

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 1000 CET (0900 UTC) 4 February 2026

HCOB Eurozone Composite PMI[®]

Euro area economic growth slows again in January

Key findings:

HCOB Eurozone Composite PMI Output Index at 51.3 (Dec: 51.5). 4-month low.

HCOB Eurozone Services PMI Business Activity Index at 51.6 (Dec: 52.4). 4-month low.

Private sector activity growth slows for second successive month at beginning of the year

Data were collected 12-27 January 2026

The eurozone's private sector economy continued to expand at the beginning of 2026, in line with the trend seen in each month of last year. That said, the upturn slowed, as was also the case in December, signalling a sustained loss of momentum and leaving the overall rate of growth well below its historical average. January's softer rise in business activity reflected a near flatlining of demand as new orders barely rose on the month, while employment stagnated. Nonetheless, eurozone businesses were more optimistic towards the year-ahead outlook, registering their strongest expectations for activity growth since May 2024.

As for price pressures, January survey data indicated a build-up of inflation, with increases in both input costs and output charges accelerating to rates which were in excess of their respective survey averages.

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 – signalled a thirteenth successive monthly increase in private sector output across the single currency bloc at the start of 2026. However, falling from 51.5 in December to 51.3 in January, the figure was again indicative of a weak rate of growth, and one that was also the slowest since last September. This weakening of growth was driven by the service sector, underlying data showed, more than nullifying a fresh expansion in manufacturing output.

Three of the four biggest eurozone economies were in expansion mode during the opening month of the year. Spain was the fastest growing amongst this group, despite recording the softest increase for seven months. Growth pickups were seen in Germany and Italy, whereas France posted a contraction in private sector business activity for the first time since October last year.

After a relatively solid increase in new business inflows across the eurozone during the fourth quarter (on average), January survey data signalled more challenging sales conditions as demand barely rose when compared with the prior month. The HCOB PMI figures implied waning support from domestic markets as the overall order slowdown came in tandem with a softer reduction in export* demand.

In turn, eurozone companies were able to clear outstanding business at a faster rate during the latest survey period. Backlogs of work decreased at the quickest pace in eight months, reflecting a broad-based acceleration at the sector level. Meanwhile, after three months of expansion, private sector employment across the euro area virtually stagnated as factory job losses cancelled out a mild rise in workforce numbers at services firms.

On a positive note, eurozone companies grew more optimistic towards the growth outlook. In fact, expectations for activity over the coming year were the strongest since May 2024. Business confidence continued to trail its long-run average, however.

On the price front, January survey data pointed to a pickup of pressures across the eurozone economy. A third successive monthly increase in the rate of input cost inflation was signalled, pushing it up to an 11-month high. In turn, firms were more

aggressive with their own price setting, as seen by the rate of output charge inflation rising to its strongest in nearly a year. Moreover, the survey's price gauges were above their respective long-term trend levels by clear margins.

includes intra-eurozone trade.

Countries ranked by Composite PMI Output Index: January

Spain	52.9	7-month low
Germany	52.1 (flash: 52.5)	2-month high
Italy	51.4	2-month high
France	49.1 (flash: 48.6)	3-month low

Ireland PMI released 5th February

HCOB Eurozone Services PMI[®]

The **HCOB Eurozone Services PMI Business Activity Index** posted above the 50.0 no-change level for an eighth month on the bounce in January, but fell from 52.4 in December to 51.6. This drop took the index down to a level that was consistent with a modest rate of growth in services output, and one that was the softest since September last year.

Demand for eurozone services increased on the month, but the pace of expansion was well below that seen on average throughout the fourth quarter of 2025. The rise in new business was the weakest since last August. Subsequently, with activity rising faster than sales, service providers completed work at a quicker pace than it was received. Backlogs fell at the steepest rate in eight months during the latest survey period.

Eurozone service providers added to their payrolls in January, albeit to an extent that was only mild overall and the weakest since September 2025. Nevertheless, the expansion stretched the current period of uninterrupted jobs growth to exactly five years. Sustained hiring also coincided with an improvement in business confidence.

Lastly, services inflation accelerated across the eurozone. The increases in input costs and prices charged were stronger than the averages posted for 2025.

Comment

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

“Service companies in the eurozone have expanded their business activities for the eighth month in a row. The growth trajectory can be described as decent, but the situation is still not comfortable. Companies hardly hired any new staff in January. The fact that new business barely grew also shows that the recovery in this sector is still fragile.”

“The expansion of the service sector is relatively broad-based geographically. In Germany, Italy, and Spain, there has been growth in each month since September, with France an outlier. There, the difficult political situation appears to be affecting business, which was also reflected in a significant slump in business activity in January. Another dampener is that growth has slowed significantly in Spain and somewhat in Germany, while Italy has seen a slight acceleration. Overall and on a positive note, service providers are as confident as they were in mid-2024 that they will expand their business activity over the next twelve months.”

“The European Central Bank is not currently particularly concerned about inflation, as the inflation target of 2% appears to have been achieved. However, it is still worth keeping a close eye on services inflation, as it remains quite sticky and if energy prices rise again – as they are currently doing due to the cold weather – the calm could quickly come to an end. In this respect, ECB members will be a bit concerned by the significant rise in cost inflation in the services sector and the visible increase in sales prices inflation that was signalled by the PMI. At its meeting on February 5, at which key interest rates are expected to remain unchanged, the ECB could refer to this very point.”

-Ends-

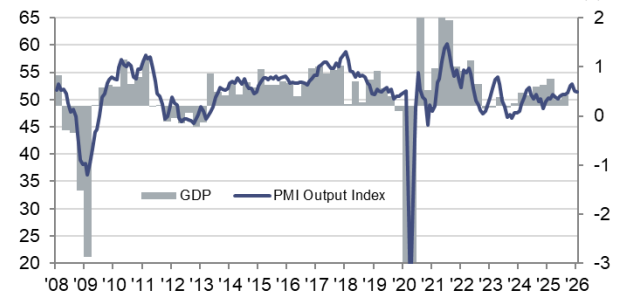
HCOB Eurozone Composite PMI Output Index

sa, >50 = growth since previous month



HCOB Composite PMI Output Index

sa, >50 = growth since previous month



Contact

Hamburg Commercial Bank AG

Dr. Cyrus de la Rubia
Chief Economist
T +49-(0)160-9018-0792
cyrus.delarubia@hcob-bank.com

Katrin Steinbacher
Head of Press Office
Senior Vice President
T: +49-40-3333-11130
katrin.steinbacher@hcob-bank.com

S&P Global Market Intelligence

Chris Williamson
Chief Business Economist
T: +44-207-260-2329
chris.williamson@spglobal.com

Hannah Brook
EMEA Communications Manager
T: +44-7483-439-812
hannah.brook@spglobal.com
press.mi@spglobal.com

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 87% 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 82% 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.

S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2026 S&P Global Ltd. All rights reserved. www.spglobal.com

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. <https://www.spglobal.com/marketintelligence/en/mi/products/pmi.html>.

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, [click here](#).

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.