

## PMI: EARLY SIGNS OF IMPROVEMENT IN THE SERVICES SECTOR

In the manufacturing sector, with a few rare exceptions like Mexico, Egypt and Lebanon, virtually all the countries in our sample reported PMI above the 50 threshold in March 2021. Global manufacturing PMI rose to the highest level in the period under review. The same can be said for the Eurozone, where the index rebounded strongly again in March. Denmark and Germany both reported very strong increases. French PMI continues to improve, though it is still lower than the Eurozone average, and the improvement in Italy was confirmed. Greek PMI rose above the 50 threshold after declining in February. In March, PMI continued to rise in the Asia Pacific countries, with Australia, Japan and Singapore reaching the highest levels in the period under review. In China, PMI declined in March for the fourth consecutive month and is holding just above the 50 threshold. After levelling off in February, India's PMI declined in March but is still at a comfortable level.

The services PMI tended to increase in March compared to the previous month. It rose strongly in China and more timidly in the United States. In the Eurozone, PMI is improving but remains below the 50 threshold. The German index picked up strongly, rising above 50 for the first time since September 2020. After declining in February, the French index began rising again, while the Italian index stagnated. The UK reported a strong increase in PMI, bolstered by the rapid pace of vaccinations. Russia experienced a clear improvement while the Brazilian index deteriorated. In India, the services PMI dipped slightly but remains at a relatively high level.

The composite PMI index stagnated in the United States but picked up strongly in the Eurozone, where it is now holding comfortably above the 50 threshold. This positive performance can be seen in all of the member states in our sample. Germany performed especially well. For the first time since summer 2020, composite PMI reached 50 in France and Spain. In Italy, the index continues to improve. Japan is verging on the 50 threshold, unlike Brazil where the index plummeted again. After declining for three consecutive months, composite PMI rose in China. It declined slightly in India but is holding at a high level.

The employment component of the manufacturing PMI improved again at the global level. The index decreased in the United States, but stepped up again in the Eurozone in March. The rally could be seen in all the member states in our sample without exception. These strong performances are a good sign for the labour market in the months ahead. In China and Indonesia, the employment component picked up slightly but is still below 50. Already rising in February, the new export orders component of the PMI increased even more strongly in March, to the highest level reported in the period under review. Although it stagnated in the United States, the component rose strongly in the Eurozone. This very positive assessment of export orders was buoyed by strong figures for Germany, and to a lesser extent for Spain and France. Greece was the only country that has still not yet crossed the 50 threshold. In China, the component rose strongly.

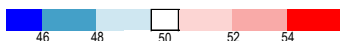
Louis Boisset

### MANUFACTURING PMI

	WD	Developed Markets																Emerging countries																	
		NA		Europe														Asia-Oceania		LATAM		Eurasia		Middle East & Africa				Asia							
		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	
May-20	42.4	40.6	39.8	39.4	40.4	54.3	40.6	36.6	41.1	39.2	45.4	40.5	38.3	42.5	40.7	41.6	40.7	38.4	46.8	38.3	38.3	39.6	40.6	36.2	40.9	40.7	37.2	48.1	43.7	46.7	50.7	43.9	30.8	28.6	42.7
Jun-20	48.0	47.8	49.8	47.4	46.5	52.1	52.3	45.2	49.4	51.0	47.5	45.2	49.0	41.4	50.1	51.5	56.6	40.1	48.0	51.8	38.6	44.9	47.2	49.4	53.9	44.6	43.2	47.7	53.3	50.4	51.2	49.6	47.2	39.1	51.1
Jul-20	50.6	52.9	50.9	51.8	52.8	56.3	52.4	51.0	48.6	57.3	51.9	47.9	53.5	49.6	53.3	53.5	59.2	45.2	50.2	58.2	40.4	47.0	52.8	48.4	56.9	49.6	44.9	50.0	49.4	50.8	52.8	44.5	46.0	46.9	47.6
Aug-20	51.8	55.1	53.1	51.7	51.0	51.4	49.8	52.2	49.4	52.3	53.1	52.3	49.9	51.0	55.2	49.3	50.9	47.2	50.1	64.7	41.3	49.1	50.6	51.1	54.8	49.4	40.1	48.8	55.8	49.4	53.1	44.0	52.0	50.8	45.7
Sep-20	52.4	56.0	53.2	53.7	51.7	53.6	51.2	56.4	50.0	50.0	53.2	52.5	50.8	52.8	54.1	46.7	53.6	47.7	50.3	64.9	42.1	50.7	50.8	48.9	52.8	50.4	42.1	50.7	58.5	51.0	53.0	47.7	56.8	47.2	52.2
Oct-20	53.1	55.5	53.4	54.8	54.0	61.7	51.3	58.2	48.7	50.3	53.8	50.4	52.5	52.9	53.7	56.3	52.2	48.7	50.5	66.7	43.6	51.9	50.8	46.9	53.9	51.4	43.3	51.0	60.9	49.5	53.6	49.8	58.9	47.8	51.8
Nov-20	53.8	55.8	56.7	53.8	51.7	46.8	49.6	57.3	42.3	52.2	51.5	54.4	49.8	54.5	55.6	52.1	54.9	49.0	50.4	64.0	43.7	53.9	50.8	46.3	51.4	50.9	42.4	54.7	52.6	49.5	54.9	50.1	56.3	50.6	49.9
Dec-20	53.8	57.9	57.1	55.2	53.5	42.2	51.1	58.3	46.9	57.2	52.8	58.2	51.0	57.3	57.5		48.3	50.0	50.5	61.5	42.4	57.0	51.7	49.7	50.8	48.2	43.2	57.0	50.3	51.2	53.0	43.5	56.4	51.3	51.7
Jan-21	53.6	54.4	59.2	54.8	54.2	43.6	51.6	57.1	50.0	51.8	65.1	58.8	49.3	59.4	54.1	55.3	58.0	49.8	50.7	56.5	43.0	57.0	51.9	50.9	54.4	48.7	41.0	57.1	50.9	51.2	51.5	47.8	57.7	52.2	51.3
Feb-21	53.9	54.8	58.6	57.9	58.3	40.1	56.1	60.7	49.4	52.0	56.9	59.6	52.9	61.3	55.1	58.8	53.4	51.4	50.5	58.4	44.2	56.5	53.4	51.5	51.7	49.3	42.2	53.9	53.0	50.6	50.9	50.2	57.5	50.9	51.6
Mar-21	55.8	58.5	59.1	62.5	63.4	65.4	59.3	66.6	51.8	57.1	59.8	64.7	56.9	66.3	58.9	59.9		52.7	50.8	52.8	45.6	58.0	54.3	51.1	52.6	48.0	46.4	53.3	57.4	52.6	50.6	55.4	53.2	53.6	

### SERVICES PMI

	World	USA	EURO ZONE	FRANCE	GERMANY	IRELAND	ITALY	SPAIN	UK	AUSTRALIA	JAPAN	BRAZIL	RUSSIA	LEBANON	CHINA	HONG KONG	INDIA
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	52.0	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
Oct-20	52.9	56.9	46.9	46.5	49.5	48.3	46.7	41.4	51.4	51.4	47.7	52.3	46.9	43.3	56.8	49.8	54.1
Nov-20	52.2	58.4	41.7	38.8	46.0	45.4	39.4	39.5	47.6	52.9	47.8	50.9	48.2	42.4	57.8	50.1	53.7
Dec-20	51.8	54.8	46.4	49.1	47.0	50.1	39.7	48.0	49.4		47.7	51.1	48.0	43.2	56.3	43.5	52.3
Jan-21	51.6	58.3	45.4	47.3	46.7	36.2	44.7	41.7	39.5	54.3	46.1	47.0	52.7	41.0	52.0	47.8	52.8
Feb-21	52.8	59.8	45.7	45.6	45.7	41.2	48.8	43.1	49.5	55.8	46.3	47.1	52.2	42.2	51.5	50.2	55.3
Mar-21	60.4	49.6	48.2	51.5	54.6	48.6	48.1	56.3		48.3	44.1	55.8	46.4	54.3			54.6



SOURCE: MARKIT, BNP PARIBAS



COMPOSITE PMI\*

	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
May-20	36.3	37.0	31.9						32.1	32.3			25.7	33.9		29.2						28.1				35.0							54.5		14.8		
Jun-20	47.9	47.9	48.5						51.7	47.0			44.3	47.6		49.7						40.5				48.9							55.7		37.8		
Jul-20	51.1	50.3	54.9						57.3	55.3			55.9	52.5		52.8						47.3				56.8							54.5		37.2		
Aug-20	52.5	54.6	51.9						51.6	54.4			54.0	49.5		48.4						59.1				57.3							55.1		46.0		
Sep-20	52.5	54.3	50.4						48.5	54.7			46.9	50.4		44.3						53.6				53.7							54.5		54.6		
Oct-20	53.4	56.3	50.0						47.5	55.0			49.0	49.2		44.1						55.9				47.1							56.7		58.0		
Nov-20	53.1	58.6	45.3						40.6	51.7			47.7	42.7		41.7						53.8				47.8							57.5		56.3		
Dec-20	52.7	55.3	49.1						49.5	52.0			53.4	43.0		48.7						53.5				48.3							55.8		54.9		
Jan-21	52.3	58.7	47.8						47.7	50.8			40.3	47.2		43.2						48.9				52.3							52.2		55.8		
Feb-21	53.2	59.5	48.8						47.0	51.1			42.7	51.4		45.1						49.6				52.6							51.7		57.3		
Mar-21	59.7	59.7	53.2						50.0	57.3			54.5	51.9		50.1						45.1				54.6							53.1		56.0		

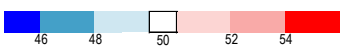
\*manufacturing & services

MANUFACTURING PMI – EMPLOYMENT

	WD	NA		Developed Markets										Emerging countries																					
	World	CANADA	USA	EURO ZONE			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	
May-20	43.1	32.7	38.0	37.6	41.0	34.8	35.7	36.5	38.4	40.1	40.6	40.7	35.2	42.6	31.4	41.6	39.5	49.5	39.1	35.7	37.7	43.6	34.6	47.3	45.5	48.7	26.9	48.7	49.2	42.7	31.5	44.2			
Jun-20	46.0	44.8	47.9	41.3	44.1	44.7	44.6	38.8	47.9	46.1	40.3	41.2	44.6	39.4	41.4	45.9	48.3	47.7	43.7	36.8	41.1	46.5	46.9	52.8	44.6	47.0	33.2	46.4	48.6	44.3	39.1	47.8			
Jul-20	47.3	50.9	49.6	42.9	48.5	48.5	48.8	37.2	48.4	50.8	45.0	42.9	47.4	46.1	43.9	48.2	47.3	47.8	52.3	38.7	42.7	47.8	44.7	54.8	46.1	47.8	33.7	47.5	49.5	44.3	43.5	45.4			
Aug-20	48.6	53.9	52.7	44.2	44.7	48.4	44.7	40.2	50.5	47.5	49.4	48.3	46.7	45.7	43.8	47.8	49.3	48.4	56.4	41.5	45.1	49.6	48.6	54.3	45.9	48.2	38.6	41.5	49.8	45.5	46.9	43.7			
Sep-20	49.5	54.3	52.5	47.1	49.1	44.8	46.5	44.2	50.9	49.1	51.9	47.7	50.1	47.1	46.5	51.8	51.6	49.8	56.5	44.6	48.1	51.1	45.6	55.2	48.3	49.0	44.8	47.7	50.1	45.4	46.1	48.5			
Oct-20	49.5	51.2	51.9	47.2	46.7	53.7	47.9	44.4	49.8	50.8	50.5	48.0	50.4	45.0	45.4	48.7	52.3	48.9	58.2	45.6	50.3	52.3	47.4	55.5	47.8	48.8	49.1	47.6	50.2	47.3	45.6	50.5			
Nov-20	50.2	52.5	51.7	48.7	47.4	46.2	48.7	47.2	45.0	51.2	51.5	51.7	48.3	47.9	47.2	53.1	51.3	49.1	56.8	46.3	50.7	52.8	45.4	54.4	48.5	50.1	47.2	48.8	51.3	47.4	47.0	48.4			
Dec-20	50.1	55.8	52.2	49.2	49.4	46.7	50.4	46.5	47.8	53.0	53.2	52.4	48.5	51.8	48.8	53.4	49.8	50.1	53.8	43.4	53.2	52.5	47.9	54.4	47.6	49.1	43.8	47.7	49.9	47.6	47.4	50.8			
Jan-21	50.3	51.3	54.7	49.4	51.2	49.2	49.1	47.8	50.9	50.8	53.2	52.1	46.9	52.2	50.6	52.9	56.1	48.7	51.2	44.2	52.1	52.1	50.2	56.1	48.7	49.3	48.6	50.2	49.6	48.1	47.5	49.9			
Feb-21	50.7	52.6	56.3	51.5	54.5	46.6	52.5	50.0	50.3	52.9	53.6	53.0	49.2	52.5	51.9	52.1	49.8	49.7	53.8	45.4	54.2	52.9	50.6	54.1	49.3	49.6	44.1	49.9	48.1	47.6	48.7	50.6			
Mar-21	51.5	53.7	54.5	54.8	57.7	59.9	56.2	54.1	51.0	55.7	55.3	55.1	53.2	54.4	55.7	53.3					50.0	48.5	47.1	54.7	53.2	50.1	54.2	48.9	49.9	44.4	49.5	49.5	47.2	49.8	52.1

MANUFACTURING PMI – NEW EXPORT ORDERS

	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	ISRAEL	LEBANON	SAUDI ARABIA	SOUTH AFRICA	UAE	CHINA	HONG KONG	INDIA	INDONESIA	VIETNAM	
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	45.6	31.7	34.2	32.2	29.4	30.5	29.8	34.7	37.4	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	47.2	45.2	36.1	40.7	43.0	42.0	50.5	49.0	38.6	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	50.5	46.2	41.6	43.6	50.5	48.5	54.4	51.7	48.6	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	50.2	46.2	44.4	47.1	50.3	48.8	53.4	53.0	53.4	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	50.4	53.9	42.0	50.2	51.0	43.8	50.9	55.3	51.1	40.8	52.0	45.8	50.9	54.4	44.8	53.8	36.4	52.9
Oct-20	51.3	52.9	49.3	56.3	56.8				50.1	61.3	46.2	49.0	55.8	53.2	51.2	54.1	52.7				50.6	50.8	54.2	42.1	52.1	53.5	50.4	51.7	54.0	48.2	42.2	48.4	49.3	50.6	51.0	47.8	55.2	37.6	50.0
Nov-20	51.8	50.2	50.5	53.0	53.7				45.4	58.4	35.9	50.1	49.6	53.9	49.2	55.5	50.0				49.2	50.9	55.3	40.4	55.1	49.7	52.4	49.5	52.4	56.1	41.4	52.0	47.1	49.5	53.3	47.6	54.8	47.5	46.8
Dec-20	51.1	54.0	50.7	54.6	54.8				49.7	57.3	38.7	51.8	53.2	60.1	52.6	55.6				48.6	50.7	52.8	38.4	55.1	52.6	50.4	47.7	49.7	44.1	44.6	51.5	47.6	52.9	51.8	40.2	51.8	41.1	52.8	
Jan-21	50.2	49.9	54.0	54.7	54.0				49.6	58.8	42.3	47.7	54.5	58.1	49.8	48.4	61.4				48.2	50.9	49.9	41.9	53.3	53.7	41.3	53.4	52.4	42.6	40.5	53.5	45.9	55.2	47.4	43.9	53.9	44.2	49.9
Feb-21	51.0	50.2	53.7	57.7	55.1				54.0	62.2	46.5	48.1	57.3	58.0	52.5	50.4	54.1				51.5	50.7	50.6	41.6	52.0	54.3	46.6	50.7	56.3	43.2	47.3	51.6	48.4	49.8	47.6	44.2	52.0	43.5	50.5
Mar-21	53.4	54.4	53.5	63.0	61.4				56.4	69.1	46.8	54.6	61.3	66.5	55.0	51.6	51.3				50.8	51.0	50.1	42.6	56.0	56.7	49.0	51.4	48.7	48.7	46.2	46.7	50.7	51.4	53.8	46.5	55.1		



SOURCE: MARKIT, BNP PARIBAS

