

NEWS RELEASE

MARKET SENSITIVE INFORMATION

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HCOB Eurozone Composite PMI[®]

Eurozone private sector growth hits two-and-a-half-year high

Key findings:

HCOB Eurozone Composite PMI Output Index at 52.8 (Oct: 52.5). 30-month high.

HCOB Eurozone Services PMI Business Activity Index at 53.6 (Oct: 53.0). 30-month high.

Business activity growth accelerates amid another solid rise in demand

Data were collected 12-25 November 2025

The eurozone's private sector economy recorded a further solid expansion during the penultimate month of 2025, according to the latest HCOB PMI[®] survey data, with growth accelerating to a two-and-a-half-year high. The faster increase in output was driven by a further rise in new business – one that matched October's 30-month record – and coincided with a further round of gains to payroll numbers. Business confidence also rose in November, but it remained below its long-run average.

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 – rose for a sixth month in succession in November to the highest since May 2023, and indicative of a solid and accelerated rise in private sector business activity. Moreover, at 52.8 (October: 52.5), the headline index was above the survey's long-run average of 52.4 once again.

Both the manufacturing and service sectors saw rises in output midway through the final quarter of 2025. The faster expansion seen at the overall level was reflective of stronger services momentum as factory production growth slowed to a nine-month low.

National level data revealed a broad-based increase in private sector activity across the eurozone. All five of the constituent countries with Composite PMI data available posted in expansion territory, with Ireland leading the way with its sharpest upturn in three-and-a-half years. Despite slowing from its 2025 high in October, Spain saw the second-fastest rate of growth, while the Italian private sector saw activity levels rise at the strongest pace since April 2023. Finally, the French economy saw its first expansion in 15 months and German growth moderated from October's 29-month peak.

November survey data signalled a sustained rise in new business received by eurozone firms – the fourth in as many months – with the rate of growth matching October's two-and-a-half-year peak. Underlying data indicated that this upturn was exclusively driven by demand for services, however, as new factory orders decreased marginally. While volumes of overall new export* business shrank, the pace of decline was unchanged from that seen previously and subsequently remained mild.

After broadly stabilising in October, backlogs of work were reduced in the penultimate month of 2025. With factory orders in decline and services demand increasing, sector data revealed that incomplete order volumes fell more sharply at manufacturers than at service providers. The combined rate of depletion was modest but nevertheless quicker than its series average.

Private sector payroll numbers increased in November, signalling higher net employment in eight out of the last nine months. As was the case in October, job creation was entirely driven by services firms as factory staffing capacity shrank to the greatest extent since April. With service sector hiring also losing pace, the overall rate of employment growth slowed to a rate that was only fractional.

Looking ahead, eurozone companies were more optimistic towards the year-ahead outlook. Stronger confidence was registered across both monitored sectors during November. That said, growth expectations remained below trend.

Lastly, November survey data signalled a pickup in cost pressures. The rate of input price inflation quickened to an eight-month

high as a result of a renewed rise in manufacturers' purchasing costs and a faster increase in service sector expenses. Pressures remained centred on the service sector, however. As for prices charged, eurozone firms made smaller upward adjustments during November, with the rate of output charge inflation easing to a six-month low.

**includes intra-eurozone trade.*

Countries ranked by Composite PMI Output Index: November

Ireland	55.8	42-month high
Spain	55.1	2-month low
Italy	53.8	31-month high
Germany	52.4 (flash: 52.1)	2-month low
France	50.4 (flash: 49.9)	15-month high

HCOB Eurozone Services PMI[®]

The **HCOB Eurozone Services PMI Business Activity Index** rose further above the 50.0 no-change threshold in November to signal a faster rate of expansion in services output. At 53.6, up from 53.0 in October, the activity gauge indicated the strongest growth since May 2023.

The faster rise in activity was accompanied by stronger sales growth, with demand for services improving for a fourth month in a row and to an extent that was the greatest in a year-and-a-half. Eurozone service providers were nevertheless able to clear backlogs of work, thereby reversing October's marginal uptick.

The upward trend in service sector employment numbers was sustained during November, stretching the current sequence of growth to almost five years. That said, the rate of job creation eased from October's 16-month high.

Meanwhile, business confidence improved slightly, with optimists across the euro area service sector continuing to outnumber pessimists. However, growth expectations fell short of their long-term average.

As for prices, November survey data indicated a slight pickup of cost pressures, although the rate of input price inflation was among the lowest over the past 12 months. Output charges rose at the softest pace in over four-and-a-half years.

Comment

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

"The service sector in the eurozone is showing clear signs of recovery. The strong performance in the service sector was even enough to more than offset the weakness in the manufacturing sector, meaning that economic output in the eurozone grew slightly faster in November than in the previous month. We therefore expect the growth rate in the final quarter of the year to show a slight acceleration.

"The eurozone services sector is now growing for the sixth month in a row and at its fastest pace since May 2023. At 53.6, the index level is far from a boom in historical terms, which tends to start in the high 50s. However, it is fair to say that performance is relatively robust. The geographical breadth of the recovery supports this assessment. For the coming year, we expect positive stimulus from Germany's expansionary fiscal policy and Spain's sustained high economic growth. In France, the fragile political situation argues against increasing momentum. In Italy, there is still hope for effects from the EU Next Generation funds, but these are likely to be felt primarily in the construction industry and only indirectly by service providers.

"The inflation rate in the service sector, which the ECB is monitoring with particular attention, has weakened significantly again in terms of sales prices. At the same time, cost inflation is higher, which is likely to be related to wage growth that is slowing but still above average. All in all, the ECB is likely to feel supported in its clearly communicated line of leaving interest rates unchanged at the upcoming central bank meeting."

-Ends-

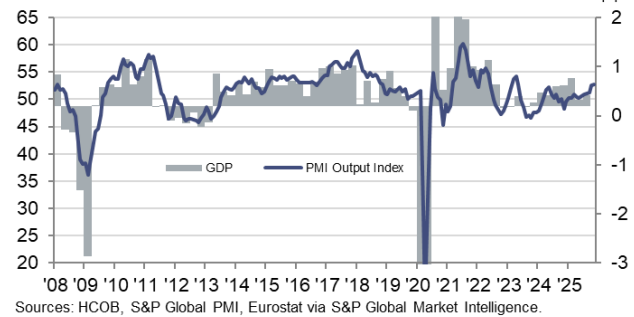
HCOB Eurozone Composite PMI Output Index

sa, >50 = growth since previous month



HCOB Composite PMI Output Index

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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 77% 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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