Absa Purchasing Managers' Index October 2026

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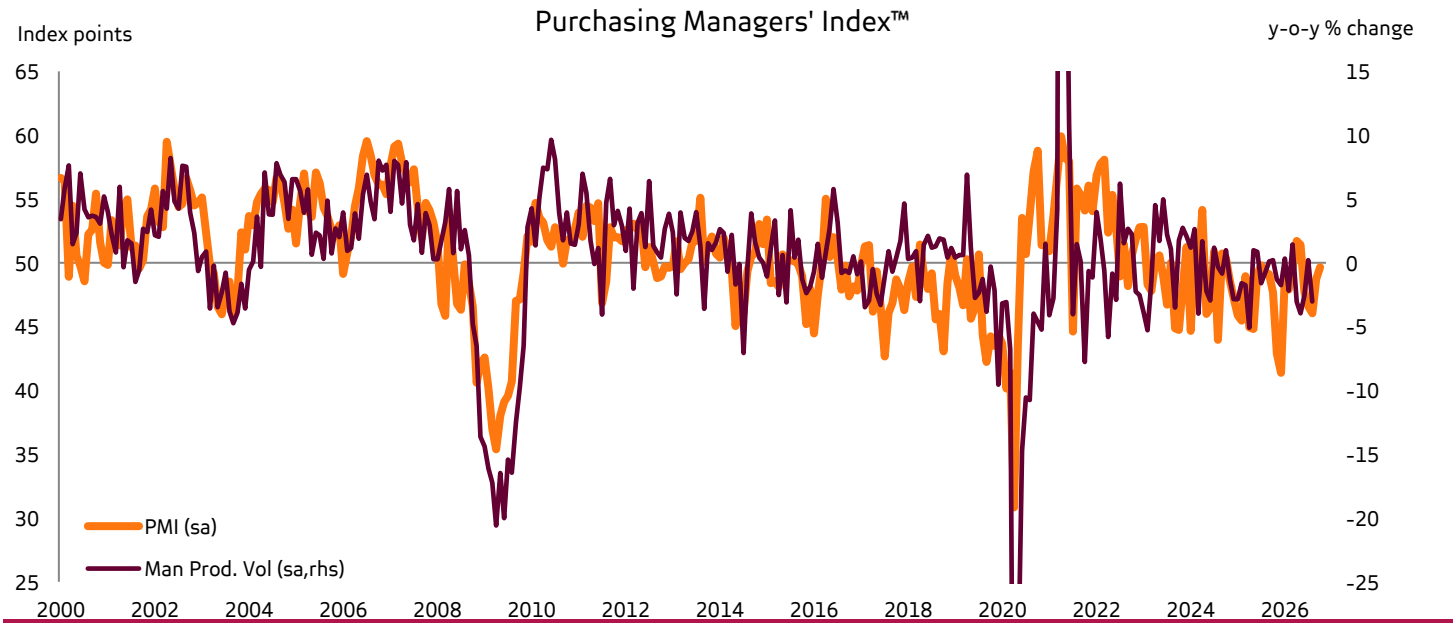
The seasonally adjusted Absa **Purchasing Managers' Index (PMI)** increased by 0.9 points to 49.6 in October 2026, from a revised 48.7 in September.[1] This marked a second consecutive monthly improvement, with all five components of the headline index increasing. However, while activity and new sales orders have recovered some ground from their August lows, employment remains particularly weak. At the same time, purchasing-price pressures intensified and expectations regarding future business conditions deteriorated.

The **business activity index** edged higher to 48.6 points in October, following a more substantial improvement in September. Similarly, the **new sales orders index** increased for a second consecutive month to 46.8 points. While encouraging, both indices remain below the neutral 50-point mark, indicating that production and demand conditions remain under pressure. The improvement in new orders was accompanied by a rise in the export sales index, which approached the neutral mark. This suggests some easing in the pressure on external demand, although the index does not yet signal an outright increase in export orders.

Notable was the further increase in the **purchasing prices index**, from 71.1 to 73.7 points. The sharp rise in fuel prices at the beginning of October likely contributed to the increase, alongside a somewhat weaker rand. However, manufacturers should receive some relief in November following the temporary fuel-levy reductions announced in the Medium-Term Budget Policy Statement.

After improving from a low in July, the i**ndex tracking expected business conditions in six months'** time fell to 51.7 points in October, from 55.3 in September. While still marginally above the neutral mark, the decline suggests that purchasing managers remain cautious about the outlook. Respondents highlighted uncertainty surrounding the upcoming local government elections, persistent logistics and infrastructure constraints, and pressure on domestic demand.

[1]The seasonal adjustment factors used to calculate the PMI and its components were updated as part of the usual annual review. This has resulted in revisions to the historical seasonally adjusted series, including September's headline PMI, which has been revised from 50.7 to 48.7. The revised historical series can be found on the BER's website.



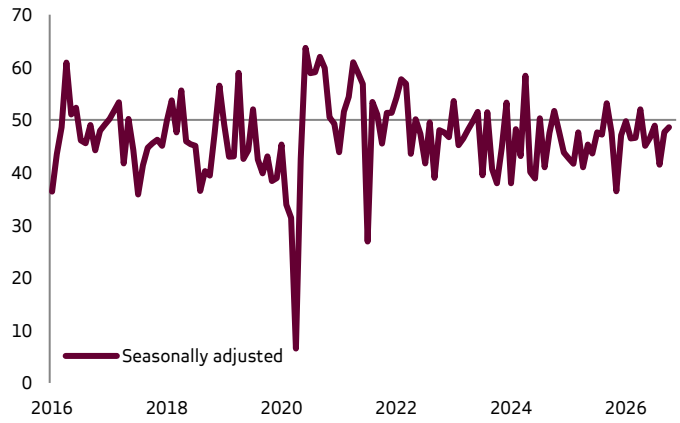
The PMI is an economic activity index based on a survey conducted by the Bureau for Economic Research (BER) and sponsored by Absa. Although reasonable professional skill, care and diligence are exercised to record and interpret all information correctly, Stellenbosch University, its division the BER, the author(s)/editor and Absa (inclusive of its affiliates and/or subsidiaries) do not accept any liability for any direct or indirect loss whatsoever that might result from unintentionally inaccurate data and interpretations provided by the BER, as well as any interpretations by third parties. Stellenbosch University and Absa further accept no liability for the consequences of any decisions or actions taken by any third party on the basis of information provided in this publication. The views, conclusions or opinions contained in this publication are those of the BER and do not necessarily reflect those of Stellenbosch University or Absa. Absa is an authorised financial services provider and registered credit provider reg no NCRCP7.

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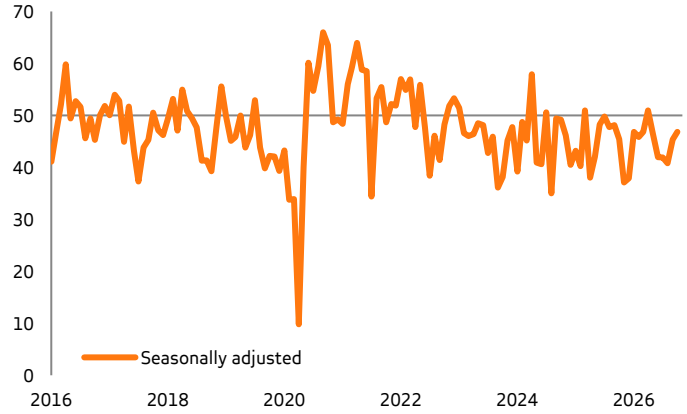
PMI: Business activity



The **business activity index** rose to 48.6 points in October, following a more substantial improvement in September. However, it remained below the neutral 50-point mark, indicating that production conditions were still subdued despite the recent gains.

	Aug	Sep	Oct
Business activity	41.5	47.7	**48.6**

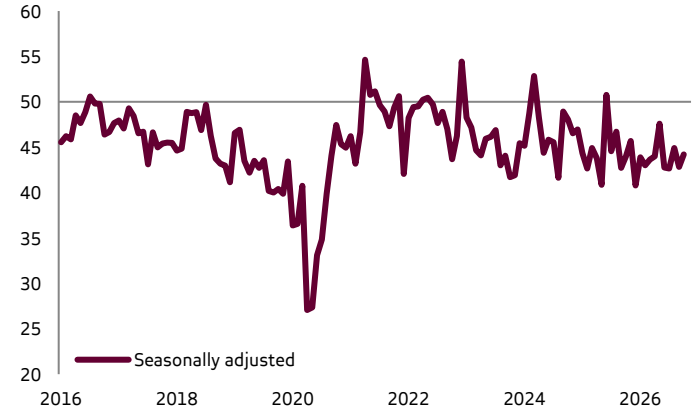
PMI: New sales orders



New sales orders rose for a second consecutive month. Encouragingly, export sales increased to their best level since early 2025 – almost breaching the neutral 50-point mark. Respondents nevertheless continued to report difficult domestic trading conditions, with customers remaining under pressure.

	Aug	Sep	Oct
New sales orders	40.8	45.4	**46.8**

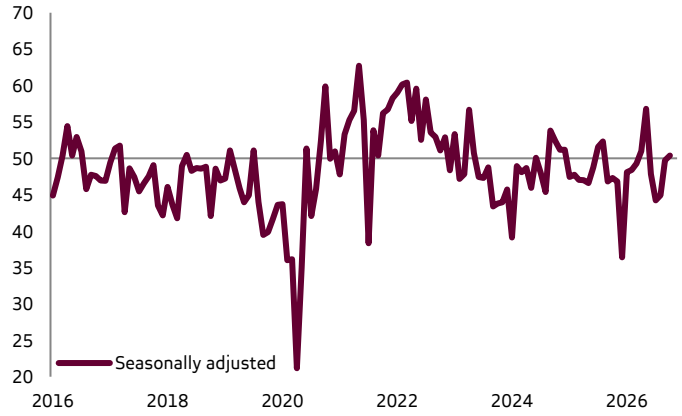
PMI: Employment



The **employment index** edged up from 42.8 to 44.2 points, only partly reversing September's decline. Its persistently low level suggests that manufacturers remain reluctant to expand employment amid weak production and demand conditions.

	Aug	Sep	Oct
Employment	44.9	42.8	**44.2**

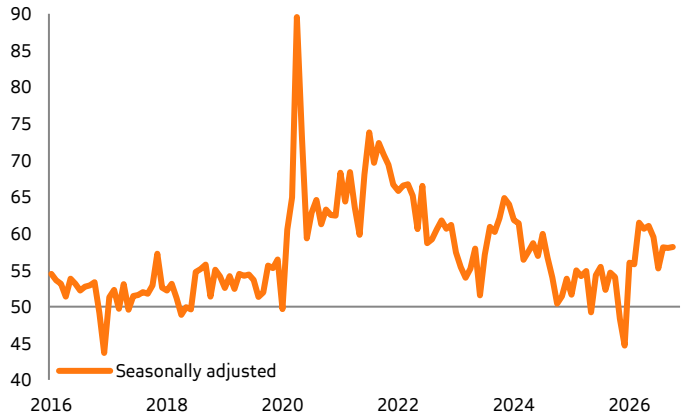
PMI: Inventories



The **inventories index** rose marginally above the neutral mark to 50.4 points. Backlogs of orders also increased slightly, but remained at a low level. Taken together with the still-weak new orders index, these movements offer limited evidence of a sustained improvement in production demand.

	Aug	Sep	Oct
Inventories	44.9	49.7	**50.4**

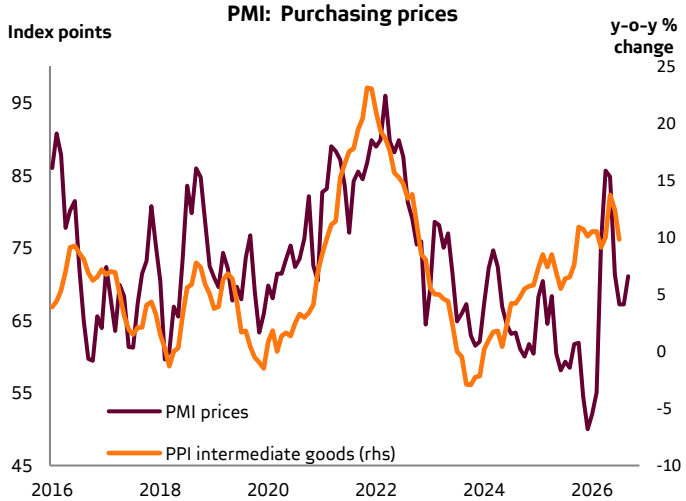
PMI: Supplier deliveries



The **supplier deliveries index** was virtually unchanged at 58.1 points. A reading above 50 indicates that delivery times lengthened, which can sometimes reflect stronger demand as suppliers struggle to keep pace with orders. However, respondent comments suggest that ongoing logistics disruptions, particularly at the Durban harbour, remain a key factor in keeping delivery times elevated. Furthermore, some firms reported shortages of imported inputs and interruptions to production as a result of these delays.

	Aug	Sep	Oct
Supplier deliveries	58.1	58.0	**58.1**

PMI: Purchasing prices



Purchasing-price pressures intensified further in October, with the index rising from 71.1 to 73.7 points amid sharply higher fuel costs. The weaker rand against the dollar likely added to the cost of imported inputs. Some relief is expected in November following the temporary fuel-levy reductions announced in the Medium-Term Budget Policy Statement. Based on under-recovery data to 28 October, diesel prices could fall by around R1.60 per litre, with more modest declines in petrol prices. However, these anticipated reductions reflect the temporary levy relief rather than an easing in underlying fuel-price pressures.

	Aug	Sep	Oct
Purchasing prices	67.2	71.1	**73.7**

The PMI is an economic activity index based on a survey conducted by the Bureau for Economic Research and sponsored by Absa. The monthly surveys are conducted under a representative group of purchasing managers in the South African manufacturing sector. These purchasing managers have to indicate each month whether a particular activity (e.g. new sales orders) for their company has increased, decreased or remained unchanged. Diffusion indices are then calculated by taking the percentage of respondents who reported an increase and adding it to one-half of the percentage who reported no change. This results in an index for which a value of 50 indicates no change in the activity, a value above 50 indicates increased activity and a value below 50 indicates decreased activity. The indices are then seasonally adjusted, but no further smoothing method is applied. The headline PMI is calculated as the weighted average of the following indices (weights in parentheses): Business Activity (0.20), New Orders (0.20), Employment (0.20), Supplier Deliveries (0.20) and Inventories (0.20). Note that the inverse of the Supplier Deliveries index is used in the PMI calculation. For more information on the South African manufacturing PMI, the historical data series, as well as a description of the questions in the PMI survey, please visit the BER's website (www.ber.ac.za).

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