

ECONOMIC PULSE

PMI: BROAD-BASED STRENGTH IN MANUFACTURING WHEREAS SERVICES OFFER A MORE DIVERSE PICTURE

The World composite purchasing managers' index has been in a narrow range since August last year. At 52.3, it is still comfortably above the 50 mark, although it has been trending down since the peak of 53.3 reached in October. However, the dynamics at the country level are very heterogeneous. The US index saw a big jump in January, reaching the highest level for the period under review. The index remains at a very strong level in India but has eased in China. With the exception of Germany (50.8), the numbers for the European countries are below the 50 mark, sometimes significantly, such as in Ireland, Spain and the UK.

In the manufacturing sector, the message is quite different. At the world level, it eased very slightly in January, remaining close to the high over the past 12 months. Importantly, 15 countries have a PMI above 54 whereas only 3 have an index lower than 46. The US PMI continues to strengthen, reaching second place, right behind Switzerland. The eurozone and its members are doing fine, with exception of Spain, which dropped below 50. Germany and the Netherlands are particularly strong and Italy saw a significant improvement. The same applies to Turkey. China on the other hand recorded again a decline. The index is now at 51.5 coming from 54.9 in November.

The picture is less favourable for new export orders. The index was again down at the global level and it improved significantly in the US. However, in China, it dropped well below the 50 mark. Vietnam also saw a decline, although less strong than in China. The biggest drop was recorded in Russia. In Europe, the data for Germany, Spain and Italy are particularly robust. The index for the UK had a huge decline, from 55.6 to 48.4.

The employment component of the manufacturing PMI shows that companies remain cautious in their assessment of hiring needs. At the global level, the index has been remarkably stable for the past three months, slightly above the 50 mark. The reading improved in the US and inched higher in the eurozone. In France it dropped below 50 to 49.1, whereas it improved in Germany, to 47.8. Spain recorded a considerable drop, to 46.9. The services PMI had another small decline at the global level but at 51.6, it is still well above 50. This is underpinned by the strong scores for the US -where the index rebounded significantly-, Australia, China -which saw a large decline from 56.3 to 52.0- and India. The poor data for the eurozone reflect the impact of the restrictions to fight the pandemic.

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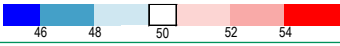
COMPOSITE PMI

	Developed Markets																			Emerging countries																	
	WD	NA		Europe										Asia-Oceania			LATAM		Eurasia			Middle East & Africa		Asia													
	World	CANADA	USA*	EUROZONE	AUSTRIA	DENMARK	FRANCE	GERMANY	GREECE	IRELAND	ITALY	NETHERLANDS	SPAIN	SWITZERLAND	UK	AUSTRALIA	NEW ZEALAND	JAPAN	SINGAPORE	BRAZIL	MEXICO	CZECH REPUBLIC	POLAND	RUSSIA	TURKEY	EGYPT	LEBANON	SAUDI ARABIA	SOUTH AFRICA	UAE	CHINA	HONG KONG	INDIA	INDONESIA	VIETNAM		
Feb-20	46.1	49.6	51.6				52.0	50.7	56.7	50.7		51.8		53.0			47.0																				
Mar-20	39.2	40.9	29.7				28.9	35.0	37.3	20.2		26.7		36.0			36.2		37.6													46.7		50.6			
Apr-20	26.2	27.0	13.6				11.1	17.4	17.3	10.9		9.2		13.8			25.8		26.5														47.6		7.2		
May-20	36.3	37.0	31.9				32.1	32.3	25.7	33.9		29.2		30.0			27.8		28.1													54.8		14.8			
Jun-20	47.9	47.9	48.5				51.7	47.0	44.3	47.6		49.7		47.7			40.8		40.5													55.7		37.8			
Jul-20	51.1	50.3	54.9				57.3	55.3	55.9	52.5		52.8		57.0			44.9		47.3													54.5		37.2			
Aug-20	52.5	54.6	51.9				51.6	54.4	54.0	49.5		48.4		59.1			45.2		53.9													55.1		46.0			
Sep-20	52.5	54.3	50.4				48.5	54.7	46.9	50.4		44.3		56.5			46.6		53.6													53.7		54.6			
Oct-20	53.3	56.3	50.0				47.5	55.0	49.0	49.2		44.1		52.1			48.0		55.3													55.7		59.0			
Nov-20	53.1	58.6	45.3				40.6	51.7	47.7	42.7		41.7		49.0			48.1		53.8													57.5		56.3			
Dec-20	52.7	55.3	49.1				49.5	52.0	53.4	43.0		48.7		50.4			48.5		53.5													55.8		54.9			
Jan-21	52.3	58.7	47.8				47.7	50.8	40.3	47.2		43.2		41.2			47.1		48.9													52.2		55.8			

* Manufacturing and services

MANUFACTURING PMI

	Developed Markets																			Emerging countries																
	WD	NA		Europe										Asia-Oceania			LATAM		Eurasia			Middle East & Africa		Asia												
	World	CANADA	USA	EUROZONE	AUSTRIA	DENMARK	FRANCE	GERMANY	GREECE	IRELAND	ITALY	NETHERLANDS	SPAIN	SWITZERLAND	UK	AUSTRALIA	NEW ZEALAND	JAPAN	SINGAPORE	BRAZIL	MEXICO	CZECH REPUBLIC	POLAND	RUSSIA	TURKEY	EGYPT	LEBANON	SAUDI ARABIA	SOUTH AFRICA	UAE	CHINA	HONG KONG	INDIA	INDONESIA	VIETNAM	
Feb-20	47.1	51.8	50.7	49.2	50.2	46.8	49.8	48.0	36.2	51.2	48.7	52.9	50.4	49.2	51.7	44.3	54.3	47.8	48.7	52.3	50.0	46.5	48.2	48.2	52.4	47.1	45.4	52.5	39.7	49.1	40.3	33.1	34.5	51.9	49.0	
Mar-20	47.3	46.1	48.5	44.5	45.8	44.9	43.2	45.4	42.5	45.1	40.3	50.5	45.7	43.5	47.8	53.7	38.5	44.8	45.4	48.4	47.9	41.3	42.4	47.5	48.1	44.2	35.0	42.4	41.8	45.2	50.1	34.9	51.8	45.3	41.9	
Apr-20	39.6	33.0	36.1	33.4	31.6	37.6	31.5	34.5	29.5	36.0	31.1	41.3	30.8	41.2	32.6	35.8	26.3	41.9	44.7	36.0	35.0	35.1	31.9	31.3	33.4	29.7	30.9	44.4	30.3	44.1	49.4	36.9	27.4	27.5	32.7	
May-20	42.4	40.6	39.8	39.4	40.4	54.5	40.6	36.6	41.1	39.2	45.4	40.5	38.3	42.5	40.7	41.6	40.5	38.4	46.8	38.3	38.3	39.6	40.6	36.2	40.9	40.7	37.2	48.1	43.7	46.7	50.7	43.9	30.8	28.6	42.7	
Jun-20	47.9	47.8	49.8	47.4	46.5	52.3	52.3	45.2	49.4	51.0	47.5	45.2	49.0	41.4	50.1	51.5	56.6	40.1	48.0	51.6	38.6	44.9	47.2	49.4	53.9	44.6	43.2	47.7	53.3	50.4	51.2	49.6	47.2	39.1	51.1	
Jul-20	50.6	52.9	50.9	51.8	52.8	56.4	52.4	51.0	48.6	57.3	51.9	47.9	53.5	49.6	53.3	53.5	59.2	45.2	50.2	58.2	40.4	47.0	52.8	48.4	56.8	49.6	44.9	50.0	49.4	50.8	52.8	44.5	46.0	46.9	47.6	
Aug-20	51.8	55.1	53.1	51.7	51.0	51.6	49.8	52.2	49.4	52.3	53.1	52.3	49.9	51.0	55.2	49.3	50.9	47.2	50.1	64.7	41.3	49.1	50.6	51.1	54.3	49.4	40.1	48.8	55.8	49.4	53.1	44.0	52.0	50.8	45.7	
Sep-20	52.4	56.0	53.2	53.7	51.7	53.8	51.2	56.4	50.0	50.0	53.2	52.5	50.8	52.8	54.1	46.7	53.6	47.7	50.3	64.9	42.1	50.7	50.8	48.9	52.8	50.4	42.1	50.7	58.5	51.0	53.0	47.7	56.8	47.2	52.2	
Oct-20	53.0	55.5	53.4	54.8	54.0	63.2	51.3	58.2	48.7	50.3	53.8	50.4	52.5	52.9	53.7	56.3	52.1	48.7	50.5	66.7	43.6	51.9	50.8	46.9	53.9	51.4	43.3	51.0	60.9	49.5	53.6	49.8	58.9	47.8	51.8	
Nov-20	53.8	55.8	56.7	53.8	51.7	46.6	49.6	57.8	42.3	52.2	51.5	54.4	49.8	54.5	55.6	52.1	54.7	49.0	50.4	64.0	43.7	53.9	50.8	46.3	51.4	50.9	42.4	54.7	52.6	49.5	54.9	50.1	56.3	50.6	49.9	
Dec-20	53.8	54.4	59.2	54.8	54.2	42.1	51.6	57.1	50.0	51.8	55.1	58.8	49.3	59.4	54.1	55.3			49.8	50.7	56.5	43.0	57.0	51.9	50.9	54.4	48.7	41.0	57.1	50.9	51.2	51.5	47.8	57.7	52.2	51.3
Jan-21	53.5	54.4	59.2	54.8	54.2	42.1	51.6	57.1	50.0	51.8	55.1	58.8	49.3	59.4	54.1	55.3			49.8	50.7	56.5	43.0	57.0	51.9	50.9	54.4	48.7	41.0	57.1	50.9	51.2	51.5	47.8	57.7	52.2	51.3



SOURCE: MARKIT, BNP PARIBAS



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SERVICES PMI

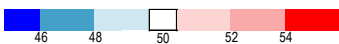
Table with 21 rows (Feb-20 to Jan-21) and 17 columns (World, USA, EURO ZONE, FRANCE, GERMANY, IRELAND, ITALY, SPAIN, UK, AUSTRALIA, JAPAN, BRAZIL, RUSSIA, LEBANON, CHINA, HONG KONG, INDIA). Values range from 23.7 to 59.9.

MANUFACTURING PMI – NEW EXPORT ORDERS

Table with 21 rows (Feb-20 to Jan-21) and 29 columns (World, CANADA, USA, EURO ZONE, AUSTRIA, DENMARK, FRANCE, GERMANY, GREECE, IRELAND, ITALY, NETHERLANDS, SPAIN, SWITZERLAND, UK, AUSTRALIA, NEW ZEALAND, JAPAN, SINGAPORE, BRAZIL, MEXICO, CZECH REPUBLIC, POLAND, RUSSIA, TURKEY, EGYPT, LEBANON, SAUDI ARABIA, SOUTH AFRICA, UAE, CHINA, HONG KONG, INDIA, INDONESIA, VIETNAM). Values range from 17.5 to 61.4.

MANUFACTURING PMI – EMPLOYMENT

Table with 21 rows (Feb-20 to Jan-21) and 29 columns (World, CANADA, USA, EURO ZONE, AUSTRIA, DENMARK, FRANCE, GERMANY, GREECE, IRELAND, ITALY, NETHERLANDS, SPAIN, SWITZERLAND, UK, AUSTRALIA, NEW ZEALAND, JAPAN, BRAZIL, MEXICO, CZECH REPUBLIC, POLAND, RUSSIA, TURKEY, EGYPT, SAUDI ARABIA, SOUTH AFRICA, UAE, CHINA, INDIA, INDONESIA, VIETNAM). Values range from 26.9 to 56.8.



SOURCE: MARKIT, BNP PARIBAS



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