

## PMI: ACTIVITY STABILISES BUT PRICE PRESSURES REMAIN INTENSE

The world composite PMI hardly changed in September, despite a rather significant decline in the Eurozone, driven by Germany, Italy and Spain. Japan and Russia edged higher.

The world manufacturing PMI was unchanged in September. Supply chain disruptions and supply bottlenecks continue to weigh on activity levels. There was a broad-based weakening in the Eurozone and in the UK. China is doing a bit better and the index has reached 50.0. Brazil has recorded an improvement but the index is down in the Czech Republic, Poland and Turkey, whilst staying above the 50 line. In Asia, India witnesses better data and Indonesia shows a spectacular rebound.

Globally speaking, new export orders were stable in September with a rebound in the US and a rather significant weakening in the Eurozone. This development is broad-based, with the exception of Austria and Greece, and more outspoken in France, Germany, Ireland and the Netherlands. The UK data saw a big drop with the index crossing the 50 line. The export order assessment in China hardly changed but is stuck well below 50. India is doing better; Indonesia recorded an impressive improvement from a low base whereas Vietnam saw a huge drop. The global services PMI was up slightly in September. The US reading hardly changed but Eurozone data dropped, driven by Germany, Italy and Spain. Japan recorded a big improvement but the index is still below 50.

The manufacturing employment index declined slightly in September at the global level, on the back of a slight pick-up in the US and a rather significant decline in the Eurozone. Italy did better than in August but France witnessed a big decline to 50.1. Ireland and Spain were also down a lot. The UK was confronted with a huge drop. Australia is doing better and Japan edged higher. Data were better in Brazil whereas the downward trend continues in Mexico. This also applies to China and, in a more outspoken way, Vietnam, which has dropped to a very low level.

Global manufacturing input prices have rebounded and are back to their July level. Almost all countries are confronted with intense pressure coming from input prices. The US hardly changed and that also applies to the Eurozone, although at the country level, big changes can be noted: a jump in France and even bigger jumps in Greece and Ireland. Germany and Italy were down on the other hand. Japan also saw a sizeable increase. China moved higher. The weaker activity data in Vietnam did not stop input prices from rising slightly. Services input prices moved higher at the world level with several countries recording (rather) sizeable increases: US, Eurozone, France in particular, Spain. Germany saw some easing. The recent upward trend continues in Japan. Brazil recorded a huge increase. Price pressures are high across all countries in the sample. Global manufacturing output prices again moved higher in September. The upward trend continues in the US and the Eurozone was up as well. France and Greece saw big jumps and Ireland, the Netherlands and Spain were also up strongly. Elsewhere, the changes were more limited. It is worth noting that pressure on output prices is less intense in Asia.

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