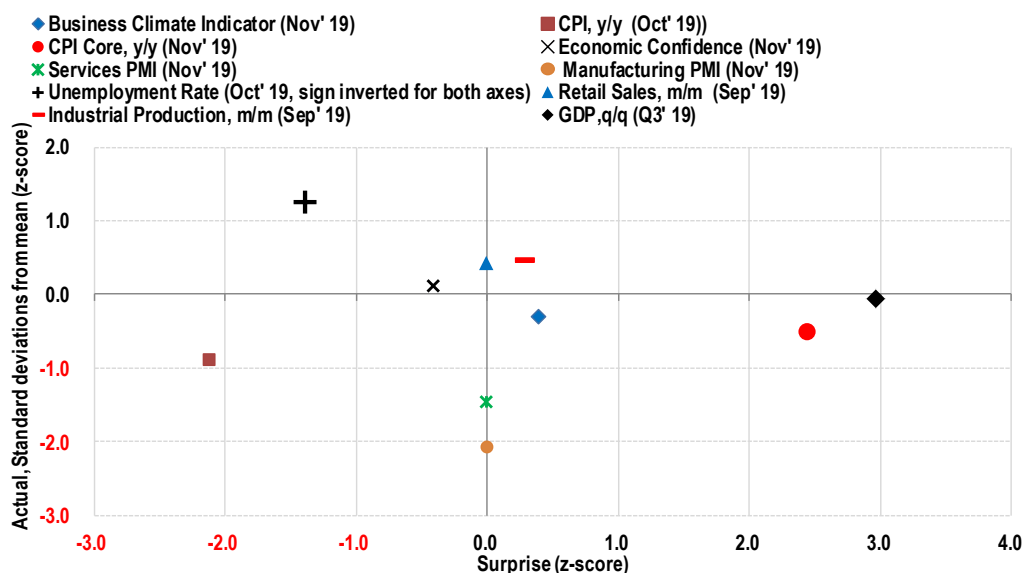


## Pulse

## Eurozone: Do the difficulties in manufacturing start to impact the services sector?

While many observers have been worried since several months about the health of the manufacturing sector, the activity in services still shows resilience and keeps growing at a pretty decent pace. Nevertheless, the latest economic indicators send a less favourable signal. The Purchasing Managers Index (PMI) for the services sector indeed decreased in November to 51.5 (against 52.2 in October). This level is quite low regarding the historical average. The outlook for economic growth in the coming months, by and large, depends on the resilience of the labour market and the ability to create new jobs.



Note: z-score is a score which indicates how many standard deviations an observation is from the mean:  $z=(x-\mu)/\sigma$  where  $x$ : observation,  $\mu$ : mean,  $\sigma$ : standard deviation. On the X-axis,  $x$  corresponds at the last known surprise for each indicator represented on the graph,  $\mu$  and  $\sigma$  corresponds respectively to the mean and the standard deviation of the last 24 value for monthly data and the last 8 quarters for quarterly data. On the Y-axis,  $x$  corresponds at the last known value of indicator,  $\mu$  and  $\sigma$  corresponds respectively to the mean and the standard deviation for this indicator since 2000 (for China since 2011).

## Indicators preview

It's the start of a new month and this means a very heavy schedule of data releases. The highlight of the week is, as usual, the US labour market report but before that, we will have seen the purchasing managers indices (manufacturing, services, composite) in several countries as well as, for the US, the data from the Institute of Supply Management.

Date	Country/Region	Event	Period	Survey	Prior
12/02/2019	Switzerland	Caixin China Manufacturing PMI	Nov	51.2	51.7
12/02/2019	France	Markit France Manufacturing PMI	Nov	--	51.6
12/02/2019	Germany	Markit/BME Germany Manufacturing PMI	Nov	--	43.8
12/02/2019	Eurozone	Markit Eurozone Manufacturing PMI	Nov	--	46.6
12/02/2019	United States	ISM Manufacturing	Nov	49.5	48.3
12/04/2019	Switzerland	Caixin China PMI Composite	Nov	--	52.0
12/04/2019	France	Markit France Services PMI	Nov	--	52.9
12/04/2019	France	Markit France Composite PMI	Nov	--	52.7
12/04/2019	Germany	Markit Germany Services PMI	Nov	--	51.3
12/04/2019	Germany	Markit/BME Germany Composite PMI	Nov	--	49.2
12/04/2019	Eurozone	Markit Eurozone Services PMI	Nov	--	51.5
12/04/2019	Eurozone	Markit Eurozone Composite PMI	Nov	--	50.3
12/04/2019	United States	ISM Non-Manufacturing Index	Nov	54.5	54.7
12/05/2019	Germany	Factory Orders MoM	Oct	--	1.3%
12/05/2019	Eurozone	Retail Sales MoM	Oct	--	0.1%
12/05/2019	Eurozone	Employment YoY	3Q	--	1.0%
12/05/2019	United States	Durable Goods Orders	Oct	--	--
12/06/2019	Germany	Industrial Production SA MoM	Oct	--	-0.6%
12/06/2019	United States	Change in Nonfarm Payrolls	Nov	190000	1E+05
12/06/2019	United States	Unemployment Rate	Nov	3.6%	3.6%
12/06/2019	United States	U. of Mich. Sentiment	Dec	96.5	96.8

Source: Bloomberg, BNP Paribas

