BUREAU for ECONOMIC RESEARCH

DATA REVIEW | NUMBER 29

7 August 2026

Economic data remained mixed this week. In SA, survey indicators pointed to continued weakness in manufacturing but greater resilience across the broader private sector, while vehicle sales remained firm. Internationally, US activity indicators were relatively strong even as labour demand showed some signs of cooling, while softer momentum in China and weaker Eurozone retail sales underscored the uneven global growth backdrop.

The full **BER Weekly Review** examines the rebound in global markets as hopes rise that a deal could ease disruption in the Strait of Hormuz, while also considering why the proposed arrangement remains politically and strategically fraught. At home, Natasha Marrian analyses new polling showing MKP's growing importance in the coalition arithmetic ahead of the 2026 local government elections, while we also assess the latest developments at the Public Investment Corporation (PIC) and their implications for institutional stability. The full Weekly is available to BER Essential Insights subscribers (sign up here) and Premium Insights clients.

DOMESTIC DATA

Vincent van der Westhuizen

SOUTH AFRICA'S FRAGILE RESILIENCE CONTINUES

The Absa PMI fell to 46.8 in July from 47.3 in June. However, the headline decline masked somewhat firmer underlying conditions, with the new sales orders and business activity indices improving while easing supply-chain delays and moderating input costs provided some relief. Manufacturers nevertheless remained cautious about the outlook amid tensions in the Middle East, elevated oil prices, weak export demand and continued inventory reductions.

The S&P Global South Africa PMI edged down to 50.3 in July from 50.5 in June. As readings above 50 indicate an improvement in month-on-month business conditions, the outcome points to a further, albeit marginal, expansion in the private sector. Business activity increased for the first time in three months, while lower fuel prices helped ease cost pressures. However, the recovery remained constrained by weak customer demand, political uncertainty and lingering supply-chain pressures. Taken together, the two surveys suggest that conditions remain weak, particularly in manufacturing, but that the broader private sector has not slipped into a generalised contraction.

New vehicle sales, as reported by naamsa, rose to 57 708 units in July from 54 410 in June, an increase of 11.9% y-o-y. This marked the 22nd consecutive month of annual growth and reinforces the resilience of domestic demand, supported by replacement cycles, fleet renewal and government procurement. However, the strength of the local market contrasts with continued pressure on vehicle exports, which have weakened amid softer demand in key overseas markets and heightened global trade uncertainty.

INTERNATIONAL DATA

Nkosinathi Nonkonyana

CHINA COMPOSITE PMI DECLINES AS GROWTH MOMENTUM MODERATES

The RatingDog composite PMI fell to 50.8 in July, down from 53.6 in June, signalling a slower pace of expansion in Chinese business activity. This marked the lowest reading since July 2025, as momentum slowed across both manufacturing and services. New business rose for the fourteenth consecutive month, but at the slowest pace since March. Consequently, firms increased employment for the third month in a row, the longest period of job growth since mid-2023.

Cost pressures also eased, with input and output price inflation falling to six-month lows amid softer costs across manufacturing and services. Consequently, business sentiment improved, supported by expectations of stronger demand, new product development and efficiency gains.

US ISM PMIs RISE WHILE JOLTS SIGNALS SOFTER LABOUR DEMAND

The ISM Manufacturing PMI rose to 55.6 in July, from 53.3 in June, exceeding market expectations of 54. This signalled the strongest pace of expansion since May 2022, with the overall economy expanding for 21 consecutive months. All five subindexes were in positive territory.

New orders rose for the seventh consecutive month, increasing from 56 in June to 56.7 in July. In turn, production rose to 58.5 in July (52.2 in June), marking the ninth month of expansion. Employment followed suit, rising to 52.8 (49.7), returning to expansion territory after 33 months of contraction. The prices-paid index remained elevated but eased from 73 in June to 71.1 in July.

The ISM Services PMI ticked up by 0.1 to 54.1 in July, below market forecasts of 54.5. The index is currently 0.7 above its 12-month moving average of 53.4%. Four of the five subindexes were in positive territory. Business activity rose to 59.1 (55.4) while new orders ticked up to 57.2 (55.1), registering a 2.1 increase from June. Employment returned to e contraction territory. Some respondents reported modest reductions in staffing alongside the implementation of AI technology

Ahead of the July non-farm payrolls report, job openings fell by 178 000 to 7.4 million in June 2026. The number of job openings expanded in transportation, warehousing and utilities (+97 000) and in the federal government (+39 000). However, those were outweighed by fewer opportunities in wholesale trade (-74 000), non-durable goods manufacturing (-55 000), and mining and logging (-9000). Taken together, the surveys suggest that US activity remained firm in July, while labour demand showed tentative signs of cooling.

EUROZONE PRODUCER INFLATION EASES AS RETAIL SALES WEAKEN

EZ PPI slowed to 4.6% y-o-y in June, from 5.9% in May. On a monthly basis, prices fell by 0.3% in June, marking the first decline in four months. Unsurprisingly, energy prices were the largest drag, falling by 1.5% m-o-m, as oil cost pressures eased during the temporary ceasefire between the US and Iran. However, prices excluding energy increased by 0.2%.

For the same month, retail sales edged up by just 0.7% y-o-y, down from 1.9% in May. This is the weakest annual increase in almost two years. On a monthly basis, sales declined by 0.3%, reversing the 0.4% increase in May.

CONTACT US

Editor: Lisette IJssel de Schepper

Tel: +27 (0)21 808 9777

Email: lisette@sun.ac.za

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