

# Research

# Manufacturing Snapshot

11 September 2026

## Manufacturing continues to expand

The Performance of Manufacturing Index (PMI) softened in August but remains in expansionary territory at 53.1 on a seasonally adjusted basis. Although weaker than July's 54.3 print, the 3-month moving average of the PMI continues to rise, indicating the industry is performing well through monthly volatility.

## A softer number but a broadening expansion

Digging into the details, expansion in the manufacturing industry appears to be broadening despite the lower headline number. All subindustries (except 'Other') expanded over August with food and beverage, textiles, and non-metal manufacturing moving from contraction to expansion over the month. Consequently, August's decline in the PMI was driven by lower prints for previously stronger industries (including metal manufacturing, and printing and publishing), rather than a generalised weakening.

Four of the five subindices remained above 50 and greater than their long-term average. Employment was the exception which printed at exactly 50.0, a flat reading indicating neither expansion nor contraction over the month. Although this brings employment slightly below its long-term average, this component has been expanding for the past 5 months.

## Some cautionary notes remain

Stocks of finished products was the highest subindex in August at 56.4. While this could be due to recent strength in orders and production, it could become problematic if demand falters. This is worth keeping an eye on.

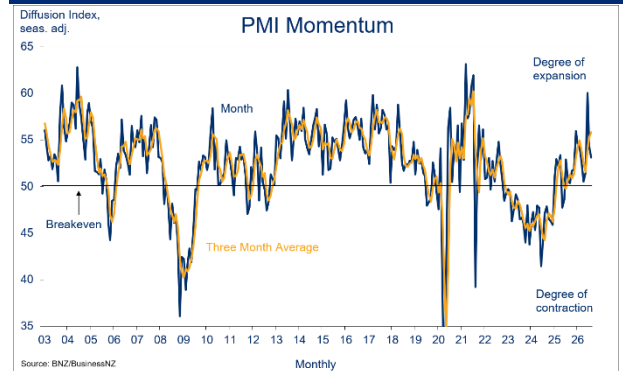
Further, despite an expansionary PMI result, most businesses (55.7%) returned negative commentary. Increased freight and material costs alongside uncertainty stemming from the Middle East conflict and the general election were noted as areas of concern.

## Growth supportive

August's PMI data paints a positive picture for economic momentum in Q3. While we are still waiting for Q2 GDP results (to be released on 17 September), this result provides support for our forecast that annual GDP growth will be around 2% into the second half of 2026.

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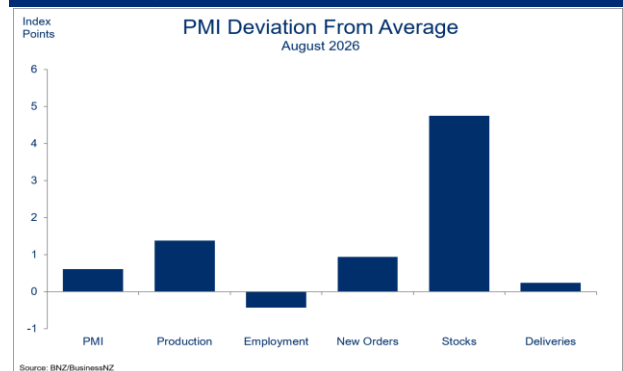
## Softer but still solid



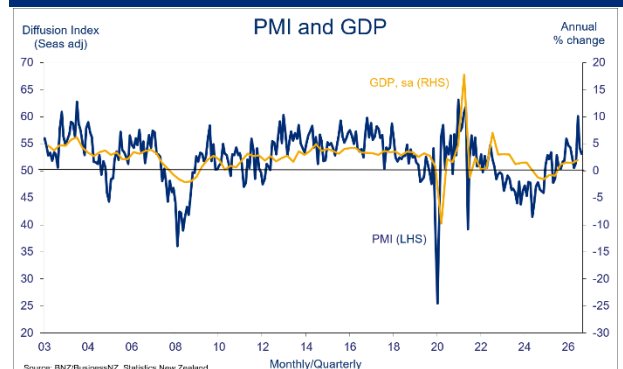
## Broadening momentum



## Above average



## Positive news for Q3



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