

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Flash Eurozone PMI®

## Business activity broadly unchanged as new orders fall at fastest pace in 2025 so far

### Key findings:

HCOB Flash Eurozone Composite PMI Output Index<sup>(1)</sup> at 50.1 (March: 50.9). 4-month low.

HCOB Flash Eurozone Services PMI Business Activity Index<sup>(2)</sup> at 49.7 (March: 51.0). 5-month low.

HCOB Flash Eurozone Manufacturing PMI Output Index<sup>(4)</sup> at 51.2 (March: 50.5). 35-month high.

HCOB Flash Eurozone Manufacturing PMI<sup>(3)</sup> at 48.7 (March: 48.6). 27-month high.

Data were collected 09-22 April

The Eurozone private sector saw output remain broadly stable in April, as signalled by provisional PMI® survey data. Business activity was held back by a faster reduction in new orders and waning confidence in the year-ahead outlook. In fact, business sentiment was the lowest for almost two-and-a-half years. In line with the picture for output, there was little change to euro area employment at the start of the second quarter. Manufacturers continued to scale back purchasing, albeit to the least marked extent in almost three years. Meanwhile, overall inflationary pressures eased, with both input costs and output prices rising at weaker rates.

### Output and demand

The seasonally adjusted **HCOB Flash Eurozone Composite PMI Output Index**, based on approximately 85% of usual survey responses and compiled by S&P Global, posted 50.1 in April, only fractionally above the 50.0 no-change mark and therefore signalling a broadly stable picture for business activity as the second quarter of the year began. The latest reading was down from 50.9 in March and the lowest in four months.

There were contrasting trends between the two broad sectors covered. Services business activity decreased marginally in April, thereby ending a four-month sequence of growth. On the other hand, manufacturing production rose for the second consecutive month. Although the pace of expansion remained only modest, the latest rise was the most marked since May 2022.

Germany saw business activity decrease for the first time in four months during April after growth had hit a ten-month high in March. Meanwhile, France remained in contraction and saw the pace of decline in business activity quicken over the month. The rest of the Eurozone continued to record solid growth of output, albeit with the pace of expansion easing slightly from that seen in March.

Companies were generally reluctant to expand output given a further reduction in **new orders** during April, the eleventh in as many months. Moreover, the latest decline in new business was the most marked in the year-to-date. Contractions were seen across both the manufacturing and services sectors. **New export orders** (which include intra-Eurozone exports) also decreased, and at a broadly similar pace to that seen for total new business. New export orders have decreased continuously since March 2022.

### Outlook

April saw a sharp drop in **business confidence** in the euro area, with sentiment down to the lowest since November 2022. Optimism was also well below the series average. The drop in confidence was widespread, both in terms of sector and geographical coverage. Each of the manufacturing and services categories posted lower optimism, with services confidence the

weakest in almost five years. France registered a pessimistic outlook for the first time in five months, while optimism waned in both Germany and the rest of the Eurozone.

## Employment

After having risen for the first time in eight months during March, **employment** broadly stagnated in April. A solid reduction in manufacturing staffing levels outweighed a modest and slower increase in workforce numbers in the service sector. Continued falls in employment in the largest two Eurozone economies cancelled out job creation elsewhere.

Despite a lack of job creation overall, the sustained fall in new orders meant that firms were able to deplete **backlogs of work** again during April. Outstanding business has now decreased in 25 consecutive months. That said, the latest reduction was the least marked in just under a year.

## Prices

Cost inflationary pressures waned at the start of the second quarter. **Input costs** increased at the slowest pace since November last year, and at a rate that was below the series average. Inflation was centred on the services sector, where input prices were up sharply. In contrast, manufacturing input costs decreased for the first time in five months.

**Output prices** also increased at a weaker pace in April, with the rate of inflation easing to a five-month low. Differing from the picture for input costs, selling prices were raised across both monitored sectors. Manufacturing charge inflation actually quickened to a two-year high, but remained modest. Meanwhile, services charges increased at the weakest pace since last September. French companies lowered their charges for the first time in three months, but charges continued to rise in Germany and across the rest of the Eurozone.

## Inventories and supply chains

Manufacturers in the euro area continued to scale back their **purchasing activity** in April, extending the current sequence of decline to 34 months. That said, the latest reduction in input buying was the least marked in this sequence. Similarly, rates of reduction in both **stocks of purchases and finished goods** also slowed at the start of the second quarter, easing to 24- and six-month lows respectively. Meanwhile, **suppliers' delivery times** shortened for the third month running. Moreover, the latest improvement in vendor performance was the most pronounced since June 2024.

## Comment

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

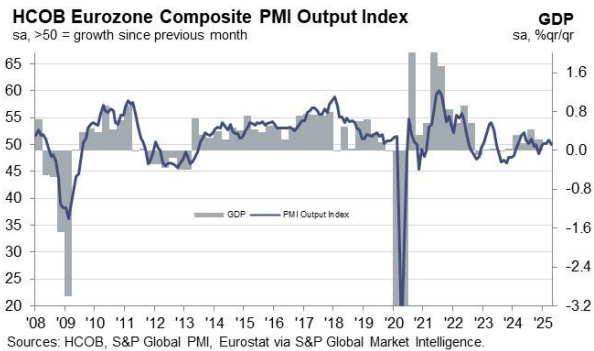
*“Manufacturing seems to be holding up better than expected. Despite the US introducing general tariffs of 10% and car tariffs of 25% at the start of April, most manufacturers in the Eurozone are not too fazed. Instead of falling off a cliff, they've actually increased production for the second month in a row, and even more robustly than in March. Manufacturers have also slowed down job cuts and managed to boost their profit margins, thanks to lower input prices and the ability to raise output prices faster than the previous month. Energy prices, which have dropped due to US recession fears, are currently a boon for the Eurozone's manufacturing sector. Another positive factor is the announced increase in defence spending.*

*The service sector has turned into a bit of a party pooper. Activity has shrunk instead of growing, which it had been doing almost continuously since February 2024. This has pushed the whole economy into stagnation territory, according to the composite PMI. A faster drop in new business suggests this weakness might stick around for a while. However, the higher fiscal spending on infrastructure in Germany and defence spending across Europe should eventually benefit not just manufacturing but also the service sector, though with a bit of a lag.*

*The European Central Bank is getting some mild support for its rate-cutting stance from the price indicators in the services sector, which the monetary authorities are closely watching. Costs have risen at a similar rate to March, but the increase in selling prices has slowed significantly. Goods prices are showing mixed behaviour: input prices have reversed their inflationary trend of the past four months and have fallen, while output prices have increased a bit more than in March but still modestly.*

*Looking at the two major economies of the Eurozone, Germany and France, we see a similar pattern. Both countries saw an increase in manufacturing output in April, while activity in the services sector shrank. The overall weakness seems a bit more pronounced in France, especially in the services sector. This might be due to the contrasting political landscapes: in France, there is a constant risk of government collapse amid a fragile debt situation, while in Germany, there is a chance of having a functioning new government with significant fiscal leeway starting in May.”*

-Ends-



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## Note to Editors

Final April data are published on 2 May for manufacturing and 6 May for services and composite indicators.

The HCOB Eurozone PMI (Purchasing Managers' Index) is produced by S&P Global and is based on original survey data collected from a representative panel of around 5,000 companies based in the euro area manufacturing and service sectors. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland. The flash estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate advance indication of the final PMI data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Composite Output Index <sup>1</sup>	0.0	0.3
Manufacturing PMI <sup>3</sup>	0.0	0.2
Services Business Activity Index <sup>2</sup>	0.1	0.3

The Purchasing Managers' Index™ (PMI<sup>®</sup>) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI<sup>®</sup> surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global. Please contact [economics@spglobal.com](mailto:economics@spglobal.com).

## Notes

1. The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index.

2. The Services Business Activity Index is the direct equivalent of the Manufacturing Output Index, based on the survey question “Is the level of business activity at your company higher, the same or lower than one month ago?”
3. The Manufacturing PMI is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers’ delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
4. The Manufacturing Output Index is based on the survey question “Is the level of production/output at your company higher, the same or lower than one month ago?”

### 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 neighboring 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.

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

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