

GERMANY: Relapse in industry in October. Industrial output in the broad sense (including construction) fell by 1% m/m in October, hitting its lowest level outside the COVID period since April 2010, with particularly significant weakness in chemicals (lowest since May 2009).

FRANCE: Aviation to support growth in Q4? French growth is expected to be supported in Q4 by an increase in Airbus deliveries (84 aircraft in November 2024, i.e. +20 compared with November 2023), after 10 months of stability. This should enable growth to remain positive in Q4 (+0.1% q/q).

SPAIN: A still positive glimmer in a gloomy European picture. The consequences of the floods in the Valencia region slightly limited growth in private sector activity in November (composite PMI at 53.2, i.e. -2 points, the lowest level since January). Industrial output remains buoyant (up 1.9% over 1 year), driven by the pharmaceuticals (+11.7%) and electronics (+29.8%) sectors. Retail sales also maintained a very good momentum in October (+3.5% y/y). Tourist spending rose by 16.8% y/y (YTD in October), buoyed by the continuing spectacular influx of tourists (82.9 million since January).

ITALY: Private sector activity deteriorates in November. The composite PMI fell to its lowest level in 13 months (47.7; -3.3 points), with the deterioration affecting the manufacturing sector (PMI at 44.5, or -1.4 pts), due to the fall in new orders and hiring (worst level since July 2020), as well as services (49.2, or -3.2 pts).

EUROZONE: GDP up 0.4% in Q3 and a resilient labour market. The third estimate of Q3 GDP confirms a 0.4% q/q rise in real terms. It was driven by domestic demand, in particular household consumption, up 0.7% q/q (a contribution of 0.4 points of GDP), and investment (+2.0% q/q, a contribution of +0.4 points of GDP) after two quarters of decline. Net exports were the main drag (-0.85 points of GDP). The composite PMI for the euro zone fell by 1.7 points to 48.3, taking it back in contraction territory. The manufacturing employment PMI fell again, to 45.2, its worst level in four years. However, the aggregate unemployment rate for the euro zone remained stable at 6.3% in October. Nevertheless, it rose from 14.9% to 15% for those aged 25 and under, the highest level in a year. On the employment front, Eurostat reports an increase of 0.2% q/q in Q3, once again underpinned by the very good performance of Spain and Italy (up 0.6% q/q in both countries).

UNITED KINGDOM: Housing rebounds, but activity and consumption decline. In November, the Nationwide and Halifax indices posted their biggest rises since spring 2022 (+1.2-1.3%). The PMI data fell across the board, but the composite remained in expansion territory at 50.5, thanks to the services index (50.8). The services index also fell, while the manufacturing sector index sank into contraction territory (48.0). In addition, new vehicle registrations fell by 1.9% y/y in November, and retail sales were down 3.4% y/y.

UNITED STATES: Mixed signals from activity and the labour market in November. The ISM Manufacturing index recovered beyond expectations to 48.4 (+1.9 pp), and new orders moved into positive territory for the first time since January. On the other hand, the ISM Non-Manufacturing index slowed more than expected to 52.1 (-3.9 pp). Non-farm payroll job creation rebounded strongly (+227k, after +36k in October (impacted by the strike at Boeing and the hurricanes)). Unemployment rose (4.2%, +0.1 pp), the first increase since July, despite a fall in the labour force and the participation rate. Wage growth was stable at +0.4% m/m and +4.0% y/y.

EMERGING COUNTRIES: In China, the November PMI indices confirmed the slight upturn in activity. The manufacturing PMIs rose and were above 50 for the second month in a row (51.5 for the Caixin index and 50.3 for the official index), thanks in particular to the improvement in new orders and new export orders. On the services side, the Caixin PMI fell slightly to 51.5 and the official PMI remained stable at 50.1. In **India**, the central bank revised growth for 2024/25 downwards from 7.2% to 6.6%, but kept rates unchanged. In **Türkiye**, real GDP contracted again slightly in Q3 2024 (-0.2% q/q), and year-on-year growth was only +1.9%. In **Central Europe**, industrial growth remains weak in Poland and the Czech Republic, while activity is picking up in Hungary. In **South Africa**, real GDP contracted by -0.3% q/q in Q3 2024, below market expectations and the expectations of the SARB, which will have to revise down its already weak growth forecast for 2024 (1.1%).

WORLD TRADE: Agreement reached on a free trade treaty between the EU and Mercosur (Argentina, Brazil, Paraguay and Uruguay). It provides for the lifting of tariff barriers on 90% of goods and the liberalisation of trade in services, thus creating a free trade zone of 700 million consumers. The EU sees this agreement as essential if it is to compete with China's growing economic clout in South America. It still needs to be ratified by the Council of the EU and then the European Parliament, and will have to overcome strong opposition, particularly from France.

OECD: "Resilience in uncertain times". This is the title of the economic outlook published on 4 December. In 2025, the OECD forecasts global growth of 3.3% and 1.9% for developed countries (nearly unchanged from September). The growth forecasts for the United States and the United Kingdom have been revised upwards (to 2.4%, +0.8 pp and 1.7%, +0.5 pp respectively), while the forecast for the Eurozone is unchanged at 1.3%. This masks upward revisions for Spain (>2%), and downward revisions for Germany, France and Italy (<1%). In 2026, the OECD expects growth rates to slow in the US and the UK, and to recover further in the Eurozone.

