

ECONOMIC PULSE

PMI: INPUT PRICES FALL AGAINST A BACKGROUND OF NORMALISING DELIVERY TIMES

Manufacturing PMI figures were mixed in March, with another increase in the United States and a decline in the Eurozone. Worldwide, the index fell slightly. In Europe, the PMIs rose in Spain and Greece but deteriorated in the Netherlands and the UK, and even more so in Germany and Austria. In France, manufacturing PMI has virtually levelled off. The index also declined in Italy but held above 50 (the level that separates economic expansion from contraction). In Asia, PMI contracted in China, where February's rebound was short-lived, and dropped below 50 in Vietnam. In Japan, in contrast, the index rebounded (table 1).

After rebounding in February, new export orders (table 2) dropped in March, due to sharp declines in Vietnam and China, and a slight fall in the United States and the UK. In contrast, data for the Eurozone and for most member countries (France, Germany, Greece and Italy) showed an increase, an improvement that is consistent with the normalisation of delivery times (table 3). Higher figures indicate shorter delivery times, which is good news because it signals a reduction in supply chain difficulties.

The normalisation of supply chain conditions has also carried over to input prices (table 4). The index is still relatively high in most countries, but what matters most is that it is declining, and this decline can be seen in all of the countries covered by the survey with the exception of Indonesia, Hong Kong, Saudi Arabia, Russia and Egypt. Manufacturing output prices (table 5) have also dipped globally, after levelling off in February. This decline is mainly due to sharp declines in the index for the United States, the Eurozone and most of the member countries. In contrast, output prices continued to rise in Japan, the third increase in a row.

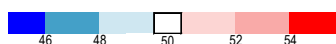
At the world level, the employment component of manufacturing PMI (table 6) declined in March. The index fell in the United States, which means February's rebound was only temporary. It declined slightly in the Eurozone, Germany and Austria, while holding flat in France. The index rose in Spain, the Netherlands and to a lesser extent in Italy, but declined sharply in Denmark, the only country in Europe where it dropped below the 50 threshold. The index also declined in the UK, where it has been holding below 50 for the past six months. The index declined in China and fell slightly in India (where it is currently below the 50 threshold), while it is holding at low levels in Poland and the Czech Republic – despite some improvement – as well as in South Africa and Vietnam.

Lastly, services PMI (table 7) continued to rise at the world level and is now well above the 50 threshold. It has increased in virtually all of the countries in our selection, with the exception of the UK, Ireland, India and Lebanon. It rose strongly in Italy, Spain and Russia.

Tarik Rharrab

		MANUFACTURING PMI																																		
		Developed Markets												Emerging countries																						
WD		NA		Europe								Asia-Oceania		LATAM		Eurasia		Middle East & Africa		Asia																
		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
Jun-22	52.2	54.6	52.7	52.1	51.2	70.4	51.4	52.0	51.1	53.1	50.9	55.9	52.6	59.1	52.8	50.0	52.7	50.3	54.1	52.2	49.0	44.4	50.9	48.1	45.2	49.1	57.0	52.0	54.8	51.7	52.4	53.9	50.2	54.0		
Jul-22	51.1	52.5	52.2	49.8	51.7	38.9	49.5	49.3	49.1	51.8	48.5	54.5	48.7	58.0	52.1	53.0	52.1	50.1	54.0	48.5	46.8	42.1	50.3	46.9	46.4	49.9	56.3	49.4	55.4	50.4	52.3	56.4	51.3	51.2		
Aug-22	50.3	48.7	51.5	49.6	48.8	49.9	50.6	49.1	48.8	51.1	48.0	52.6	49.9	56.7	47.3	54.7	51.5	50.0	51.9	48.5	46.8	40.9	51.7	47.4	47.6	50.1	57.7	51.1	56.7	49.5	51.2	56.2	51.7	52.7		
Sep-22	49.8	49.8	52.0	48.4	48.8	50.1	47.7	47.8	49.7	51.5	48.3	49.0	49.0	56.8	48.4	51.4	50.8	49.9	51.1	50.3	44.7	43.0	52.0	46.9	47.6	48.8	56.6	48.2	56.1	48.1	48.0	55.1	53.7	52.5		
Oct-22	49.4	48.8	50.4	46.4	46.6	50.4	47.2	45.1	48.1	51.4	46.5	47.9	44.7	55.4	46.2	48.9	50.7	49.7	50.8	50.3	41.7	42.0	50.7	46.4	47.7	49.1	57.2	50.0	56.6	49.2	49.3	55.3	51.8	50.6		
Nov-22	48.8	49.6	47.7	47.1	46.6	45.9	48.3	46.2	48.4	48.7	48.4	46.0	45.7	54.4	46.5	47.4	49.0	49.8	44.3	50.6	41.6	43.4	53.2	45.7	45.4	48.1	58.5	52.6	54.4	49.4	48.7	55.7	50.3	47.4		
Dec-22	48.7	49.2	46.2	47.8	47.3	49.3	49.2	47.1	47.2	48.7	48.5	48.6	46.4	54.5	45.3	48.1	48.9	49.7	44.2	51.3	42.6	45.6	53.0	48.1	47.2	47.3	56.9	53.1	54.2	49.0	49.6	57.8	50.9	46.4		
Jan-23	49.1	51.0	46.9	48.8	48.4	52.1	50.5	47.3	49.2	50.1	50.4	49.6	48.4	49.3	47.0	51.2	48.9	49.8	47.5	48.9	44.6	47.5	52.6	50.1	45.5	47.7	58.2	53.0	54.1	49.2	51.2	55.4	51.3	47.4		
Feb-23	49.9	52.4	47.3	48.5	47.1	39.2	47.4	46.3	51.7	51.3	52.0	48.7	50.7	48.9	49.3	52.0	47.7	50.0	49.2	51.0	44.3	48.5	53.6	50.1	46.9	48.8	59.8	48.8	54.3	51.6	53.9	55.3	51.2	51.2		
Mar-23	49.6	48.6	49.2	47.3	44.7	44.3	47.3	44.7	52.8	49.7	51.1	46.4	51.3	47.0	47.9	49.2	49.9	47.0	51.0	44.3	48.3	53.2	50.9	46.7	49.7	58.7	48.1	55.9	50.0	53.5	56.4	51.9	47.7			

TABLE 1



SOURCES : S&P GLOBAL, BNP PARIBAS

