

# ECONOMIC PULSE

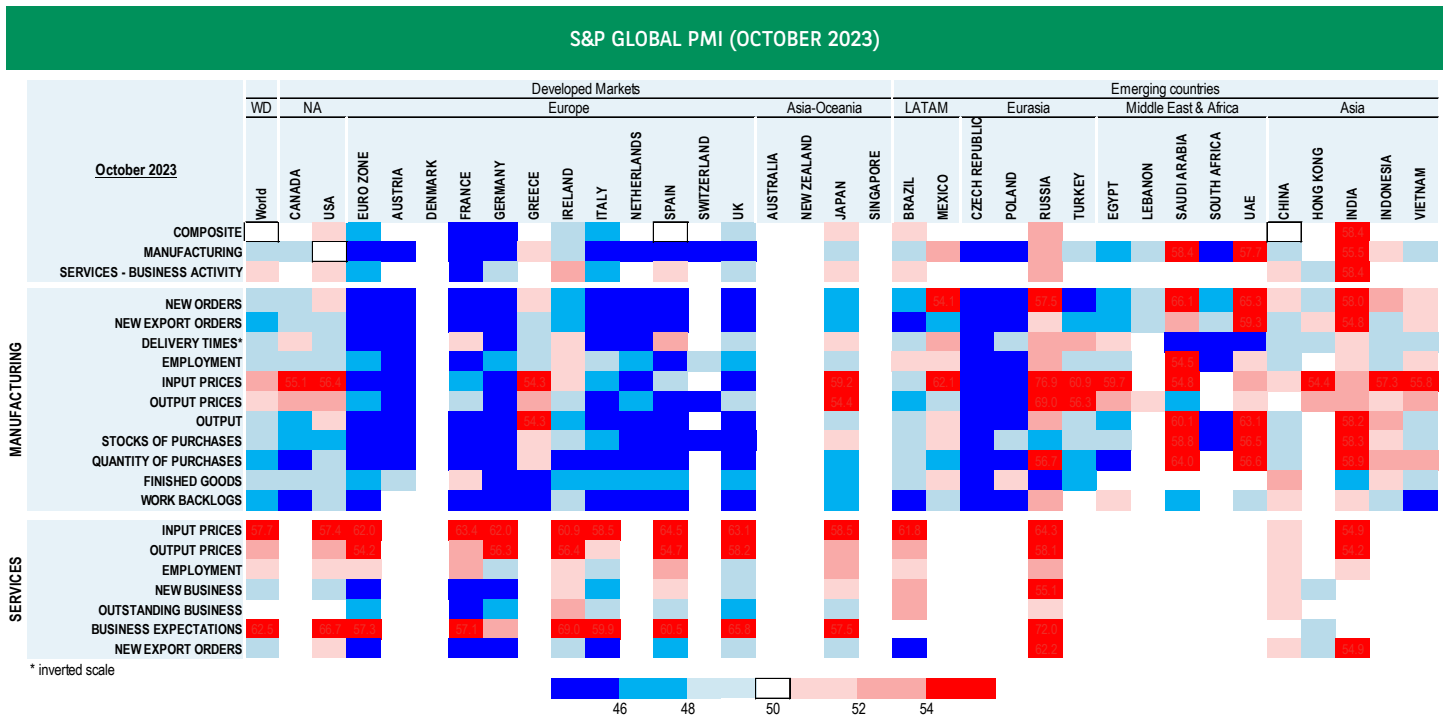
## PMI: GLOBAL ECONOMIC ACTIVITY STAGNATES IN OCTOBER

The fall in the global composite PMI index continued in October. It hit the dividing line between the expansionary and contractionary zones (50.0, from 50.5 in September). This is a sign that global economic activity is flatlining in this early part of the fourth quarter of 2023.

The manufacturing PMI resumed its downward movement in October, slipping a little further into contraction territory (to 48.8), and the picture from the services PMI continued to deteriorate. It marked its seventh consecutive monthly fall, reaching its lowest level since January 2023 (50.5 in October). Business climate in the sector is driven down by the deterioration of the “new business” and the “business expectations” components. The employment component stagnated in October, but remained above the 50 threshold, whilst input price inflation and output prices continued to ease. The “new export orders” component improved but remained in contraction territory for the second month in a row. Of the 16 countries for which October’s data are available, eleven reported a fall in the index relative to September: the drop was marked in Japan, Italy, India, Ireland and Russia, and more measured in Canada and the Eurozone. In Germany, the index gave up 2.1 points, moving it back into the contraction zone (48.2, from 50.3 in September). However, the index improved in the USA, China and Spain. Despite the increase in France in October (45.2, from 44.4 in September), the index remains deep in the contraction zone. It should be noted that the French index is the lowest of the 16 sampled.

In the manufacturing sector, the Asian countries in our sample saw their indices fall. China, in particular, saw a return to the contraction zone (49.5, from 50.6 in September). In the Eurozone, the index was down slightly, dropping 0.4 of a point to 43.0, standing below the 50 mark for the sixteenth month in a row and reflecting the weakness of the industrial sector. Amongst Eurozone nations, the survey revealed steep drops in Spain and Italy and smaller falls in France and Ireland; the index rose in both Austria and Germany. In the USA, the manufacturing index climbed slightly and is now at 50. Looking in more details at the components of the index, we can see sharp falls in new orders in Spain, India, Turkey, Italy and France. At the world level, the output prices sub-component is slightly down (51.5 compared to 51.7 in September), the good news being offset by higher input prices (53.1 compared to 52.2) against a background of rising oil prices. When it comes to employment, the PMI sub-index fell in China, India and most developed economies, with particularly steep drops in the USA, France and Germany.

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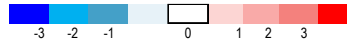


SOURCE: S&P GLOBAL, BNP PARIBAS

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## S&P GLOBAL PMI (OCTOBER VERSUS SEPTEMBER 2023)

	Developed Markets																				Emerging countries																	
	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	-0.5	0.5	-0.7			0.5	-0.5		-2.4	-2.2		-0.1		0.1					-1.6																			
MANUFACTURING	-0.4	1.1	0.2	-0.4	2.1		-1.4	1.2	0.5	-1.4	-1.9		-2.6	4.3	0.5				0.2																			
SERVICES - BUSINESS ACTIVITY	-0.3		0.5	-0.9			0.8	-2.1		-1.9	-2.2		0.6		-0.1				-2.2																			
MANUFACTURING	NEW ORDERS	0.1	1.4	1.4	-0.5	4.5		-1.7	1.5	1.3	-0.4	-2.8	0.4	-4.6		1.0			0.7																			
	NEW EXPORT ORDERS	-0.2	0.5	-0.2	-0.4	2.0		-1.3	1.3	0.1	-1.7	-0.2	2.1	-3.5		-1.4			-0.7																			
	DELIVERY TIMES	-0.5	-1.1	-1.5	-1.7	-0.1		-0.5	-3.6	0.8	-1.4	-0.5	-1.4	0.6		-2.1			-1.2																			
	EMPLOYMENT	-1.0	1.1	-2.9	-2.3	1.3		-3.2	-2.5	-2.6	-2.8	-1.8	2.6	-0.4	-1.3		-0.7			-0.5																		
	INPUT PRICES	0.4	4.7	1.5	0.3	1.8		1.9	-0.4	1.2	2.4	0.8	0.6	0.5		1.0			-1.1																			
	OUTPUT PRICES	-0.2	0.3	0.3	0.3	-1.2		1.3	0.6	1.1	2.8	0.5	0.6	-2.0	-8.1	-2.5				0.0																		
	OUTPUT	-0.9	1.3	0.5	0.0	2.0		-0.7	2.6	2.9	-2.8	-2.6	-2.5	-2.6		-0.3			-0.5																			
	STOCKS OF PURCHASES	-0.9	0.4	-0.7	-0.5	-0.5		-2.1	0.8	0.8	-2.1	-1.2	-0.9	-4.7	0.6	-2.2				0.6																		
	QUANTITY OF PURCHASES	-0.2	0.4	1.7	-0.4	3.5		-1.6	1.6	1.3	-2.0	-0.7	-2.7	-4.6		-0.7			1.1																			
	FINISHED GOODS	0.8	1.4	3.3	-1.1	-1.7		2.1	-1.1	0.3	-3.3	-1.7	-3.5	-2.3		0.0			-2.8																			
WORK BACKLOGS	0.3	-2.2	2.0	-0.4			-3.5	1.3	-2.4	-2.0	-0.4	-1.3	-3.9		1.5			-0.2																				
SERVICES	INPUT PRICES	-2.0	1.9	-3.4	-0.2		3.3	-1.9		-2.3	-3.3		1.8		-5.4				-2.7																			
	OUTPUT PRICES	-0.8		-2.3	-0.5		-0.6	-0.9		-0.8	-0.5		0.8		1.2				-0.2																			
	EMPLOYMENT	0.0		-0.1	-0.4		0.0			-1.2	-1.3		0.1		1.2				3.0																			
	NEW BUSINESS	-0.3		0.5	0.7		0.5	-0.4		-4.4	-3.1		0.2		-0.9				-1.0																			
	OUTSTANDING BUSINESS				0.2		-1.4	2.1		-4.0	-1.0		1.2		0.5				-0.4																			
	BUSINESS EXPECTATIONS	-0.2		1.3	1.5		2.7	3.0		0.6	-2.5		0.9		-2.3				-0.2																			
	NEW EXPORT ORDERS	0.8		2.3	-0.2		0.4	1.6		-3.5	-4.2		0.6		1.4				-1.0																			



SOURCE: S&P GLOBAL, BNP PARIBAS

