



Video transcript

Manufacturing stalling

For the second consecutive month China's manufacturing sector has contracted, with the latest HSBC Flash PMI™ reading dropping to 48.3. It's the lowest PMI™ reading for nine months.

After a strong start to the year, China's manufacturers now sit on the wrong side of the key 50 mark, which signifies the difference between an industry contracting or expanding.

The recent slowdown is the result of moderate domestic demand and persistent weakness in the global economy, according to Qu Hongbin, HSBC's Chief Economist for Greater China.

"Manufacturing sectors are weighed down by deteriorating external demand, moderating domestic demand and rising destocking pressures."

June's Final PMI™ is due for release on 1 July.