

News Release

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S&P Global Europe Sector PMI®

Divergent trends in manufacturing and services sectors remain evident

Key findings

12 of the 20 monitored sectors register lower activity levels

Banks sector signals sharpest growth in output and new orders

Contractions in wider Basic Materials, Consumer Goods and Industrials groups

The latest S&P Global Sector PMI® data signalled worsening economic trends across many segments of the European economy at the end of the second quarter of the year. 12 of the 20 monitored industries posted contractions in activity during June, the highest total since January. However, notable divergences in sector performance remained evident. Manufacturing-based sectors generally scaled back output – and often at faster rates – while services industries typically registered sustained, albeit weaker, expansions in activity.

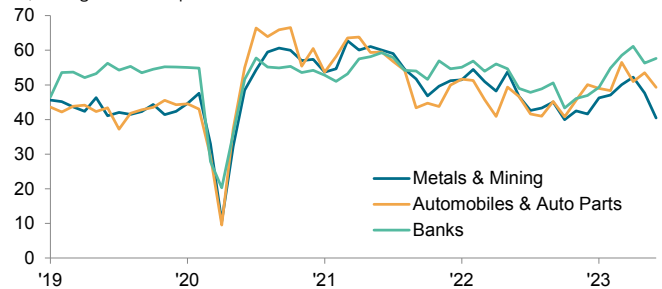
The wider Financials sector remained a key area of strength during June with uplifts in activity registered at two of its sector constituents, Banks and Other Financials. Notably, the former posted the sharpest increase in output out of the 20 monitored industries and was one of only two categories to have recorded an accelerated rate of growth (the other being Pharmaceuticals & Biotechnology). Performance was similarly strong in the broader Technology group. Both Software & Services and Technology Equipment recorded expansions in activity during June, albeit to lesser extents than seen in May. Amid deteriorating global demand for goods, trends were less positive at manufacturing-centric industries. The Basic Materials group continued to face particularly challenging conditions, as highlighted by all three of its sector constituents registering substantial declines in output during June. The steepest decrease was observed in Metals & Mining.

The picture for demand closely paralleled that of output. June data showed growth in new orders across just seven of the 20 monitored industries, led by Banks. All pure manufacturing-based industries registered contractions in their order books with the Machinery & Equipment category experiencing the fastest decline.

On the price front, pressures receded further. An increasing number of industries noted drops in both operating expenses and selling prices in June. Chemicals continued to experience the quickest reduction in input costs while Forestry & Paper Products signalled the most notable drop in output charges during June. All services-based industries continued to record both input cost and output price inflation.

Europe Sector PMI Business Activity Index

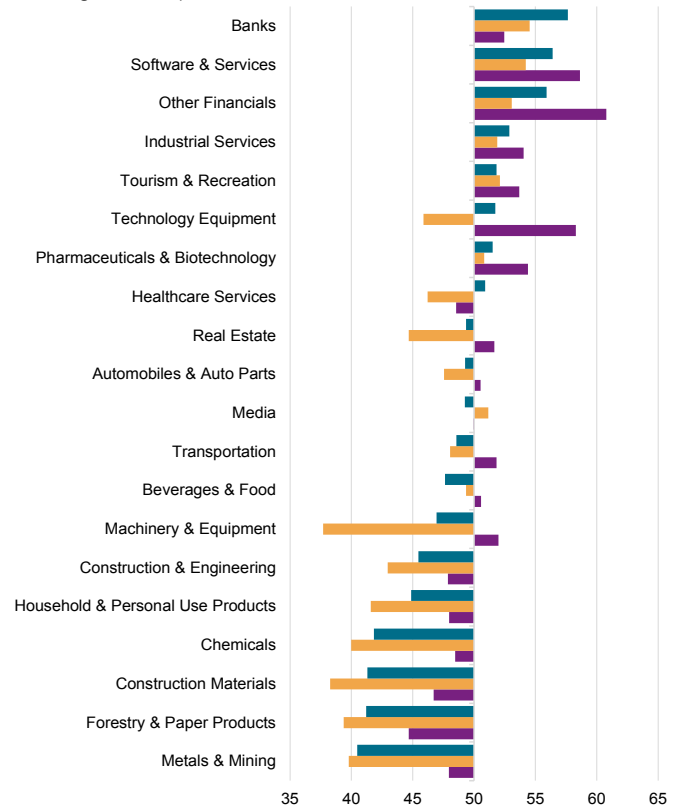
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index
New Orders Index
Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

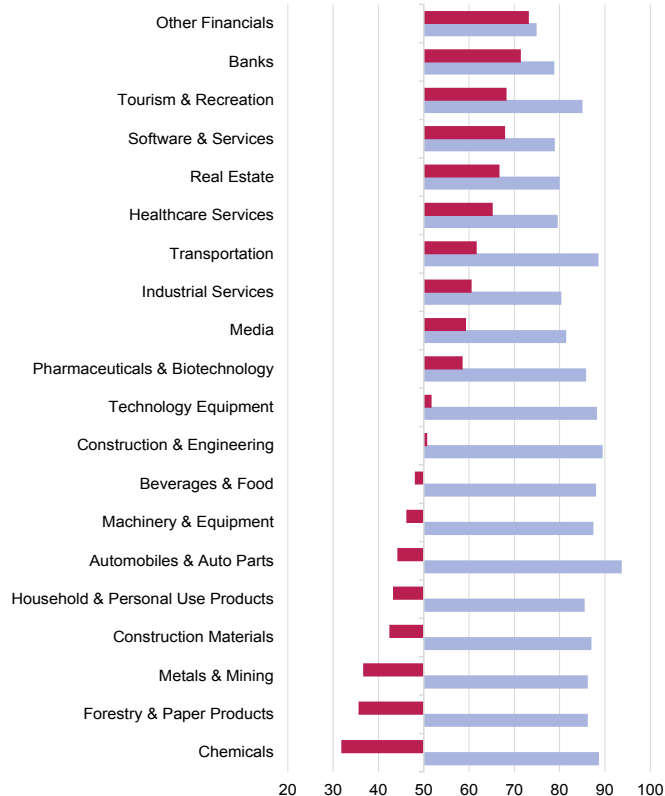
PMI®

by S&P Global

Input Prices Index

■ Jun '23 ■ 2022 high

sa, >50 = inflation since previous month



Source: S&P Global PMI.

Survey methodology

The S&P Global Europe Sector PMI® indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. 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.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

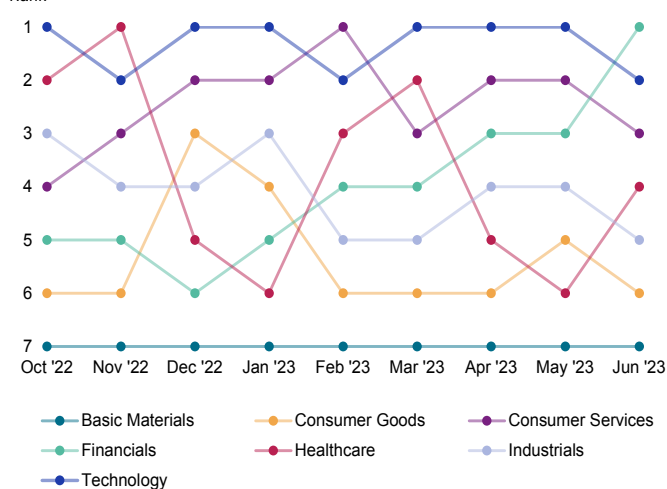
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Output Index

Rank



Source: S&P Global PMI.

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About PMI

Purchasing Managers' Index® (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. ihsmarkit.com/products/pmi.html.