

ECONOMIC PULSE

SERVICES AND MANUFACTURING PMI: TWO DIFFERENT TRAJECTORIES

The global composite PMI rose to its highest level in a year and a half in May at 54.4 compared with 54.2 in April, the fourth increase in a row. However, this improvement in global activity conceals a clear disparity between the brisk momentum of the services sector and the weakness of the manufacturing sector. In May, the global services PMI reached its highest level since November 2021 (55.5), while the manufacturing PMI fell to its lowest level since January 2023.

In the services sector, four out of the six components covered by the survey showed improvement: new business for service providers, new export orders, input prices, and output prices. By country, the United States, Germany, China, and Japan all saw an increase in the index compared to the previous month, while it declined in the eurozone as a whole (with decreases recorded in France, Italy, and Spain) and the United Kingdom.

The picture is very different for the manufacturing PMI index, especially in developed countries. Except for Japan and France, the index declined in May due to a contraction in new orders for production. On the contrary, China and India recorded an improvement in the business climate in the manufacturing sector. In terms of components, there was a significant decline in delivery times in the eurozone, except for France. Input prices and selling prices also declined, thanks to a significant decrease in commodity prices. Regarding employment, the PMI index declined in China and developed countries, except for Germany and the Netherlands, while it increased in India, Brazil, and Vietnam.

Tarik Rharrab

S&P GLOBAL PMI

	World	Developed Markets																	Emerging countries															
		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
May 2023	54.4	54.3	52.8	39.7	51.2	53.9	51.5	51.9	52.0	44.2	55.2	43.2	54.0	54.3	52.3	42.8	47.0	54.4	50.5	42.8	47.0	53.5	51.5	47.8	49.4	58.5	49.2	55.5	50.9	50.6	58.7	50.3	45.3	
COMPOSITE	49.6	49.0	48.4	44.8	39.7	45.7	43.2	51.5	47.5	45.9	44.2	48.4	43.2	47.1	50.6	49.5	47.1	50.5	42.8	47.0	53.5	51.5	47.8	49.4	58.5	49.2	55.5	50.9	50.6	58.7	50.3	45.3		
MANUFACTURING	55.5	54.9	55.1		52.5	57.2	57.0	54.0	56.7	55.2					55.9	54.1									49.4									
SERVICES	49.4	48.6	47.1	42.3	34.0	42.7	39.6	51.3	48.3	44.3	41.7	47.4	46.7		50.5	49.2	45.6	49.7	40.3	46.0	54.1	52.3	46.4	50.4	67.3	47.7	58.3	51.8	51.6	62.9	49.6	41.9		
NEW ORDERS	47.3	47.3	43.4	41.8	36.3	41.5	38.8	52.3	42.7	47.7	42.4	45.4	47.1		46.6	49.3	48.8	48.0	43.3	43.9	48.3	52.7	47.7	50.4	55.1	46.9	50.1	50.6	52.5	53.8	48.9	43.6		
NEW EXPORT ORDERS	46.5	49.1	41.6	38.5	35.6	37.8	46.3	30.9	49.5	46.0	41.9	39.1	46.4	45.1	49.9	49.7	45.9	53.0	41.7	47.2	51.3	51.9	50.7		45.0	46.1	44.9	49.2	50.4	48.8	49.9	48.4		
DELIVERY TIMES*	50.1	49.7	53.1	51.5	48.8	39.5	50.4	52.4	52.2	50.8	51.3	51.6	51.2	52.0	50.3	48.9	50.9	46.1	47.9	54.8	51.0	49.3			52.0	45.6	52.1	47.2	52.3	50.6	47.2			
EMPLOYMENT	49.3	49.6	48.1	41.4	39.3	31.8	48.1	36.9	46.4	47.6	42.5	39.5	43.3	48.5	60.7	50.5	48.5	58.3	40.6	41.2	64.6	55.9	59.0			54.3	51.5	47.2	55.7	51.1	55.9	48.4		
INPUT PRICES	49.8	50.9	50.9	49.0	44.0	52.1	50.9	50.4	48.9	48.9	46.1	48.6	47.8	41.4	57.2	48.4	50.5	47.0	44.5	53.1	52.7	53.7	50.7			54.4	47.7	47.7	53.6	53.4	50.5	48.4		
OUTPUT PRICES	51.5	49.1	51.0	46.4	39.5	52.1	44.7	47.4	54.2	46.0	46.4	44.2	49.4	47.7	50.9	49.7	46.6	49.6	44.1	46.9	54.6	52.0	46.3			61.7	47.7	52.3	53.8	62.7	51.0	45.6		
STOCKS OF PURCHASES	49.3	48.6	46.2	44.8	45.1	40.7	46.6	43.6	50.5	44.4	45.0	44.6	46.7	54.8	52.3	49.6	50.9	50.4	41.9	48.3	49.5	48.0	48.8			57.8	51.1	52.6	50.6	63.8	50.6	46.1		
QUANTITY OF PURCHASES	47.9	48.9	43.7	40.4	34.3	43.7	36.7	52.6	42.7	42.0	42.7	47.6	42.4		47.6	45.2	50.6	37.8	45.0	56.2	51.3	45.3			57.8	55.3	50.5	63.9	51.8	44.5				
FINISHED GOODS	49.7	50.7	49.1	49.9	53.9	31.8	51.8	49.4	48.7	49.1	50.2	47.1	49.4	51.2	49.9	49.7	53.5	52.7	48.6	47.6	49.3	49.0					49.8	48.3	49.3	49.3				
WORK BACKLOGS	46.6	46.6	42.1	41.8		45.4	39.0	46.4	49.7	42.8	41.3	48.6	40.4		47.7	41.2	52.8	44.8	40.9	46.6				49.8		47.2	52.8	49.8	51.4	50.2	45.0			
INPUT PRICES	59.5	59.5	64.4		63.9	65.5	63.9	61.4	67.4	70.4					60.4	62.6					58.6								52.7	55.1	55.1			
OUTPUT PRICES	56.1	57.6	59.1		61.0	60.8	56.7	54.1	58.6	60.5					54.1	56.3					55.4								51.4	54.0				
EMPLOYMENT	52.7	52.7	54.6		54.4	54.5	54.5	54.5	55.7	52.1					54.5	53.0					52.9								51.5	51.1				
NEW BUSINESS	55.4	55.7	53.3		49.2	53.8	58.1	55.4	56.8	55.4					56.7	52.3					52.6							56.2	59.4					
OUTSTANDING BUSINESS	64.6	67.9	60.3		51.9	50.3	55.9	51.0	50.9	51.1					54.5	44.6					50.4							50.7						
BUSINESS EXPECTATIONS	53.8	54.1	53.0		50.3	53.9	57.7	53.8	53.9	53.5					55.2	50.6					54.7							53.9	52.6					
NEW EXPORT ORDERS																																		

* inverted scale

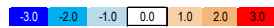


SOURCE: S&P GLOBAL, BNP PARIBAS

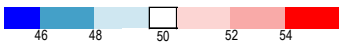
ECONOMIC PULSE

S&P GLOBAL PMI CHANGE (MAY VERSUS APRIL)

	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			
COMPOSITE	0.2	0.9	-1.3																																				
MANUFACTURING	0.0	-1.2	-1.8	-1.0	-2.3	-1.9	0.1	-1.3	-0.9	-1.1	-0.9	-0.7	-0.6	-2.1	-0.7																								
SERVICES	0.1	1.3	-1.1																																				
MANUFACTURING	NEW ORDERS	0.0	-0.3	-3.1	-2.6	-3.1		0.4	-4.9	-2.6	-0.5	-1.0	-2.8	-1.3	-1.0																								
	NEW EXPORT ORDERS	-1.1	-0.4	-3.6	-3.2	-1.2		0.4	-6.2	2.0	-8.9	0.4	-1.9	-1.6	-1.1																								
	DELIVERY TIMES	0.2	1.4	1.7	-3.4	-4.6	6.7	1.8	-5.8	-1.9	-0.3	-3.2	-6.2	-3.0	0.5																								
	EMPLOYMENT	-0.5	-2.4	-0.3	-0.2	-2.0	-6.4	-0.1	0.6	-2.1	-0.7	-1.0	0.1	-1.2	-5.8	-0.1																							
	INPUT PRICES	-3.0	-9.6	-10.5	-2.6	-4.1	10.1	-3.0	-2.7	4.8	-1.1	-1.5	-5.6	-2.1	-3.1																								
	OUTPUT PRICES	-1.8	-1.8	-6.4	-2.6	-5.0	4.8	-2.3	-2.0	-2.9	-4.4	-2.5	-4.1	-1.5	-2.9	-2.4																							
	OUTPUT	0.8	-1.5	-1.4	-2.1	-7.4	4.8	2.5	-3.2	-0.1	-1.8	-2.4	-3.5	-0.9	-1.7																								
	STOCKS OF PURCHASES	-0.2	-0.3	-2.5	-1.5	1.3	-4.2	-3.6	-0.3	-1.9	-4.6	-2.1	0.9	-1.9	7.4	1.0																							
	QUANTITY OF PURCHASES	-1.4		-5.5	-1.0	-4.0		0.3	-0.9	-0.5	-1.3	-2.0	-0.4	-0.7	-3.0																								
	FINISHED GOODS	-0.3	0.9	0.0	-0.4	4.7	-9.7	-1.6	0.4	0.1	-2.8	-1.1	-0.4	-1.3	1.9																								
WORK BACKLOGS	-1.6	-0.8	-5.3	-1.0			1.2	-3.0	-0.9	-0.5	1.4	-2.1	-1.3	-2.3																									
SERVICES	INPUT PRICES	-1.1		-1.2	-4.1			-8.9	-3.1			-3.6	-0.1	-2.4	0.4																								
	OUTPUT PRICES	-0.1		-0.9	0.4			1.4	0.9			-1.9		-1.2	-1.3																								
	EMPLOYMENT	-0.3		0.0	-1.0			-0.9	-1.3			-1.8	-0.1	-1.3	-1.4																								
	NEW BUSINESS	0.7		-3.4	-2.1			4.5	-0.8			-0.2	-0.9	2.4	-0.8																								
	OUTSTANDING BUSINESS				-0.8			-2.2	0.0			-0.4	1.5	-3.0	-0.4																								
	BUSINESS EXPECTATIONS	-0.5		0.7	-0.9			-0.1	-1.2			5.3	-1.5	-2.2	-0.3																								
NEW EXPORT ORDERS	1.6		4.8	-0.2			-0.6	0.7			0.1	-0.7	-1.0	0.6																									



SOURCE: S&P GLOBAL, BNP PARIBAS



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