

ECONOMIC PULSE

PMI: GLOBAL ECONOMIC ACTIVITY DOWN AT THE END OF THE THIRD QUARTER

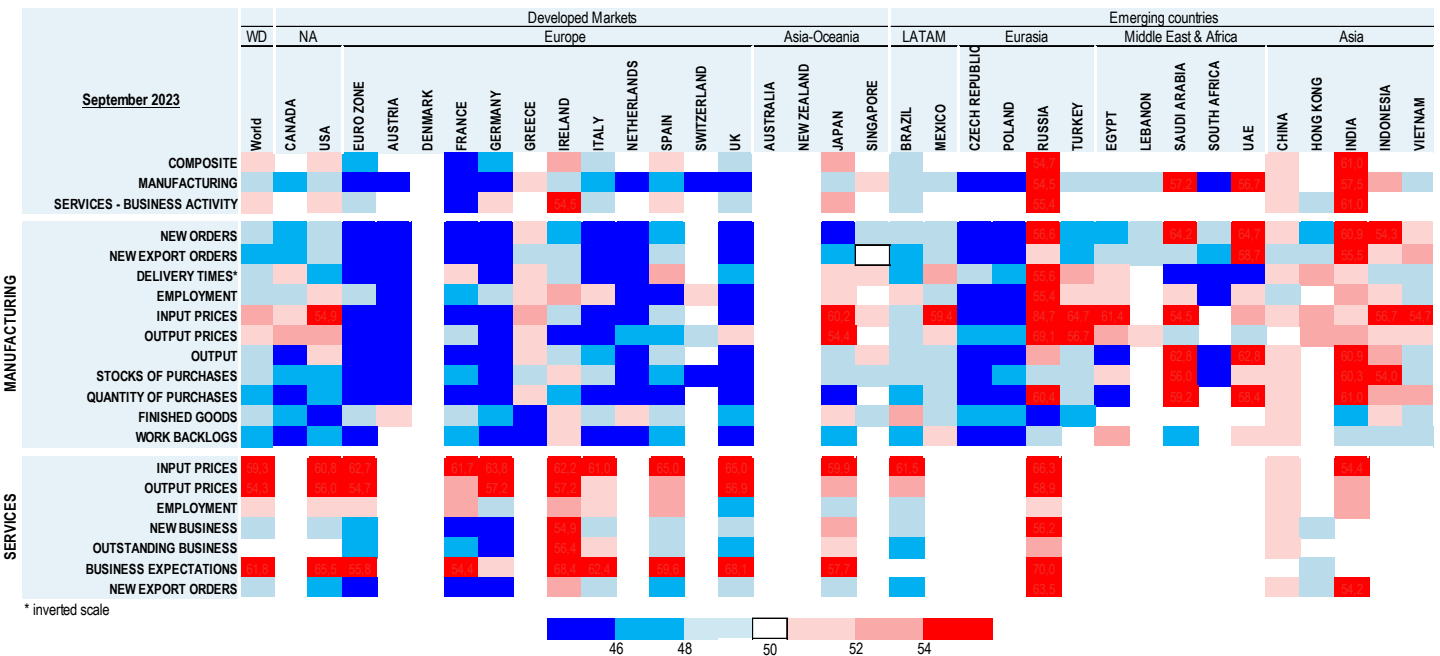
The third quarter 2023 ended with an eighth consecutive decline in the S&P Global composite PMI. This is an increasingly tangible evidence of a slow-down in the world economy and this negative signal is reinforced by the level of the index now close to the 50-point threshold separating the expansion zone from the contraction zone (50.5 compared to 50.6 in August). While the manufacturing PMI picked up slightly to 49.1 (compared to 49.0 in August), but still indicating a contraction, the services PMI continued to deteriorate for the eighth consecutive month.

In the services sector, out of the 16 countries for which September data are available, 10 reported a decline in the index compared to the previous month. The decline is marked in Russia, Brazil, France and, to a lesser extent, the United States, the United Kingdom, and Ireland. In China, the index has reached its lowest level since December 2022 when the country lifted its health restrictions. One of the striking feature of the September survey is the big rise in the German index, by three points, thus returning to the expansion zone (50.3 compared to 47.3 in August). The Spanish index also returned to the expansion zone (50.5 compared to 49.3 in August). Overall, the services sector is driven down by the decline in the new business sub-component, new export orders, business expectations and selling prices.

The picture is very different for the manufacturing PMI index. Thirteen of the 31 countries surveyed reported an increase supported by the rise in the new orders and output sub-components, notably in the United States, Italy, Spain, the United Kingdom, and Russia. In Germany, the manufacturing index has improved thanks to new orders too, but it is still far from the 50 mark. Conversely, the index fell in the Netherlands, Greece, France (the lowest level since May 2020) and, to a lesser extent, in the euro area. In China, the index fell slightly after its August rebound but remains in the expansion zone. News about prices is bad, with input and selling price sub-components picking up in the wake of the oil prices' rise. On the employment side, the news is no better: the index has returned to contraction territory, for the first time since last December, as a result of a sharp decline in Spain, China, the Czech Republic, Austria and the Netherlands.

Tarik Rharrab

S&P GLOBAL PMI (SEPTEMBER 2023)

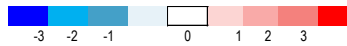


SOURCE: S&P GLOBAL, BNP PARIBAS

ECONOMIC PULSE

S&P GLOBAL PMI (SEPTEMBER VERSUS AUGUST 2023)

	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	SINGAPORE	BRAZIL	MEXICO	CZECH REPUBLIC	POLAND	RUSSIA	TURKEY	EGYPT	LEBANON	SAUDI ARABIA	SOUTH AFRICA	UAE	CHINA	HONG KONG	INDIA	INDONESIA	VIETNAM			
COMPOSITE	-0.1	0.0	0.5				-1.9	1.8		-0.5	1.0	1.5		-0.1																								
MANUFACTURING	0.1	-0.5	1.9	-0.1	-1.0		-1.8	0.6	-2.6	-1.2	1.4	-2.3	1.2	5.0	1.3																							
SERVICES - BUSINESS ACTIVITY	-0.3		-0.4	0.8			-1.6	3.0		-0.5	0.1		1.2		-0.2																							
MANUFACTURING	NEW ORDERS	0.3	-0.8	2.7	0.2	-0.7	-2.9	1.6	-3.9	-3.6	0.7	-1.7	5.0		3.3																							
	NEW EXPORT ORDERS	0.7	-3.6	1.9	0.1	1.8	-1.8	0.0	-2.3	-4.0	1.5	0.5	5.4		6.5																							
	DELIVERY TIMES	-0.2	-1.4	-0.1	-1.1	-1.3	0.3	-2.7	1.9	-0.9	-0.2	3.5	-1.4		0.4																							
	EMPLOYMENT	-1.1	0.6	0.6	-0.7	-3.7	0.4	-0.6	-1.7	-0.7	1.7	-2.8	-4.5	2.3	-1.1																							
	INPUT PRICES	1.3	-3.5	2.8	2.1	-0.1	0.7	3.6	-0.3	-0.9	4.4	-1.0	0.6		0.7																							
	OUTPUT PRICES	1.0	-1.6	0.9	-0.4	0.8	1.1	-0.4	1.8	-3.2	1.3	-5.5	-0.5	9.4	2.0																							
	OUTPUT	0.3	-2.1	2.3	-0.3	-1.1	-3.2	-0.7	-2.2	-0.6	3.7	-4.0	2.4		0.5																							
	STOCKS OF PURCHASES	0.8	-0.7	4.4	-0.5	0.6	-1.1	-0.9	1.9	0.6	-0.9	3.5	-1.9	-4.5	4.1																							
	QUANTITY OF PURCHASES	-0.2	-1.0	1.9	0.1	-4.4	0.3	0.3	-2.1	-1.6	2.0	-3.2	2.9		0.4																							
	FINISHED GOODS	-0.7	-3.5	-1.9	-1.3	1.3	-2.8	-1.9	-1.5	-0.7	-1.8	1.5	1.1		-0.1																							
WORK BACKLOGS	0.1	-2.2	1.3	-1.1		-3.0	-1.4	-3.0	0.9	0.2	0.4	-0.1		-0.3																								
SERVICES	INPUT PRICES	0.6		1.8	1.7		1.3	0.7		-1.1	3.1		4.4		-4.3																							
	OUTPUT PRICES	-0.2		0.3	-0.9		0.4	-3.0		-0.4	-0.3		0.5		-0.2																							
	EMPLOYMENT	0.2		1.5	1.0		1.4	-0.4		-0.7	3.7		0.5		-3.4																							
	NEW BUSINESS	-1.2		-1.6	-0.4		-1.4	-1.1		-0.3	1.9		0.2		0.4																							
	OUTSTANDING BUSINESS				-0.4		-1.6	-0.1		1.4	-0.6	1.0		1.6																								
BUSINESS EXPECTATIONS	-1.6		0.0	-2.2		-4.6	-1.2		-0.8	1.5		-5.6		0.3																								
NEW EXPORT ORDERS	-1.7		-4.4	-1.2		-1.8	-2.1		-2.6	1.2		-0.7		-2.5																								



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