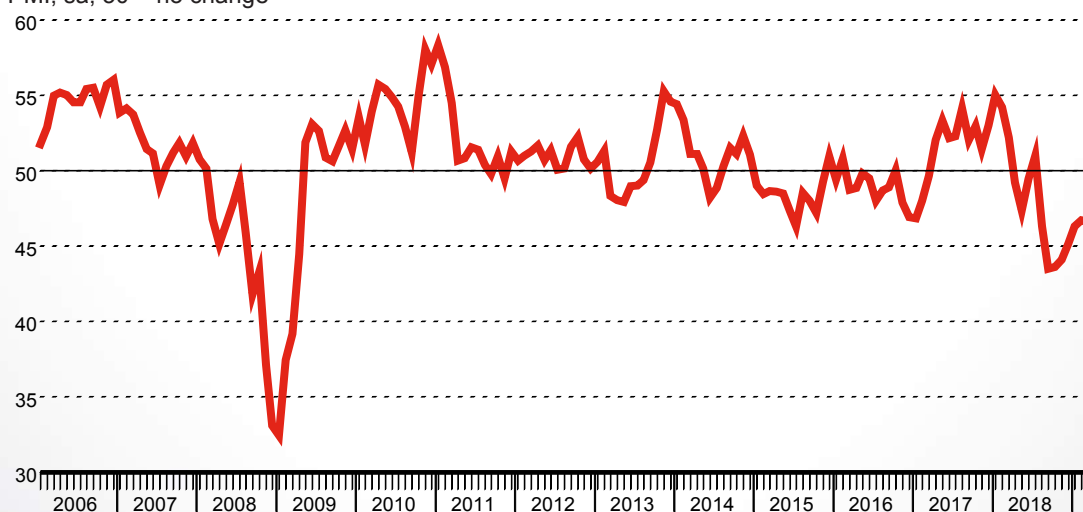
With economic conditions remaining challenging, Istanbul manufacturers recorded a slowdown in new business during March. Moreover, the moderation was the most marked in 2019 so far. New export orders also eased, but to a much lesser extent than total new business.

There was more positive news on the output front, however, as the pace of moderation softened to the weakest in the current eight-month sequence of easing production.

continued...

Historical overview

PMI, sa, 50 = no change



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) April 1 2019

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

After having been broadly stable in February, Istanbul manufacturers scaled back employment marginally during March. Some panellists indicated that retirements had contributed to the moderation in staffing levels.

The rate of input cost inflation gathered pace for the second month running amid currency weakness. Although the fastest since last October, the pace of increase was still much weaker than the series average. Firms responded to greater cost burdens by raising their output prices for the first time in four months. That said, the rate of inflation was modest.

March saw the weakest lengthening of suppliers' delivery times for a year amid a further slowdown in input buying. There were still signs of vendors having difficulty sourcing raw materials, however.

Comment

Commenting on the Istanbul Chamber of Industry Istanbul Manufacturing PMI survey data, Andrew Harker, Associate Director at IHS Markit, said:

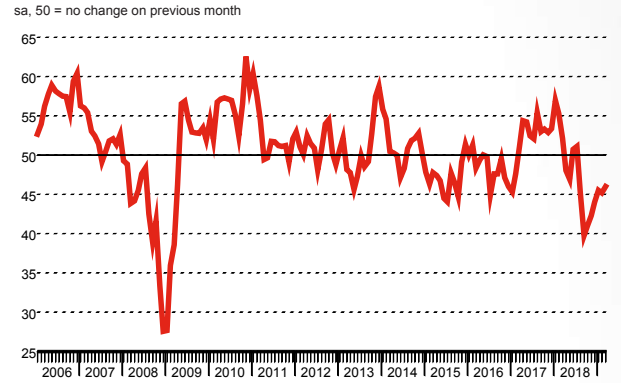
"There was welcome news on the output front in March as production was scaled back to the least degree in eight months. This was despite continued reports of challenging economic conditions restricting new order inflows. While inflationary pressures showed signs of re-emerging, the latest rises in costs and charges were relatively modest and so won't be too concerning for now."

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

Output

Q. Please compare your production/output this month with the situation one month ago.

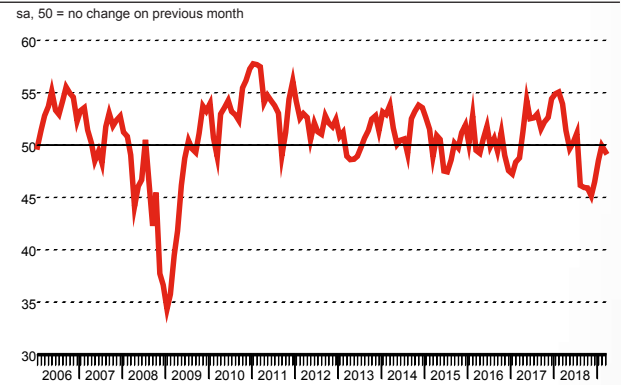
Although manufacturing production eased in Istanbul for the eighth month running in March, the rate of moderation was the weakest in this sequence. While anecdotal evidence suggested that market conditions generally remained challenging, there were some signs of demand improving.



Employment Index

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

After having been broadly unchanged in February, staffing levels eased marginally in March. As well as challenging economic conditions, panellists also cited retirements as a factor leading employment to moderate at the end of the first quarter.



For further information, please contact:

Istanbul Chamber of Industry

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

IHS Markit

Andrew Harker, Associate Director
Telephone +44 1491 461 016
Email: andrew.harker@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 more than 40% of the total added value propagated by Turkish industry. ICI members actualize approximately 35% of production of Turkish industry. 36% 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 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

About PMI:

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 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 <https://ihsmarkit.com/products/pmi.html>.

Notes to Editors:

The Istanbul Chamber Of Industry Istanbul Manufacturing PMI® (Purchasing Managers' Index™) is produced by IHS 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.

IHS 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 IHS 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. and/or its affiliates.