

WEEKLY REVIEW | NUMBER 43

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This report covers the key domestic and international data releases over the past week. The more comprehensive **BER Weekly Review (Enhanced Version)** includes a detailed discussion on the main economic events and developments over the past week, a summary of upcoming data (the week ahead) and the BER's forecast for key economic indicators. The full Weekly is only available to BER Essential Insights subscribers ([sign up here](#) – it's only R210/month and you get more benefits) and BER Premium Insights clients.

DOMESTIC SECTION

Tshepiso Maroga

PMIs DATA SIGNALS CONTRACTION IN SEPTEMBER

The latest Absa and S&P Global PMIs indicate a slow start to the quarter. Both indices returned to contractionary terrain following a month of expansion. The Absa PMI edged down to 49.2 points in October from 50.8 in September. Meanwhile, the S&P PMI declined to 48.8 from 50.2, marking the first contraction in seven months.

These results come as business activity and new sales declined amid subdued domestic and export demand. Discouragingly, expectation indicators remain low, which does not bode well for near-term outlook on activity. On the bright side, both PMIs reported improvements in supplier delivery indices, which may be attributed to lower demand and reduced logistical issues. Unlike the Absa PMI, S&P reports softening price pressures supported by the relative strength of the Rand.

VEHICLE SALES CONTINUE TO RISE HOWEVER, AT A SLOWER PACE

Naamsa reported that new vehicle sales rose by 15.7% y-o-y in October, moderating from 24.3% in September. New passenger vehicles maintained their upward momentum, increasing by 14.8% y-o-y as a resilient rand helped ease imported vehicle price pressures. The increase was underpinned by higher domestic sales of light commercial vehicles and improved car rental sales ahead of the peak travel season. Export sales picked up slightly, recording growth of 6.7% y-o-y compared to 6.0% in September.

Lastly, according to Stats SA, annual electricity data for September declined in terms of both production (5.7%) and consumption (7.9%). On a quarterly basis, electricity production edged down by 1.5%, shaving a little from GDP in Q3.

INTERNATIONAL SECTION

Lebohang Namo

BoE OPTS TO HOLD RATES STEADY

As expected, the BoE maintained the bank rate at 4% on Thursday. Four out of the nine MPC members supported a 25bps cut, highlighting growing support for easing policy. Inflation has peaked and disinflation is accelerating due to slower pay growth and service cost inflation. Additionally, a softer economy and weaker labour market conditions have reduced price pressures. Although the MPC acknowledged that the risks of inflation and growth are now more balanced, it stressed the need for additional information before taking any further action. Gradual rate reductions are anticipated in the future if current trends continue.

Meanwhile, the S&P Global UK manufacturing PMI for October climbed to 49.7 from 46.2 in September. While new orders, employment and purchasing continued to contract, sub-indices for output and supplier delivery times indicated an overall improvement in operating conditions. Moreover, input costs increased at the slowest pace to date in 2025. Likewise, the S&P Global UK services PMI came in at 52.3 from 51.1 index points, signalling a moderate increase in service sector activity.

US MANUFACTURING PRODUCTION EDGES DOWN

The ISM manufacturing PMI declined for the eighth consecutive month in October, falling to 48.7 from 49.1 in September. Contractions were observed in new orders, inventories, order backlogs and production. Additionally, employment continued to decline as managing head count rather than hiring is still a norm in firms. Price pressures subsided while supplier deliveries showed slower growth.

Conversely, the ISM Services PMI increased to 52.4 in October from 50 in September, marking the strongest expansion since February. Both activity and new orders picked up, while employment continued to decline, reflecting the lingering uncertainty about the economy's sustained strength.

EUROZONE MANUFACTURING OUTPUT EXPANDS, WHILE RETAIL SALES AND PPI DECLINE

In October, the HCOB manufacturing PMI edged up to 50 index points from 49.8 in September. Growth remained subdued as new orders stagnated and employment declined. While input costs remained unchanged from September, selling prices saw a slight uptick.

The HCOB composite PMI output index rose to 52.5 from 51.2 in September, marking the strongest growth since May 2023. The overall upturn was driven by stronger demand, as the volume of new business grew at its fastest rate in two and a half years. The HCOB Eurozone services PMI climbed to 53 points from 51.30 in September.

Still in the Eurozone, industrial production prices fell 0.1% m-o-m in September following a 0.4% drop in August. The decline was mainly due to a fall in energy prices (-0.2%). Prices for both intermediate and capital goods remained flat, while durable consumer goods (0.3%) and non-durable consumer goods (0.1%) showed a marginal increase. On a yearly basis, producer prices were down 0.2%.

Finally, retail sales declined by 0.1% m-o-m in September, falling short of market expectations and marking the third consecutive month of contraction.

CHINA'S MANUFACTURING PMI TICKS DOWN IN OCTOBER

The RatingDog China Manufacturing PMI fell to 50.6 index points in October from 51.2 in September. The decline was driven by a slowing of both new orders and output growth. Concurrently, employment rose for the first time in seven months, marking the fastest pace of job growth in more than two years. On the price front, input cost prices rose while selling prices continued to decline.

Similarly, the RatingDog China general services PMI fell to 52.6 from 52.9 in September, beating market expectations. As such, the RatingDog Composite PMI, which merges data from both manufacturing and services, edged down to 51.8 from 52.5, remaining in expansion territory.

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