Research

Manufacturing Snapshot

13 November 2026

Manufacturing finding its stride

Improved activity in the manufacturing sector is becoming increasingly well established, as indicated by the Performance of Manufacturing Index (PMI). The PMI eased to 54.9 in October from 56.3 in September but remained comfortably above the breakeven 50 mark signalling sustained expansion. Although the PMI can be volatile month to month, the broader message is clear: momentum in manufacturing is firmly positive.

Activity broadening

All subindustries expanded in October, extending the broadening momentum of recent months. Notably, the textile, clothing and footwear industry sustained its recent modest improvement, a positive sign given its close links to consumer spending which has been subdued amid the ongoing squeeze on household budgets.

Digging into the detail, the new orders and production indicators softened slightly in October, but both have remained at healthy levels since the start of the year**.** Deliveries of raw materials were the strongest subindex last month, close to its highest level since the PMI began**.** This is noteworthy given the stocks indicator has been elevated for some time, with its 3-month average reaching a fresh high in October. However, last month's QSBO report indicated that relatively few manufacturers considered their stock levels too high, suggesting that the recent increase in the deliveries of raw materials and stocks subindexes may reflect manufacturers rebuilding inventories.

Uncertainties stay unresolved

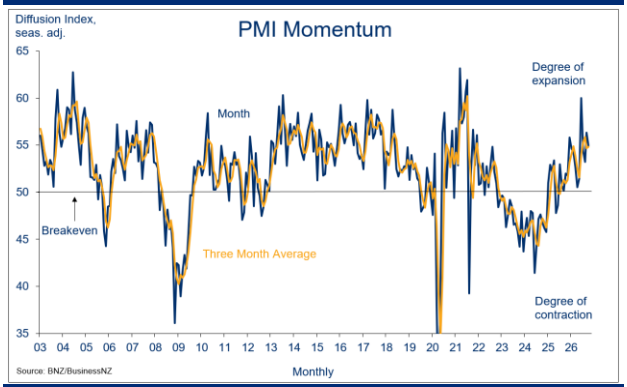
General Election uncertainty remained a drag for many manufactures in October. Unfortunately, this is set to linger as we await the final results and the outcome of coalition talks. This will resolve in time, but it remains to be seen if the outcome will maintain or add to current momentum. Other headwinds, including elevated fuel and input costs, will take longer to dissipate. While oil prices have retreated in early-November, whether this proves lasting is anybody's guess.

Supporting growth

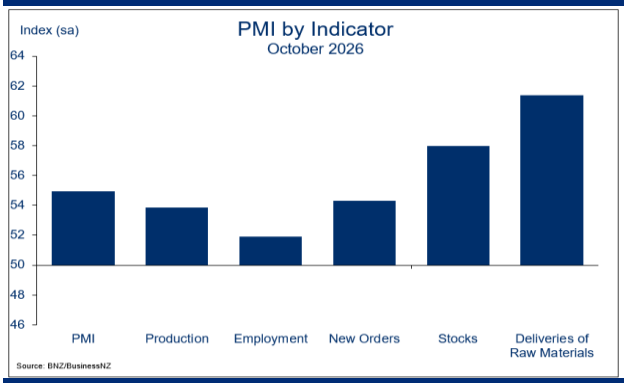
Overall, October's PMI points to sustained improvement in the manufacturing sector. This result supports our forecast of moderate growth in manufacturing through Q4, contributing to annual GDP growth of around 2% over 2026.

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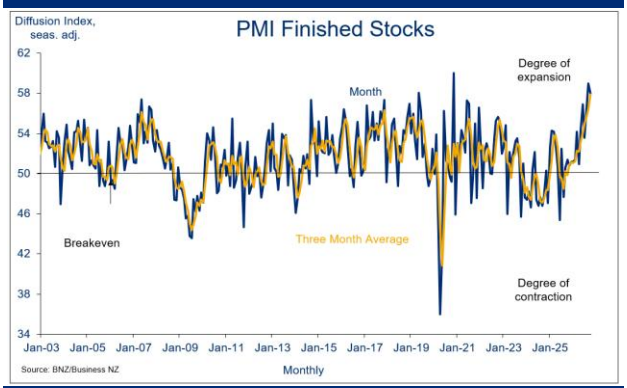
Holding ground



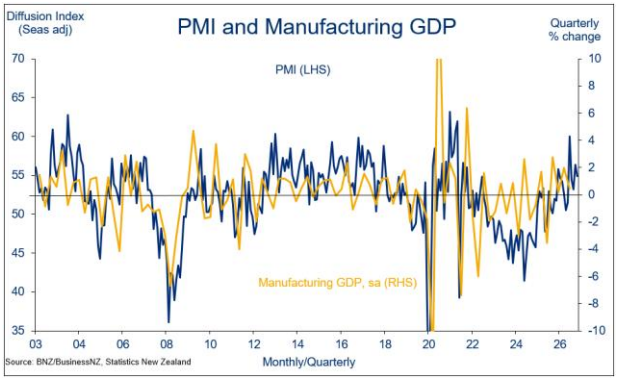
Expanding across the board



Shooting higher



A support for economic growth



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