

## HBL Pakistan Manufacturing PMI Hits 10-Month High

**Karachi, 02 January 2026:** The HBL Pakistan Manufacturing PMI, compiled by S&P Global, edged up to 52.8 in December, rising from 52.3 in November and marking the highest reading since February. The reading reflects a solid rise in production alongside stronger demand, with new orders accelerating at their fastest pace since March. Respondents linked the uptick to business expansion and improved product quality.

Encouragingly, new export orders registered growth for the first time in six months, with businesses attributing the uplift to stronger international demand and better product quality.

Despite higher output, capacity pressures remained subdued as work backlogs declined at one of the sharpest rates on record. Employment levels ticked higher for the second consecutive month, with firms pointing to greater workloads and extended hours in expectation of stronger order inflows. Input purchases rose once again, with manufacturers stockpiling to hedge against potential price hikes. Hence, raw material inventories posted their steepest increase since the survey began.

Humaira Qamar, Head of Equities & Research at HBL, commented on the latest release: *“Business confidence strengthened to its highest level since July, supported by expectations of improved economic and inflationary conditions. This optimism was shared by the State Bank in its latest MPC decision when it surprised markets with a 50bps rate cut, signaling greater confidence in inflation averaging within the 5-7% range and meeting its June 2026 FX reserve target.”*

The PMI is derived from monthly surveys of private sector firms, tracking changes in output, new orders, employment, and inventories. For investors and analysts, it serves as a leading indicator of economic momentum and turning points in the business cycle, often preceding shifts in official GDP data.