

# ECONOMIC PULSE

## PMI: SERVICES SECTOR IS SUFFERING AGAIN FROM THE PANDEMIC

The PMI data for September saw diverging trends, between sectors and geographies. The composite PMI has been stable in the United States in September after rebounding the month before. In the euro area however, the jump in July was shortlived and after the sharp drop in August, September saw another decline, leaving the PMI just above the 50 threshold. This overall number is hiding very diverging trends. In France, the index has dropped to 48.5 (it was at 57.3 two months earlier) whereas in Germany there was only a tiny decline over the same period, leaving the index at 54.7. In the United Kingdom, the index dropped in September -probably a reflection of Brexit negotiations uncertainty- though it stays at a high level (56.5). The Brexit effect was far more visible in Ireland where the index dropped from 54.0 to 46.9 in a single month.

Looking at the heatmap for the manufacturing sector, it is clear that it is holding up well. At the global level, the improvement continued in September. The US were stable but the euro area saw a noticeable pick-up with France doing better and Germany powering ahead to 56.4. China has been stable for the past three months at around (53.0 in September).

The services PMI eased slightly in the US in September whereas the euro area saw a considerable decline, to 48.0 on the back of a big drop in France (from 57.3 in July to 47.5 in September). Since July, Spain also saw an important decline to a very low 42.4 in September. All this reflects the impact of the renewed increase of the number of new Covid-19 infections.

Concerning the employment survey for manufacturing, September saw further improvement at the global level and in particular in the euro area. The reading improved in France and Italy whereas Germany and Spain witnessed a bigger increase. However, across countries, in level terms, the impression is more subdued than for the manufacturing PMI as a whole. This suggests ongoing caution of companies in terms of hiring. A similar conclusion applies to the composite PMI.

Finally, the assessment of export orders improved further at the global level. The reading for the euro area saw a big jump to 55.5 in September, driven by Germany. France improved as well, from 48.3 to 51.5. China saw a big increase, from 50.7 to 54.4.

**William De Vijlder**

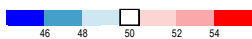
### COMPOSITE PMI

	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	
Dec-19	51.5																																				
Jan-20	52.1																																				
Feb-20	46.1																																				
Mar-20	39.2																																				
Apr-20	26.2																																				
May-20	36.3																																				
Jun-20	47.9																																				
Jul-20	51.1																																				
Aug-20	52.4																																				
Sep-20	52.1																																				

\* MANUFACTURING & SERVICES

### MANUFACTURING PMI

	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
Dec-19	50.1	50.4	52.4	46.3	46.0	50.5	50.4	43.7	53.9	49.5	46.2	48.3	47.4	48.8	47.5	48.3	48.4	48.4	50.1	50.2	47.1	43.6	48.0	47.5	49.5	48.2	45.1	56.9	47.1	50.2	51.5	42.1	52.7	49.5	50.8
Jan-20	50.3	50.6	51.9	47.9	49.2	50.8	51.1	45.3	54.4	51.4	48.9	49.9	48.5	47.8	50.0	45.4	48.7	48.8	50.3	51.0	49.0	45.2	47.4	47.9	51.3	46.0	44.9	54.9	45.2	49.3	51.1	46.8	55.3	49.3	50.6
Feb-20	47.1	51.8	50.7	49.2	50.2	46.8	49.8	48.0	36.2	51.2	48.7	52.9	50.4	49.5	51.7	44.3	54.0	47.8	48.7	52.3	50.0	46.5	48.2	48.2	52.4	47.1	45.4	52.5	44.3	49.1	40.3	33.1	34.5	51.9	49.0
Mar-20	47.3	46.1	48.5	44.5	45.8	44.8	43.2	45.4	42.5	45.1	40.3	50.5	45.7	43.7	47.8	53.7	38.0	44.8	45.4	48.4	47.9	41.3	42.4	47.5	48.1	44.2	35.0	42.4	48.1	45.2	50.1	34.9	51.8	45.3	41.9
Apr-20	39.6	33.0	36.1	33.4	31.6	38.7	31.5	34.5	29.5	36.0	31.1	41.3	30.8	40.7	32.6	35.8	26.0	41.9	44.7	36.0	35.0	35.1	31.9	31.3	33.4	29.7	30.9	44.4	46.1	44.1	49.4	36.9	27.4	27.5	32.7
May-20	42.4	40.6	39.8	39.4	40.4	55.0	40.6	36.6	41.1	39.2	45.4	40.5	38.3	42.1	40.7	41.6	40.3	38.4	46.8	38.3	38.3	39.6	40.6	36.2	40.9	40.7	37.2	48.1	50.2	46.7	50.7	43.9	30.8	28.6	42.7
Jun-20	47.9	47.8	49.8	47.4	46.5	53.0	52.3	45.2	49.4	51.0	47.5	45.2	49.0	41.9	50.1	51.5	56.3	40.1	48.0	51.6	38.6	44.9	47.2	49.4	53.9	44.6	43.2	47.7	53.9	50.4	51.2	49.6	47.2	39.1	51.1
Jul-20	50.6	52.9	50.9	51.8	52.8	57.0	52.4	51.0	48.6	57.3	51.9	47.9	53.5	49.2	53.3	53.5	59.0	45.2	50.2	58.2	40.4	47.0	52.8	48.4	56.9	49.6	44.9	50.0	51.2	50.8	52.8	44.5	46.0	46.9	47.6
Aug-20	51.8	55.1	53.1	51.7	51.0	52.3	49.8	52.2	49.4	52.3	53.1	52.3	49.9	51.8	55.2	49.3	50.7	47.2	50.1	64.7	41.3	49.1	50.6	51.1	54.3	49.4	40.1	48.8	57.3	49.4	53.1	44.0	52.0	50.8	45.7
Sep-20	52.3	56.0	53.2	53.7	51.7	54.4	51.2	56.4	50.0	50.0	53.2	52.5	50.8	53.1	54.1	46.7	47.7	50.3	64.9	42.1	50.7	50.8	48.9	52.8	50.4	42.1	50.7	58.3	51.0	53.0	47.7	56.8	47.2	52.2	



SOURCE: MARKIT, BNP PARIBAS



**BNP PARIBAS**

The bank  
for a changing  
world

# ECONOMIC PULSE

## SERVICES PMI

	World	USA	EUROZONE	FRANCE	GERMANY	IRELAND	ITALY	SPAIN	UK	AUSTRALIA	JAPAN	BRAZIL	RUSSIA	LEBANON	CHINA	HONG KONG	INDIA
Dec-19	52.0	52.8	52.8	52.4	52.9	55.9	51.1	54.9	50.0	48.7	49.4	51.0	53.1	45.1	52.5	42.1	53.3
Jan-20	52.7	53.4	52.5	51.0	54.2	56.9	51.4	52.3	53.9	47.4	51.0	52.7	54.1	44.9	51.8	46.8	55.5
Feb-20	47.1	49.4	52.6	52.5	52.5	59.9	52.1	52.1	53.2	47.0	46.8	50.4	52.0	45.4	26.5	33.1	57.5
Mar-20	36.8	39.8	26.4	27.4	31.7	32.5	17.4	23.0	34.5	38.7	33.8	34.5	37.1	35.0	43.0	34.9	49.3
Apr-20	23.7	26.7	12.0	10.2	16.2	13.9	10.8	7.1	13.4	27.1	21.5	27.4	12.2	30.9	44.4	36.9	5.4
May-20	35.2	37.5	30.5	31.1	32.6	23.4	28.9	27.9	29.0	31.7	26.5	27.6	35.9	37.2	55.0	43.9	12.6
Jun-20	48.1	47.9	48.3	50.7	47.3	39.7	46.4	50.2	47.1	31.5	45.0	35.9	47.8	43.2	58.4	49.6	33.7
Jul-20	50.7	50.0	54.7	57.3	55.6	51.9	51.6	51.9	56.5	44.0	45.4	42.5	58.5	44.9	54.1	44.5	34.2
Aug-20	52.0	55.0	50.5	51.5	52.5	52.4	47.1	47.7	58.8	42.5	45.0	49.5	58.2	40.1	54.0	44.0	41.8
Sep-20	51.6	54.6	48.0	47.5	50.6	45.8	48.8	42.4	56.1	36.2	46.9	50.4	53.7	42.1	54.8	47.7	49.8

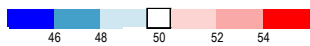
## PMI MANUFACTURING – EMPLOYMENT

	Developed Markets																	Emerging countries														
	WD	NA		Europe								Asia-Oceania				LAT AM	Eurasia			Middle East & Africa		Asia										
	World	CANADA	USA	EUROZONE	AUSTRIA	DENMARK	FRANCE	GERMANY	GREECE	IRELAND	ITALY	NETHERLANDS	SPAIN	SWITZERLAND	UK	AUSTRALIA	NEW ZEALAND	JAPAN	BRAZIL	MEXICO	CZECH REPUBLIC	POLAND	RUSSIA	TURKEY	EGYPT	SAUDI ARABIA	SOUTH AFRICA	UAE	CHINA	INDIA	INDONESIA	VIETNAM
Dec-19	49.6	51.0	51.4	46.4	47.0	53.3	50.1	43.4	56.7	49.7	47.4	49.6	47.5	48.6	47.8	49.3	49.4	51.0	49.3	49.1	43.4	48.9	47.8	48.6	47.6	50.5	43.0	50.3	50.0	52.0	49.0	50.7
Jan-20	49.8	49.8	51.1	47.0	49.3	58.4	49.7	43.4	57.8	51.2	49.6	51.0	46.6	52.1	50.1	49.5	46.6	51.8	51.2	50.3	42.6	46.5	48.9	51.5	46.9	50.2	37.8	48.8	49.5	53.9	49.3	50.2
Feb-20	47.2	51.1	50.6	47.7	51.1	55.9	48.6	45.0	57.7	48.4	49.2	53.9	49.2	51.0	49.7	49.5	51.3	50.9	51.7	49.4	44.1	47.3	47.9	53.2	46.8	50.0	37.5	49.4	41.2	50.4	50.6	48.4
Mar-20	47.3	44.6	47.0	44.3	42.7	40.6	45.4	43.0	46.2	42.6	45.3	49.0	45.2	42.5	44.2	47.6	45.3	49.6	46.5	49.2	41.5	43.2	49.9	51.9	47.0	49.6	39.0	44.8	48.6	50.4	47.0	44.3
Apr-20	41.5	25.1	36.4	35.8	33.3	40.5	32.5	37.2	30.0	30.5	39.3	39.9	30.9	40.5	28.1	38.8	41.0	46.1	39.0	34.2	35.4	38.6	33.4	44.5	46.1	47.2	26.6	46.4	47.7	43.1	34.3	38.2
May-20	43.1	32.7	38.0	37.6	41.0	31.7	35.7	36.5	38.4	40.1	40.6	40.7	35.2	42.4	31.4	41.6	39.3	49.5	39.1	35.7	37.7	43.6	34.6	47.3	45.5	48.7	26.8	48.7	49.2	42.7	31.5	44.2
Jun-20	46.0	44.8	47.9	41.3	44.1	44.4	44.6	38.8	47.9	46.1	40.3	41.2	44.6	39.0	41.4	45.9	48.3	47.7	43.7	36.8	41.1	46.5	46.9	52.8	44.6	47.0	32.7	46.4	48.6	44.3	39.1	47.8
Jul-20	47.3	50.9	49.6	42.9	48.5	48.0	48.8	37.2	48.4	50.8	45.0	42.9	47.4	46.6	43.9	48.2	46.9	47.8	52.3	38.7	42.7	47.8	44.7	54.8	46.1	47.8	33.0	47.5	49.5	44.3	43.5	45.4
Aug-20	48.6	53.9	52.7	44.2	44.7	47.9	44.7	40.2	50.5	47.5	49.4	48.3	46.7	45.4	43.8	47.8	49.0	48.4	56.4	41.5	45.1	49.6	48.6	54.3	45.9	48.2	39.0	41.5	49.8	45.5	46.9	43.7
Sep-20	49.5	54.3	52.5	47.1	49.1	44.5	46.5	44.2	50.9	49.1	51.9	47.7	50.1	47.3	46.5	51.8		49.8	56.5	44.6	48.1	51.1	45.6	55.2	48.3	49.0	44.5	47.7	50.1	45.4	46.1	48.5

## PMI MANUFACTURING – NEW EXPORT ORDERS

	Developed Markets																	Emerging countries																
	WD	NA		Europe								Asia-Oceania				LAT AM	Eurasia			Middle East & Africa		Asia												
	World	CANADA	USA	EUROZONE	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
Dec-19	49.2	48.7	50.6	47.3	46.8	49.9	46.3	55.1	46.5	46.7	46.4	49.1	46.1	54.0	47.0	50.1	47.0	50.1	40.1	46.4	44.3	45.5	45.5	49.4	42.2	45.1	49.6	46.6	50.4	50.9	36.1	51.5	48.9	49.4
Jan-20	49.5	49.0	49.5	49.5	50.4	50.2	49.6	55.5	50.2	49.0	49.0	48.0	47.7	49.8	49.3	50.3	44.8	48.5	45.1	44.8	44.1	47.8	52.8	39.4	45.9	50.6	47.7	49.8	36.4	18.6	54.2	49.1	49.2	
Feb-20	45.0	50.5	49.1	47.6	49.3	47.5	46.1	57.7	48.4	48.5	50.8	49.5	49.6	44.5	47.1	48.1	49.2	51.1	44.8	44.1	47.8	52.8	39.4	45.9	50.6	47.7	49.8	36.4	18.6	54.2	49.1	49.2		
Mar-20	43.0	44.2	46.2	37.0	36.0	34.7	35.8	34.4	41.7	36.0	45.5	40.9	43.0	44.6	40.0		40.0		46.3	49.0	33.9	35.4	43.1	42.0	33.2	21.3	41.3	39.4	44.3	46.4	17.7	46.9	29.8	37.0
Apr-20	27.1	30.9	24.9	18.9	17.5	15.6	18.8	18.8	25.7	18.2	28.1	17.3	25.2	42.6	33.0		33.0		30.2	30.8	22.7	21.7	22.0	21.2	11.8	17.5	37.8	32.3	35.2	33.7	19.7	10.3	8.5	17.7
May-20	32.3	39.2	25.9	28.7	30.2	29.2	24.5	36.1	30.9	35.8	29.6	30.4	33.9	31.1	30.8		30.8		31.7	34.2	32.2	29.4	30.5	29.8	34.7	30.9	45.1	20.2	40.2	41.7	36.4	11.8	15.8	34.3
Jun-20	43.5	43.6	47.9	43.1	37.0	42.5	41.4	48.1	52.1	44.5	41.4	47.5	44.9	47.2	37.4		37.4		45.2	36.1	40.7	43.0	42.0	50.5	49.0	36.7	43.9	33.5	51.1	47.0	42.0	38.9	21.5	48.5
Jul-20	47.2	47.8	49.8	51.8	49.6	45.9	54.8	45.2	58.7	48.9	46.4	53.9	47.7	41.4	40.2		40.2		46.2	41.6	43.6	50.5	48.5	54.4	51.7	45.3	45.7	40.7	47.7	48.3	36.2	43.3	38.4	41.7
Aug-20	49.9	52.9	52.9	51.9	50.4	48.3	55.7	46.9	52.5	46.5	55.2	49.8	51.5	52.2	47.3		47.3		46.2	44.4	47.1	50.3	48.8	53.4	53.0	33.6	45.4	38.7	48.5	50.7	38.0	47.8	40.1	42.0
Sep-20	51.7	51.3	51.2	55.5	52.7	51.5	61.2	49.3	47.7	51.3	54.0	51.4	53.4	46.5	47.3		47.3		53.9	42.0	50.2	51.0	43.8	50.9	55.3	40.8	52.0	45.8	50.9	54.4	44.8	53.8	36.4	52.9

SOURCE: MARKIT, BNP PARIBAS



BNP PARIBAS

The bank for a changing world