

ECONOMIC PULSE

AN ENCOURAGING SIGNAL FOR GLOBAL ACTIVITY IN Q1 2024

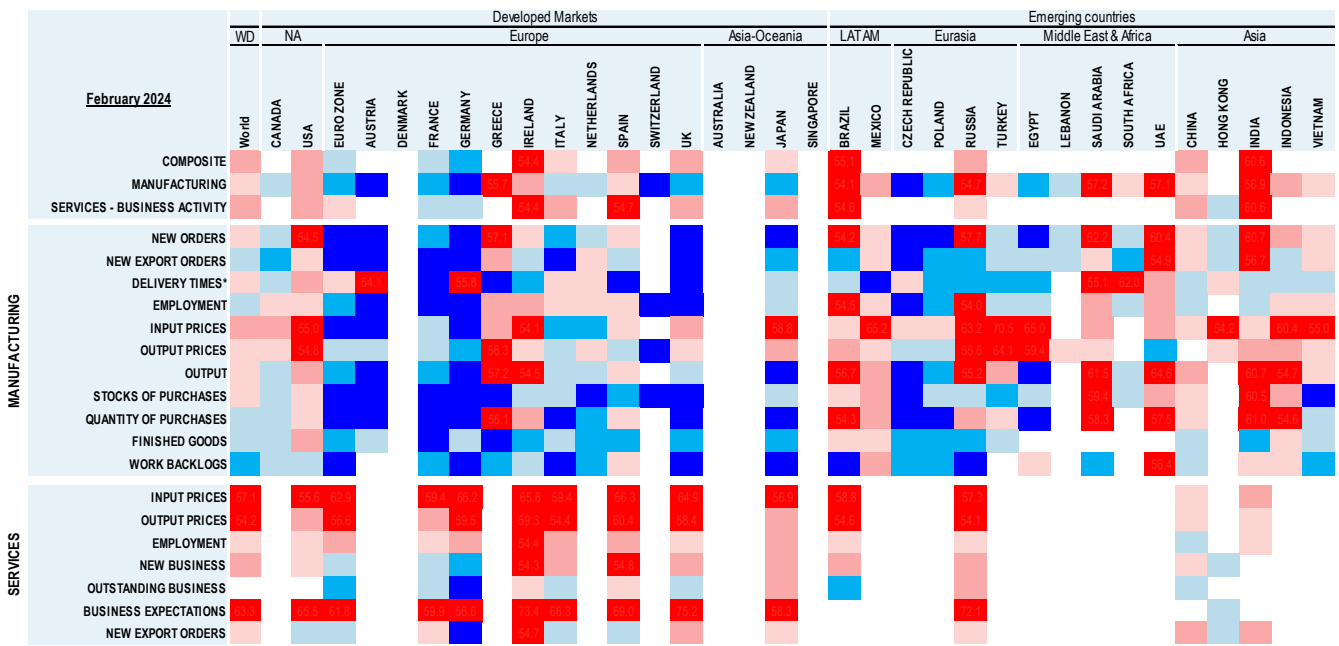
In February, the S&P Global Composite PMI improved for the fourth consecutive month (+0.3 points), to 52.1, its highest level since June 2023. This is a fairly clearly encouraging signal for Q1 global growth, especially as this improvement is being driven both by the manufacturing and services sectors. In February, the global PMI index in these two sectors reached its highest level since August 2022 and July 2023, at 50.3 and 52.4 respectively.

22 out of the 30 countries for which February data are available showed an improvement in the manufacturing sector, driven by the “new orders” and “output” components, especially in France, Ireland, Spain, Canada, South Africa and the United States. Conversely, Germany’s manufacturing PMI index was down sharply compared to the previous month, because of a further sharp decrease in these two sub-components. In China, the manufacturing index recovered very slightly again, posting its fourth consecutive month in the expansion zone. The news on prices and supply was a little better. The global PMI for delivery times in the manufacturing sector fell slightly compared to January, its first drop since May 2023. The input price index and the output price index in the manufacturing sector stopped rising and fell marginally. On the employment side, the news is also improving: the index is closer to the 50s threshold, supported by a rise in Canada, the United States, France, Spain and Italy. However, the sharp drop in this component in Germany offset the improvement in the other Eurozone countries.

In the services sector, half of the countries in our sample showed an improvement in the index in comparison to the previous month. The rise was marked in France, Ireland, Spain and, to a lesser extent, in Italy, Germany and the Eurozone, where the index is notably back in the expansion zone. The index, on the other hand, fell slightly in the United States, Japan, the United Kingdom, and China, and sharply in Russia. Overall, only two components were up, those relating to “output prices” and, to a lesser extent, “new business”.

Tarik Rharrab

S&P GLOBAL PMI - FEBRUARY 2024



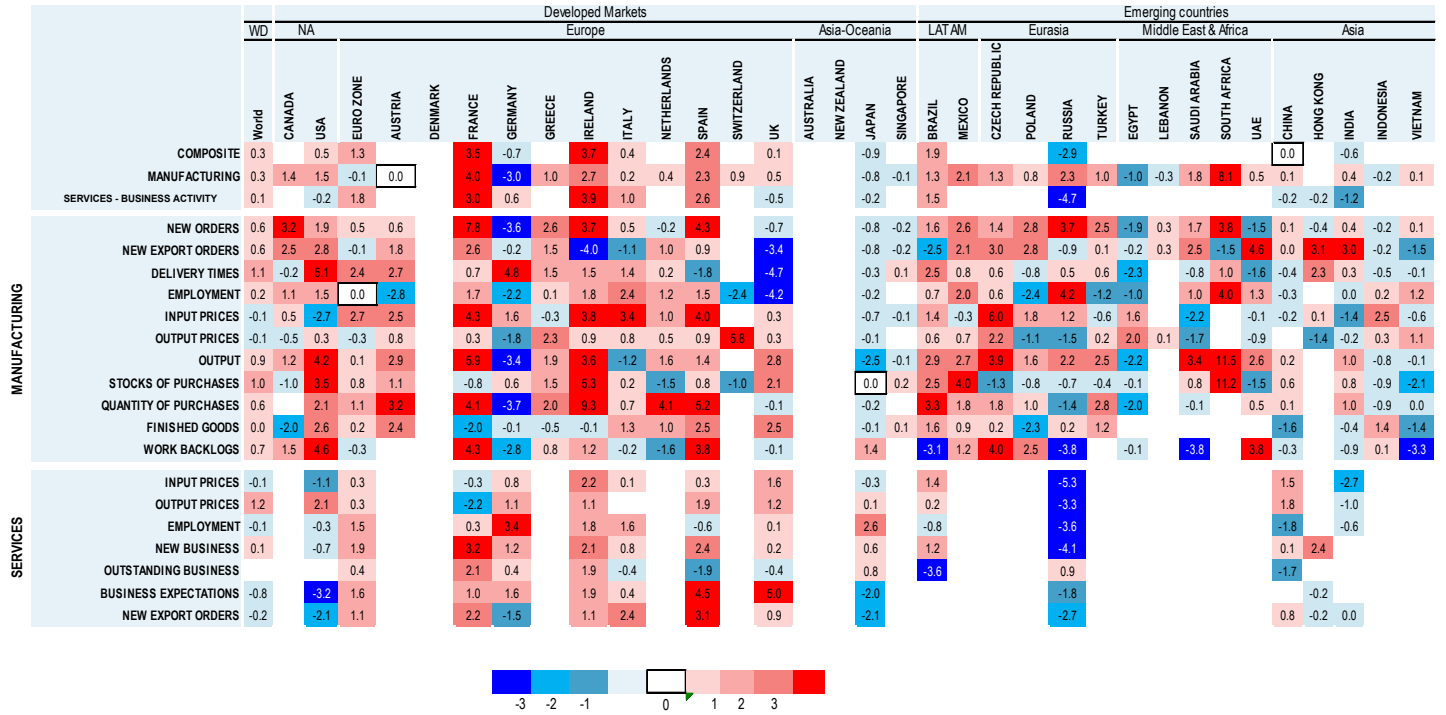
* <50: slower deliveries
>50: faster deliveries



SOURCE: S&P GLOBAL, BNP PARIBAS

ECONOMIC PULSE

S&P GLOBAL PMI (FEBRUARY 2024 VERSUS JANUARY 2024)



SOURCE: S&P GLOBAL, BNP PARIBAS