

DATA REVIEW | NUMBER 36 | 2 OCTOBER 2026

2 October 2026

Domestic data was somewhat more encouraging this week. The **Absa PMI** moved back above the neutral 50-point mark in September, supported by a sharp rebound in new sales orders, while new vehicle sales remained robust. Producer inflation eased further in August, although renewed fuel-price pressure is likely to reverse some of that relief in coming months. Formal employment data were softer, while private-sector credit growth was little changed overall, with household credit continuing to recover gradually

Essential and Premium Insights clients can read the full **BER Weekly Review** for our assessment of the easing in oil-market pressure, the sharp rise in global bond yields, the implications for the rand and domestic borrowing costs, and our latest forecast view on interest rates and inflation.

DOMESTIC DATA

Nomvelo Moima

ABSA PMI RETURNS TO EXPANSION FOLLOWING A WINTER LULL, WHILE DOMESTIC NEW VEHICLE SALES REMAIN ROBUST

Absa Purchasing Managers' Index (PMI) rose by 4.9 points to 50.7 index points in September 2026, returning above the neutral 50-point mark after three consecutive months in contractionary territory. Overall, the September PMI marks a welcome improvement after a weak winter period, particularly given the sharp rebound in new orders. However, the signal is not uniformly positive as business activity, employment, and order backlogs remained subdued. Moreover, logistics disruptions appear to have artificially boosted the supplier deliveries component of the headline PMI, while purchasing price pressure reaccelerated. Click [here](#) for more

According to Naamsa, new vehicle sales closed the third quarter on a solid footing, with domestic new vehicle sales rising by 12.7% y-o-y, as passenger vehicle sales rose by 14.7%. In contrast, the external demand environment remained tough, with exports continuing to underperform, declining by 18.8% y-o-y in September, down from an 11.7% decline in the prior month.

PPI INFLATION MODERATES IN AUGUST, BUT 2026Q2 FORMAL EMPLOYMENT DISAPPOINTS

Stats SA reported some good news on factory-gate price trends. The rate of increase in producer price inflation (PPI) for final manufactured goods eased to 5% y-o-y in August from 5.7% y-o-y in July. This marks a third consecutive month of moderating producer inflation on the back of a 0.4% m-o-m decline. Though food, beverages and tobacco products (-0.3% y-o-y) subtracted 0.1% pts from the headline, the slowdown largely reflects lower prices for coke, petroleum, chemical and plastic products (-1.4%), subtracting 0.3% pts. However, some of this relief may reverse in upcoming PPI prints as fuel-price pressures reaccelerate.

Moving on to the latest jobs data, Stats SA's Quarterly Employment Statistics (QES) showed a 0.1% q-o-q decline (or -14 000) in formal non-agriculture employment in 2026Q2. Manufacturing shed the most jobs (-20 000), followed by business services (-13 000). The job declines in four of the eight sectors were partially countered by some job gains in the four remaining sectors, led by community services (+29 000). Disappointingly, formal employment fell by 0.9% y-o-y in Q2 (-95 000).

PRIVATE SECTOR CREDIT GROWTH LITTLE CHANGED IN AUGUST

Finally, according to the SARB, private-sector credit growth was little changed at 7.47% y-o-y in August, from 7.41% in July. The composition continued to shift, however. Corporate credit growth edged down from 9.3% y-o-y in July to 9.2% in August, while household credit growth continued its gradual recovery, rising from 5.1% to 5.3%.

INTERNATIONAL DATA

Paul Gluckman

CHINESE PMIs POINT TO IMPROVING MOMENTUM

The NBS manufacturing PMI increased to 50.1 in September from 49.8 in August, putting the official index back in expansionary territory after two months below the neutral 50-point mark. The increase was supported by stronger production, with the production index hitting a 9-month high of 51.7. While new orders also improved, raw material inventories and employment continued to decline. The headline improvement, therefore, points to firmer momentum, although conditions remain mixed beneath the surface.

Meanwhile, RatingDog's manufacturing PMI rose to 52.1 in September, up from 51.5 in August, marking the sector's 10th consecutive month of expansion. Output accelerated at the fastest pace in five months amid rising domestic and overseas demand. Heightened production requirements supported purchasing activity and employment in the sector. Input cost pressures rose to a four-month high and firms raised output prices in response. Even so, firms are optimistic about future growth, underpinned by expectations of an improvement in the global macroeconomic environment over the coming year.

Looking at the composite indices, broader growth momentum improved. With RatingDog at 52.4 and the NBS rising to 50.7, both composite indices are in expansionary territory. Although external demand remains an important source of uncertainty for China's export-heavy economy, the September readings suggest that activity ended the quarter on a firmer footing.

US CORE PCE INFLATION COMES IN BELOW EXPECTATIONS

The Federal Reserve's (Fed) preferred inflation measure, core PCE, came in at 3% y-o-y in August, matching the lowest level reached this year. Markets expected a print of 3.3%, although their judgement was made prior to a revision in July's figure from 3.3% to 3%. The release also incorporated methodological changes to three sub-indices, which complicates comparison with earlier readings. On a monthly basis, core PCE rose by 0.2% in August.

The annual change remains above the Fed's inflation target of 2%, although the softer release provides some reassurance after the FOMC raised the policy rate by 25 bps in September. Even so, one softer print is unlikely to settle the policy debate. The key question is whether inflation continues to moderate sufficiently to alter the Fed's recently more hawkish policy stance.

US MANUFACTURING CONTINUES TO HUM

The ISM manufacturing PMI edged down from 54.6 in August to 54.5 in September, remaining well in expansionary territory. From the 5 main subindexes, the marginal headline decline was dragged by a

slowing in the growth of production index (58.3; -1.6% pts) and the inventories index falling into contractionary territory from 50.6 to 48.6, signalling that heightened demand is starting to drawdown on stockpiles. The price index remains elevated (77.9, +6.8% pts) as high input prices persist. However, new orders continue to accelerate (53.7, +1.6% pts), and although supply delivery times slowed marginally (59, -0.3% pts), the overall momentum suggests that the manufacturing sector should bolster the Q3 GDP print.

GERMAN RETAIL SALES PICK UP IN AUGUST ALTHOUGH HOUSEHOLDS REMAIN CONSTRAINED

After an unexpectedly sharp 3.2% decline in July, retail sales in Germany grew 1.3% in August. However, compared to the same month last year, retail sales were still down by 0.4%. Higher fuel and gas prices continue to constrain consumer spending, as evidenced by an 8.7% y-o-y decline in turnover at petrol stations.

Pressure on household budgets is likely to persist while oil and fuel prices remain elevated. Energy inflation accelerated by 14.9% y-o-y, lifting Germany's inflation rate from 2.9% in August to 3.3% in September. More positively, core inflation held steady at 2.4%, suggesting that although price pressures persist, they have not broadened materially beyond the energy shock so far.

CONTACT US

Editor: Lisette IJssel de Schepper
Tel: +27 (0)21 808 9777
Email: lisette@sun.ac.za

Click [here](#) for previous editions of this publication.

Please refer to the glossary on the **BER website** for explanations of technical terms.

Copyright & Disclaimer

This publication is confidential and only for the use of the intended recipient.
Copyright for this publication is held by Stellenbosch University.



Although reasonable professional skill, care and diligence are exercised to record and interpret all information correctly, Stellenbosch University, its division BER and the author(s)/editor do not accept any liability for any direct or indirect loss whatsoever that might result from unintentional inaccurate data and interpretations provided by the BER as well as any interpretations by third parties. Stellenbosch University further accepts 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.