

ECONOMIC PULSE

BUSINESS SENTIMENT CONTINUES TO IMPROVE

With an increasing number of countries scaling back if not removing the lockdown measures, the purchasing managers' indices have improved further in June. The world manufacturing PMI is now even above the level reached in February. Big increases have been noted in the US, France, Germany, Ireland, Spain, Turkey, Indonesia and Vietnam. Brazil and India have also seen a considerable improvement, which seems at odds with the health situation in these countries.

The assessment of export orders has also improved, though less than the manufacturing index. In Ireland and Turkey, the rebound is particularly strong and the index is again above the 50 mark.

In terms of the services sector, the string pick-up continues in the euro-zone, but contrary to manufacturing, we are still below the February level. The rebound in France from the April low has been spectacular. The same

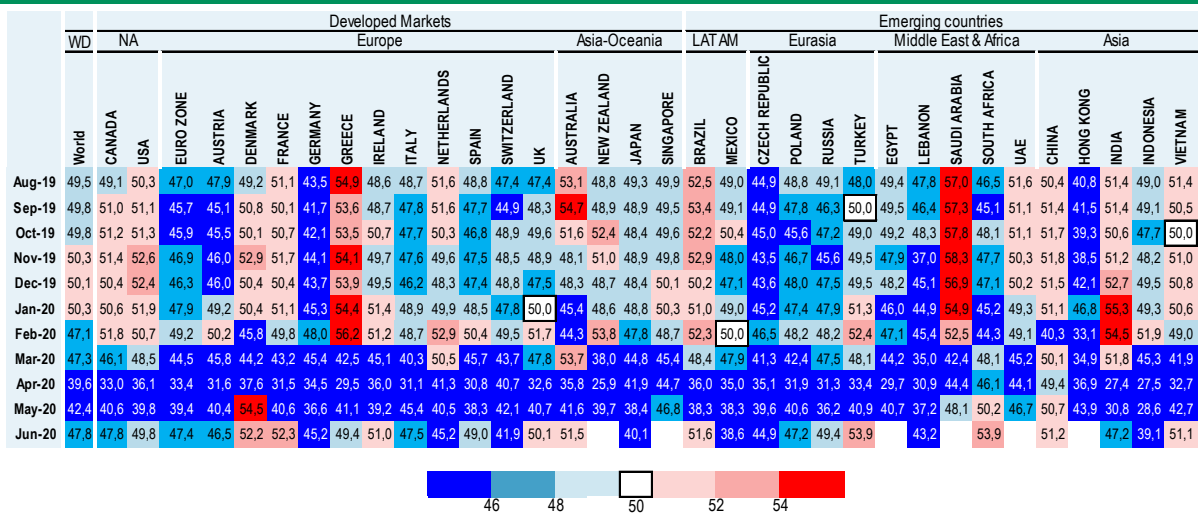
applies for Spain. In China services sector sentiment is now particularly strong, reaching the highest level for the period covered by the heatmap.

The manufacturing employment PMI is important to monitor given its correlation with the observed change in employment and the relationship with household spending. Although this series did improve in June, the pace is slower than for the overall manufacturing PMI. In several countries, it is stagnating (Italy is an example) or even declining, such as in Japan.

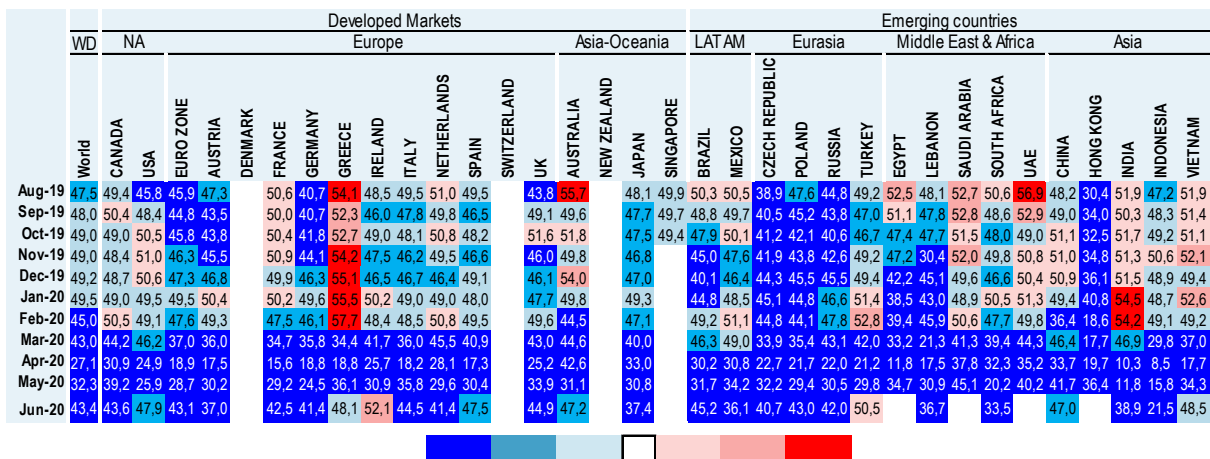
This conclusion does not change when looking at the composite employment index, which covers both manufacturing and services. To conclude, when looking at the broad-based ongoing improvement of the PMIs, it is important to keep in mind that the activity levels remain well below those registered before the pandemic.

William De Vijlder

MANUFACTURING PMI (WORLD)



MANUFACTURING PMI - NEW EXPORT ORDERS (WORLD)

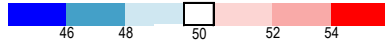


SOURCE: MARKIT, BNP PARIBAS



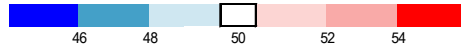
MANUFACTURING PMI - EMPLOYMENT (WORLD)

	Developed Markets														Emerging countries																	
	WD	NA		Europe								Asia-Oceania				LATAM	Eurasia		Middle East & Africa		Asia											
		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
Aug-19	49.6	50.6	50.1	47.9	47.9	36.1	51.0	45.0	54.7	50.5	49.7	52.5	48.5	48.4	47.8	50.3	50.2	51.2	50.4	49.7	46.3	49.2	49.6	49.9	50.8	50.1	39.6	49.9	49.9	50.9	49.1	50.9
Sep-19	49.6	52.1	50.9	47.1	45.1	30.1	50.6	43.5	53.1	50.0	49.5	54.2	48.7	49.8	47.1	49.6	49.9	50.9	52.9	49.3	45.5	49.6	47.9	50.2	51.0	51.5	40.5	50.2	49.9	51.0	48.9	49.2
Oct-19	49.2	51.2	51.3	46.7	45.0	34.9	52.3	42.4	55.0	51.2	48.3	51.5	48.7	51.5	47.1	50.4	49.9	51.6	50.1	50.9	45.2	49.1	48.0	50.9	50.7	51.1	42.3	50.6	48.2	50.5	48.7	48.9
Nov-19	50.2	51.4	52.7	48.0	46.4	60.5	52.8	45.0	56.0	49.2	49.4	50.6	48.9	51.5	46.8	50.2	48.9	51.9	50.5	47.9	43.5	49.1	47.7	48.5	48.3	51.1	41.8	49.8	50.1	49.8	49.1	50.5
Dec-19	49.6	51.0	51.4	46.4	47.0	57.2	50.1	43.4	56.7	49.7	47.4	49.6	47.5	48.6	47.8	49.3	49.5	51.0	49.3	49.1	43.4	48.9	47.8	48.6	47.6	50.5	43.0	50.3	50.0	52.0	49.0	50.7
Jan-20	49.8	49.8	51.1	47.0	49.3	60.5	49.7	43.4	57.8	51.2	49.6	51.0	46.6	52.1	50.1	49.5	46.7	51.8	51.2	50.3	42.6	46.5	48.9	51.5	46.9	50.2	37.8	48.8	49.5	53.9	49.3	50.2
Feb-20	47.2	51.1	50.6	47.7	51.1	58.5	48.6	45.0	57.7	48.4	49.2	53.9	49.2	51.0	49.7	49.5	51.1	50.9	51.7	49.4	44.1	47.3	47.9	53.2	46.8	50.0	37.5	49.4	41.2	50.4	50.6	48.4
Mar-20	47.3	44.6	47.0	44.3	42.7	39.7	45.4	43.0	46.2	42.6	45.3	49.0	45.2	42.5	44.2	47.6	44.8	49.6	46.5	49.2	41.5	43.2	49.9	51.9	47.0	49.6	39.0	44.8	48.6	50.4	47.0	44.3
Apr-20	41.5	25.1	36.4	35.8	33.3	38.2	32.5	37.2	30.0	30.5	39.3	39.9	30.9	40.5	28.1	38.8	41.1	46.1	39.0	34.2	35.4	38.6	33.4	44.5	46.1	47.2	26.6	46.4	47.7	43.1	34.3	38.2
May-20	43.1	32.7	38.0	37.6	41.0	32.5	35.7	36.5	38.4	40.1	40.6	40.7	36.2	42.4	31.4	41.6	39.4	49.5	39.1	36.7	37.7	43.6	34.6	47.3	45.5	48.7	28.8	48.7	49.2	42.7	31.5	44.2
Jun-20	45.8	44.8	47.9	41.3	44.1	42.1	44.6	38.8	47.9	46.1	40.3	41.2	44.6	39.0	41.4	45.9	47.7	43.7	36.8	41.1	46.5	46.9	52.8	37.7	32.7	48.6	44.3	39.1	47.8			



SERVICES PMI (WORLD)

	World	USA	EURO ZONE								AUSTRALIA	JAPAN	BRAZIL	RUSSIA	LEBANON	CHINA	HONG KONG	INDIA
			FRANCE	GERMANY	IRELAND	ITALY	SPAIN	UK										
Aug-19	51.8	50.7	53.5	53.4	54.8	54.6	50.6	54.3	50.6	52.3	53.3	51.4	52.1	47.8	52.1	40.8	52.4	
Sep-19	51.4	50.9	51.6	51.1	51.4	53.1	51.4	53.3	49.5	51.8	52.8	51.8	53.6	46.4	51.3	41.5	48.7	
Oct-19	51.0	50.6	52.2	52.9	51.6	50.6	52.2	52.7	50.0	55.2	49.7	51.2	55.8	48.3	51.1	39.3	49.2	
Nov-19	51.6	51.6	51.9	52.2	51.7	53.7	50.4	53.2	49.3	53.7	50.3	50.9	55.6	37.0	53.5	38.5	52.7	
Dec-19	52.0	52.8	52.8	52.4	52.9	55.9	51.1	54.9	50.0	48.7	49.4	51.0	53.1	45.1	52.5	42.1	53.3	
Jan-20	52.7	53.4	52.5	51.0	54.2	56.9	51.4	52.3	53.9	47.4	51.0	52.7	54.1	44.9	51.8	46.8	55.5	
Feb-20	47.1	49.4	52.6	52.5	52.5	59.9	52.1	52.1	53.2	47.0	46.8	50.4	52.0	45.4	26.5	33.1	57.9	
Mar-20	36.8	39.8	26.4	27.4	31.7	32.5	17.4	23.0	34.5	38.7	33.8	34.5	37.1	35.0	43.0	34.9	49.3	
Apr-20	23.7	26.7	12.0	10.2	16.2	13.9	10.8	7.1	13.4	27.1	21.5	27.4	12.2	30.9	44.4	36.9	5.4	
May-20	35.2	37.5	30.5	31.1	32.6	23.4	28.9	27.9	29.0	31.7	26.5	27.6	35.9	37.2	55.0	43.9	12.6	
Jun-20	46.7	48.3	50.7	47.3	39.7	46.4	50.2	47.0	45.0	47.8	43.2	58.4	33.7					



PMI INDICATORS (EUROZONE)

	Manufacturing								Services						New export orders							
	EURO ZONE		AUSTRIA	FRANCE	GERMANY	IRELAND	ITALY	NETHERLANDS	SPAIN	EURO ZONE		FRANCE	GERMANY	IRELAND	ITALY	SPAIN	EURO ZONE		FRANCE	GERMANY	IRELAND	ITALY
Aug-19	47.0	47.9	51.1	43.5	48.6	48.7	51.6	48.8	53.5	53.4	54.8	54.6	50.6	54.3	45.9	50.6	40.7	48.5	49.5	49.5		
Sep-19	45.7	45.1	50.1	41.7	48.7	47.8	51.6	47.7	51.6	51.1	51.4	53.1	51.4	53.3	44.8	50.0	40.7	46.0	47.8	46.5		
Oct-19	45.9	45.5	50.7	42.1	50.7	47.7	50.3	46.8	52.2	52.9	51.6	50.6	52.2	52.7	45.8	50.4	41.8	49.0	48.1	48.2		
Nov-19	46.9	46.0	51.7	44.1	49.7	47.6	49.6	47.5	51.9	52.2	51.7	53.7	50.4	53.2	46.3	50.9	44.1	47.5	46.2	46.6		
Dec-19	46.3	46.0	50.4	43.7	49.5	46.2	48.3	47.4	52.8	52.4	52.9	55.9	51.1	54.9	47.3	49.9	46.3	46.5	46.7	49.1		
Jan-20	47.9	49.2	51.1	45.3	51.4	48.9	49.9	48.5	52.5	51.0	54.2	56.9	51.4	52.3	49.5	50.2	49.6	50.2	49.0	48.0		
Feb-20	49.2	50.2	49.8	48.0	51.2	48.7	52.9	50.4	52.6	52.5	52.5	59.9	52.1	52.1	47.6	47.5	46.1	48.4	48.5	49.5		
Mar-20	44.5	45.8	43.2	45.4	45.1	40.3	50.5	45.7	26.4	27.4	31.7	32.5	17.4	23.0	37.0	34.7	35.8	41.7	36.0	40.9		
Apr-20	33.4	31.6	31.5	34.5	36.0	31.1	41.3	30.8	12.0	10.2	16.2	13.9	10.8	7.1	18.9	15.6	18.8	25.7	18.2	17.3		
May-20	39.4	40.4	40.6	36.6	39.2	45.4	40.5	38.3	30.5	31.1	32.6	23.4	28.9	27.9	28.7	29.2	24.5	30.9	35.8	30.4		
Jun-20	47.4	46.5	52.3	45.2	51.0	47.5	45.2	49.0	48.3	50.7	47.3	39.7	46.4	50.2	43.1	42.5	41.4	52.1	44.5	47.5		



SOURCE: MARKIT, BNP PARIBAS

