

NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Eurozone Composite PMI[®]

Eurozone growth ticks up once again but remains muted

Key findings:

HCOB Eurozone Composite PMI Output Index at 51.2 (Aug: 51.0). 16-month high.

HCOB Eurozone Services PMI Business Activity Index at 51.3 (Aug: 50.5). 8-month high.

Quickest expansions in output and new orders since May 2024

Data were collected 11-25 September 2025

The euro area economy continued its expansionary trend at the end of the third quarter, with the pace of growth even ticking slightly higher to its strongest since May 2024. That said, the upturn was again a muted one as demand barely improved and employment levels decreased. A pick-up in confidence for the first time since June was nevertheless recorded, while input cost and output charge inflation rates eased.

The seasonally adjusted **HCOB Eurozone Composite PMI[®] Output Index** – a weighted average of the HCOB Manufacturing PMI Output Index and the HCOB Services PMI Business Activity Index – increased for the fourth month in a row to 51.2 in September, from 51.0 previously, signalling a further gradual acceleration in output growth across the eurozone private sector. Additionally, the headline measure rose to its highest level since May 2024.

Germany was central to the broader pick-up in growth, with its respective Composite PMI Output Index rising to a 16-month high and indicating a moderate expansion. Nonetheless, out of the euro area nations which Composite data are available for, Spain saw the strongest increase in private sector business activity during September. Moderate growth was registered in Ireland and Italy, making France the outlier across the currency bloc as output shrank at a faster pace than in August.

Albeit rising for a ninth straight month and to the strongest extent in almost a year-and-a-half, the expansion in eurozone output was relatively sluggish, once again coming in below the long-run trend rate of the survey (52.4). Limiting the upturn was a muted improvement in new business. While September's rise in new order inflows represented the strongest gains in sales volumes for eurozone private sector companies since May 2024, growth was marginal. Weighing on demand was a decrease in new export* orders, stretching the current sequence of contraction in new work from abroad to over three-and-a-half years.

With growth of output surpassing that of new business, September survey data signalled a further reduction in backlogs of work across the euro area. The pace of depletion was the quickest in three months. Clearances of pending projects were achieved despite employment levels decreasing at the end of the third quarter. Notably, this marked the first time since February that workforce numbers have fallen. That said, the extent to which jobs were cut was fractional.

Eurozone companies reported an increase in their operating costs during the latest survey period. However, the rate of inflation slowed and remained below the survey's historical average. There was likewise a cooling of selling price pressures as output charges increased to the weakest extent since May.

Looking ahead, private sector firms in the euro area were optimistic of growth in business activity over the coming 12 months. In fact, optimism improved on the month and reached its second-highest level since July 2024 (only fractionally surpassed by that seen in June). Nevertheless, expectations were relatively muted by historical standards.

*includes intra-eurozone trade.

Countries ranked by Composite PMI Output Index: September

Spain	53.8	2-month high
Germany	52.0 (flash: 52.4)	16-month high
Ireland	52.0	2-month high
Italy	51.7	Unchanged
France	48.1 (flash: 48.4)	5-month low

HCOB Eurozone Services PMI[®]

The **HCOB Eurozone Services PMI Business Activity Index** increased from 50.5 in August to 51.3 in September, signalling faster growth during the closing month of the third quarter. The latest data point marked a fourth consecutive survey period in which the index has posted above 50.0 and therefore in expansion territory.

September saw a pick-up in demand for services which was notable, at least compared to the trend over the previous 12 months. That said, new business growth was mild overall and limited to domestic markets, as indicated by a concurrent (and fractionally faster) reduction in new export orders.

Employment in the service sector was only fractionally up from the level seen in August. This marked the weakest month for the eurozone service sector labour market in over four-and-a-half years when the latest expansionary trend in workforce numbers began. The downward trend in backlogs of work was nevertheless sustained, marking 17 successive months of reductions.

As for prices, inflation ticked lower at the end of the third quarter. Input costs and output prices rose at their slowest rates in two and four months, respectively.

Lastly, service providers maintained a positive assessment of year-ahead activity prospects, with expectations even rising by a solid degree to an 11-month high.

Comment

Commenting on the PMI data, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

“Things are running a little bit more smoothly in the service sector. After almost stagnating in August, business activity picked up more strongly in September. This recovery is practically broad-based geographically, with moderately robust growth observed in Germany, Italy, and Spain. The situation is different in France, where the change of government and uncertainty about whether the new prime minister will be able to hold on to power has had a negative impact on service providers. Business activity declined noticeably here.”

“The increase in new business suggests that the sector is likely to grow again next month. However, new orders have not yet been sufficient to increase backlogs. Nevertheless, service providers are taking a more positive view of the environment, as illustrated by the rise in the index measuring firms’ future prospects.”

“The service prices data, which is under particular scrutiny by the eurozone’s monetary authorities, are likely to confirm the stance of those ECB members who do not want further interest rate cuts. Although both cost and sales price inflation rates are slightly above the long-term average, they declined in September.”

“The composite PMI has been in expansionary territory for the entire third quarter, so it can be assumed that GDP has grown in that quarter. Our nowcast, which takes the PMI into account alongside other indicators, calculates a growth rate of 0.4 percent compared to the previous quarter.”

-Ends-

HCOB Eurozone Composite PMI Output Index

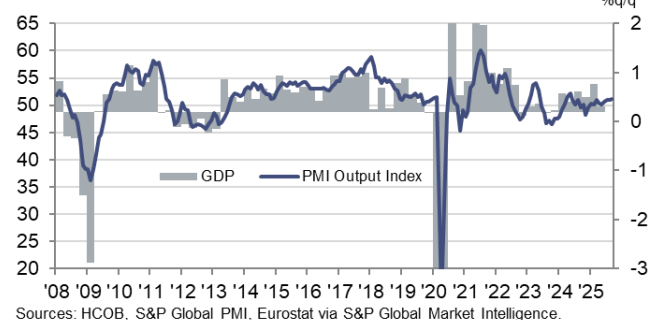
sa, >50 = growth since previous month



HCOB Composite PMI Output Index

sa, >50 = growth since previous month

Gross domestic product (GDP)



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Note to Editors

The HCOB Eurozone Composite PMI[®] is compiled by S&P Global from responses to questionnaires sent to survey panels of manufacturers in Germany, France, Italy, Spain, the Netherlands, Austria, Ireland and Greece, and of service providers in Germany, France, Italy, Spain and Ireland, totalling around 5,000 private sector companies. The panels are each stratified by detailed sector and company workforce size, based on contributions to each country's GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each manufacturing and services survey variable, at the country level. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Eurozone level indices for manufacturing and services are calculated by weighting together the country indices using national manufacturing and services annual value added*. Composite eurozone level indices are calculated by weighting comparable manufacturing and services indices using eurozone manufacturing and services annual value added*.

The headline composite figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

Flash composite data were calculated from 83% of final responses. Since January 2006 the average difference between final and flash Composite PMI Output Index values is 0.0 (0.3 in absolute terms). Flash services data were calculated from 79% of final responses. Since January 2006 the average difference between final and flash Services PMI Business Activity Index values is 0.0 (0.3 in absolute terms).

For further information on the PMI survey methodology, please contact economics@spglobal.com. *Source: Eurostat.

Hamburg Commercial Bank AG

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients a high level of structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighbouring European countries. It also has a strong market position in international shipping. The bank is one of the pioneers in European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure. HCOB offers individual financing solutions for international corporate clients as well as a focused corporate client business in Germany. The bank's portfolio is completed by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance.

Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

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