Royston Carr Asset Management Comments as Chinese Manufacturing Activity Slightly Up in November

Royston Carr Asset Management - Factory activity suffers due to weak demand amid lingering threat of higher US tariffs.

TAIPEI CITY, TAIWAN, December 6, 2018 /EINPresswire.com/ -- With the decline in new export orders continuing last month, China's factory activity increased only marginally in November according to the Caixin/Markit Manufacturing Purchasing Managers' Index (PMI).

Royston Carr Asset Management analysts say new orders have been losing steam over the last few quarters as China's economic growth cools in the face of US Sino trade tensions. A sub-index gauging new orders in the world's second largest economy did improve slightly last month, reaching 50.9 from 50.4 in October but this was following a price cut by Chinese manufacturers trying to offset weak demand.

Although exports have so far maintained their momentum, a lack of new orders amid the threat of increased US trade tariffs from early next year have weighed on China's slowing economy.

A sub-index measuring new export orders showed that new export orders had declined to 47.7, down from 48.8 in October. Royston Carr Asset Management analysts say this is due to weakening international demand.

On Sunday at the G20 summit which took place in Buenos Aires, Argentina, the US and China agreed to hold off on imposing any additional or increased tariffs on each other's imports for a period of 90 days while the two countries try to negotiate a long term solution to their trade-related differences.

However, analysts at Royston Carr Asset Management say this may not help China's economic woes, with declining orders from clients causing factory productivity to stall in November after many months of growth.

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