

ECONOMIC PULSE

SERVICES AND MANUFACTURING PMIS: THE GAP CONTINUED TO WIDEN IN AUGUST

The S&P Global Composite PMI Output Index resumed rising in August, gaining 0.3 points to 52.8, after two months of decline. This is an encouraging sign for global activity halfway through Q3 2024. However, this improvement masks a fairly clear divergence between the services sector and the manufacturing one. In August, the global services index hit its highest level (53.8) since June 2023 (with the exception of May 2024), while the manufacturing sector index recorded its lowest level since December 2023 (49.5).

In the services sector, out of the 14 countries for which August data are available, nine reported an increase in the index from the previous month (with four falling and one unchanged). There were particularly notable increases in France, as well as, to a lesser extent, in the Eurozone, the United Kingdom, Spain and the United States. The index also rose in Canada but is still in contraction territory.

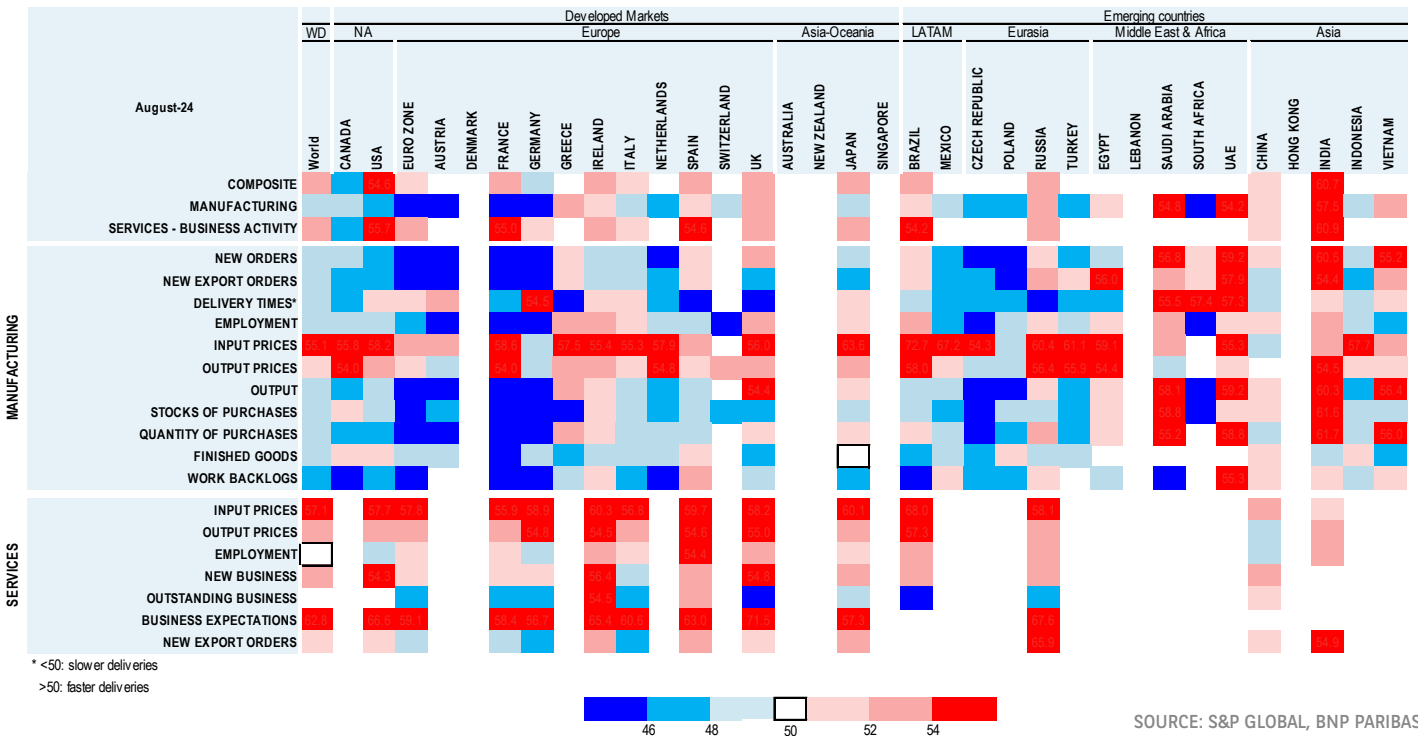
In France, the index hit its highest level since May 2022 (55). This increase, which is likely partially due to the Paris Olympic Games, will have to be monitored in the coming months. Overall, the increase in the services sector index has come hand in hand with increases in three of the six components covered by the survey: new export orders, new business and business expectations. On the minus side, the employment component fell, and stands now at on the neutral threshold (50). The fall in the "selling prices" and "input prices" indices is good news on the other hand.

In the manufacturing sector, out of the 29 countries for which August data are available, 13 reported a fall in the index compared with the previous month (with 15 improving and 1 remaining the same), driven by "new orders", "new export orders", "production" and "employment". There were sharp drops in South Africa, Brazil, Vietnam and, to a lesser extent, in the United States, where the index was in contraction territory for the second consecutive month, as well as in the Netherlands and Mexico. The index also dipped in Germany and France, falling further into contraction territory. This decrease was offset by positive development in other smaller countries, helping keep stable the index for the Eurozone. However, it is still firmly in contraction territory (45.8).

Conversely, Canada, Austria, Italy, the United Kingdom, Japan and China are some of the countries posting a rise in the manufacturing PMI. However, globally, it is worth noting that the employment sub-index fell in August, sliding back into contraction territory, in the wake of new orders declining in July and then stagnating in August, as well as output decreasing for the second month in a row. These two components will need to be monitored in the coming months. On the price front, survey data show that input prices fell for the second consecutive month, while output prices rose again slightly.

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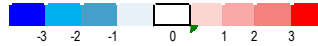
S&P GLOBAL PMI - AUGUST 2024



ECONOMIC PULSE

S&P GLOBAL PMI, Δ (AUGUST, JULY)

	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	0.3	0.8	0.3	0.8			-0.9	-0.7		0.4	0.5		0.1		1.0			0.4		-3.1				0.2								0.0				
MANUFACTURING	-0.2	1.7	-1.7	0.0	1.3		-0.1	-0.8	-0.3	0.3	2.0	-1.5	-0.5	5.5	0.4		0.7	0.2	-3.6	-1.1	2.9	0.5	-1.5	0.6	0.7		0.4	-8.8	0.5	0.6		0.0	-0.6	-0.4	-2.3	
SERVICES - BUSINESS ACTIVITY	0.5	0.5	0.7	1.0			-4.9	-1.3		0.2	-0.3		0.7		1.2			0.0		-2.2				1.2								-0.5		0.6		
NEW ORDERS	0.0	3.4	-1.4	-0.8	2.9		-2.0	-2.6	-0.2	-1.3	4.0	-2.5	0.8		0.0			1.2	0.3	-2.7	-2.2	3.7	0.6	-1.4	2.4	0.1		1.1	3.7	1.6	1.1		0.0	-1.4	0.0	-3.4
NEW EXPORT ORDERS	-1.0	3.6	-1.7	-0.6	1.2		-0.2	-3.6	-2.0	1.0	4.3	0.4	-0.2		-2.6			-1.2	0.2	-2.9	-1.4	3.5	-4.7	3.5	3.0	1.7		2	5	2.8	-1.2		-2.8	-3.2	-0.9	
DELIVERY TIMES	0.3	-0.8	1.4	0.3	-1.7		-3.3	0.7	-2.5	0.5	3.1	2.1	-1.5		-0.1			0.6	0.3	2.9	1.6	-2.0	0.4	-1.9	-0.1	-2.0		2.8	-4.5	1.9	-0.3		-1.2	-0.2	0.2	
EMPLOYMENT	-0.3	-1.5	-2.4	0.2	0.2		0.6	-0.3	-1.6	1.4	2.4	-1.5	-3.0	-0.2	1.5			0.4		-1.8	0.3	0.8	1.3	-3.6	0.4	0.1		2.5	-3.2	-0.1	0.1		-0.2	0.5	-3.8	
INPUT PRICES	-0.2	2.2	1.7	-0.2	1.6		-1.6	1.6	-2.3	-1.2	-1.0	-0.1	-3.9		-1.0			0.2	0.3	5.2	1.7	-1.1	-1.9	-7.2	-0.2	3.9		-0.4	-1.0	-0.6		-2.2	-1.0	-5.6		
OUTPUT PRICES	0.3	3.1	2.5	1.2	0.4		2.8	1.3	-2.9	1.7	1.5	1.2	-2.0	3.7	-1.3			-2.4		-3.6	0.3	-0.3	-1.0	-0.8	1.5	2.7		1.0	-0.9		-0.2	-1.0	-3.0			
OUTPUT	-0.3	1.9	-2.3	0.2	-1.4		-1.1	0.2	-0.1	0.6	2.6	-0.5	-2.2		-0.5			1.6	0.3	-6.2	-1.0	6.2	1.7	-2.8	-0.4	1.1		-0.6	-11.9	1.0	0.4		-1.4	-1.3	-2.4	
STOCKS OF PURCHASES	0.3	3.7	-0.5	1.4	5.2		1.2	0.8	-2.5	2.7	1.7	0.2	1.5	2.9	2.3			-0.1	0.1	-4.2	-0.6	-2.6	-2.5	1.1	-1.4	0.8		1.6	-3.6	0.9	0.5		0.5	-1.7	1.4	
QUANTITY OF PURCHASES	-0.2		-1.9	-0.8	0.1		-2.2	-3.2	-2.9	1.8	3.5	1.8	-0.3		3.3			3.8		-3.6	1.1	4.5	-2.3	-2.6	0.5	4.7		-0.7	1.5	-0.4		0.8	-0.1	0.6		
FINISHED GOODS	-0.2	-0.6	-1.1	1.6	2.6		-0.5	1.1	-2.2	4.0	4.4	1.9	-0.9		1.4			-0.5	0.3	-2.5	1.2	-0.7	1.8	3.0	0.3					-0.2		-0.7	-1.1	3.6		
WORK BACKLOGS	-0.4	-1.3	-1.6	-0.6			-1.6	-3.0	2.2	1.5	2.3	1.5	1.7		2.7			1.0		2.3	-3.5	-0.3	0.8	4.1		0.5		-4.4		-1.6	-0.3		-0.7	-1.0	0.0	
INPUT PRICES	-0.6	-0.6	-2.2				-2.8	-1.7		0.1	-2.0		-3.0		-2.2			0.1		2.5				-3.4							0.6		-1.7			
OUTPUT PRICES	-0.5	-0.7	0.9				1.2	1.1		-0.8			0.3		-0.6			-1.2		0.9				-2.2							-0.8		-2.1			
EMPLOYMENT	-1.7	-3.2	-0.4				-0.6	-0.1		2.0	-1.4		0.6		-0.6			-2.0		1.1			1.0							-2.0		-0.4				
NEW BUSINESS	0.5	1.2	0.3				3.4	-0.6		0.9	-2.0		-0.3		-0.1			-0.3		-1.4			2.0							-0.6						
OUTSTANDING BUSINESS			-0.6				-1.5	0.4		1.6	-1.8		-0.2		-2.5			-3.4		-0.5			-2.3							0.4						
BUSINESS EXPECTATIONS	0.3	1.5	-1.2				0.3	-0.2		-5.5	-3.7		-2.4		-2.3			-1.2					1.6													
NEW EXPORT ORDERS	0.1	0.3	-0.4				2.8	-1.6		0.6	-2.7		-0.6		-2.8			4.0					-0.2							1.3		2.7				



SOURCE: S&P GLOBAL, BNP PARIBAS

