

ECONOMIC PULSE

MANUFACTURING HOLDING UP WELL, SERVICES UNDER PRESSURE

The composite PMI saw a big improvement in India, for the second month in a row, and to a lesser degree in the US and China. In these 3 countries, the index is at its highest level of the past 11 months. The euro area countries saw a mixed performance. Significantly better in Ireland, slightly better in Germany but weaker in France, Italy and for the euro area as a whole. There was a big drop in the UK.

The world manufacturing PMI improved further in October, reaching the highest level of the past 11 months. Most euro area countries saw an improvement. The index in Brazil continues to rise, reaching a very high level. Data for India continue to improve.

The services PMIs in eurozone countries reflect the impact of mounting new infections with weaker data across the board, except for Ireland. The US PMI saw a considerable increase. Data were even better in China but the biggest jump was recorded in India.

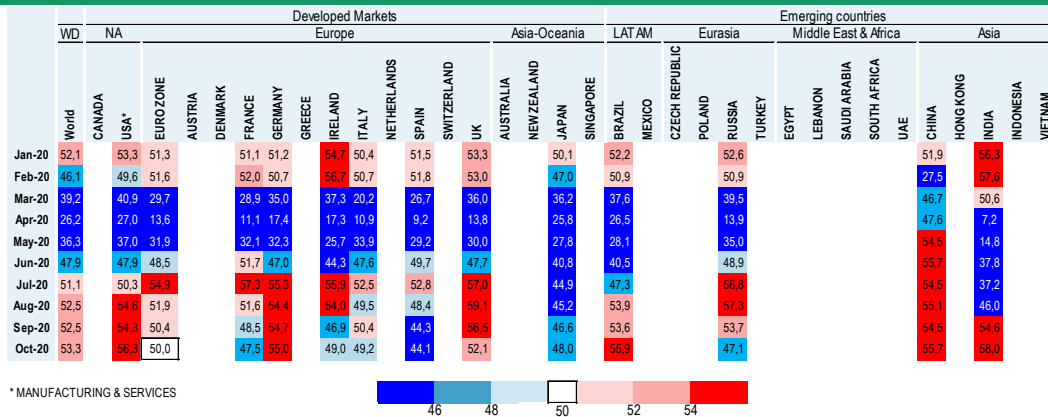
New export orders for the manufacturing sector eased slightly at the global level on the back of diverging developments: weaker in the US -the index dropped below 50- and better in the euro area and the UK.

China saw a big decline and India recorded an increase. Amongst euro area countries, Germany stabilized at a very high level, Italy saw a big jump whereas France and the Netherlands had weaker data. Greece recorded a considerable decline.

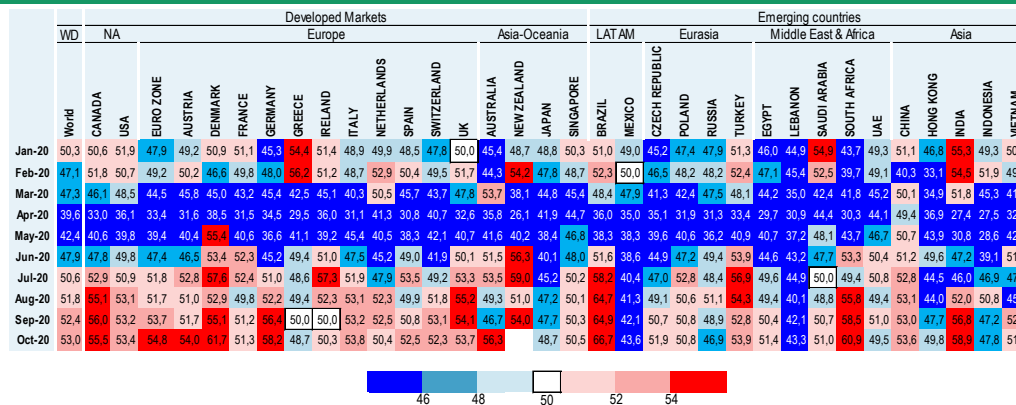
Manufacturing employment data remained stable at the global level, in the euro area and China but weakened in the US. Brazil is a positive exception with a sizeable increase. In most countries, levels remain low. The employment PMI is clearly lagging the improvement in the manufacturing PMI.

William De Vijlder

COMPOSITE PMI



MANUFACTURING PMI



SOURCE: MARKIT, BNP PARIBAS



