

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Flash Eurozone PMI®

## Business activity up marginally as new orders near stabilisation

### Key findings:

HCOB Flash Eurozone Composite PMI Output Index<sup>(1)</sup> at 50.2 (May: 50.2). Unchanged pace of growth.

HCOB Flash Eurozone Services PMI Business Activity Index<sup>(2)</sup> at 50.0 (May: 49.7). 2-month high.

HCOB Flash Eurozone Manufacturing PMI Output Index<sup>(4)</sup> at 51.0 (May: 51.5). 3-month low.

HCOB Flash Eurozone Manufacturing PMI<sup>(3)</sup> at 49.4 (May: 49.4). Unchanged pace of deterioration.

Data were collected 12-19 June

The first half of 2025 ended with the Eurozone private sector ekeing out growth of output, according to provisional PMI® survey data for June. Sustained increases in manufacturing production coincided with a stabilisation of services business activity. New orders decreased again, but at the slowest pace in over a year, while business confidence improved to the strongest since the start of 2025. In line with the picture for output, firms increased their staffing levels marginally. Meanwhile, the pace of input cost inflation continued to ease, but output prices rose at a faster pace than in May.

### 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, was unchanged at 50.2 in June, posting above the 50.0 no-change mark for the sixth consecutive month but continuing the trend seen through much of the year-to-date of only marginal expansions in business activity.

Overall growth was again centred on the manufacturing sector, where production increased for the fourth successive month. That said, the rate of expansion in June was slight, having eased to a three-month low. Meanwhile, services business activity was unchanged at the end of the first half of the year, following a first fall in activity in six months during May.

Germany posted a renewed expansion in output, after activity decreased modestly in the previous month. That said, the rise was only marginal. On the other hand, France posted a further reduction in output, extending the current sequence of decline to ten months. The rest of the euro area continued to see business activity increase, but the rate of growth eased to the slowest since last November.

**New orders** neared stabilisation in June. Although continuing to fall marginally, the latest reduction in new business was the slowest in the current 13-month sequence of decline. Manufacturing new orders were unchanged, ending a period of contraction stretching back just over three years. Meanwhile, services new business fell slightly. The picture for new export orders (which include intra-Eurozone trade) was broadly similar to that seen for total new business. **New export orders** decreased modestly, but to the least marked extent since April 2022. Germany posted a rise in new business from abroad for the first time in almost three-and-a-half years.

### Employment

In line with the picture for business activity, **employment** in the Eurozone was up marginally again in June, with the pace of job creation unchanged from May. Here though, growth was driven by the service sector where staffing levels were up modestly. Meanwhile, manufacturing workforce numbers decreased solidly, and at a faster pace than in May. Employment was reduced in Germany and France, but increased in the rest of the Eurozone.

Although new orders neared stabilisation in June, companies were still able to keep on top of workloads and deplete **outstanding business**. Backlogs decreased modestly, albeit to the smallest extent in just over a year.

## Prices

The pace of **input cost** inflation eased for the fourth consecutive month in June and was the weakest since last November. The latest rise in input prices was also softer than the series average. A third successive monthly fall in manufacturing input costs contrasted with continued strong inflation in the service sector.

The differing trends between the two monitored sectors in terms of input costs were also seen with regards to **selling prices**. Service providers raised their charges at a strong pace that was the fastest in three months, while manufacturing output prices were cut for the second month running. Overall, selling prices increased solidly, and at a slightly faster pace than in May. France posted a renewed rise in charges in June, joining Germany and the rest of the euro area in inflation territory.

## Inventories and supply chains

Manufacturers in the Eurozone continued to scale back their **purchasing activity** in June, but the pace of decline was modest and among the weakest in the past three years. With input buying falling, **stocks of purchases** decreased at a marked and accelerated pace. **Stocks of finished goods**, meanwhile, declined to the smallest extent since September 2024. **Suppliers' delivery times** lengthened at the end of the first half of the year, ending a four-month sequence of shortening lead times.

## Outlook

June saw an improvement in **business confidence**, with sentiment up to the highest since January. The strengthening of optimism was driven by the service sector where confidence hit a four-month high, but was nonetheless still weaker than the series average. Manufacturers in the Eurozone remained more confident in the year-ahead outlook than their services counterparts, despite sentiment dipping from May's 39-month high. French companies were much more confident than was the case in May, with optimism in June matching that seen in Germany. Meanwhile, strongly positive sentiment continued to be recorded across the rest of the euro area.

## Comment

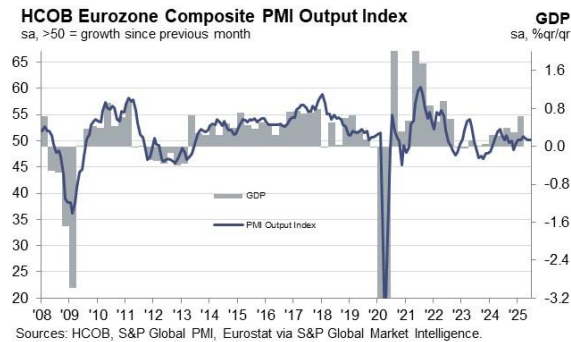
Commenting on the flash PMI data, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

*"The eurozone economy is struggling to gain momentum. For six months now, growth has been minimal, with activity in the service sector stagnating and manufacturing output rising only moderately. In Germany, there are signs of a cautious improvement in the situation, but France continues to drag its feet. The momentum evident in the official growth figure of 0.6 percent for the first quarter is unlikely to have carried over into the second quarter, especially since special factors such as Ireland's unusual jump in growth inflated this figure. However, there is no reason to be resigned, as the outlook has brightened according to the survey and companies are keeping employment roughly constant.*

*Delivery times increased in June. Given the weak order situation and only moderate growth in production, this may be related, among other things, to the new geopolitical crises and the variable tariff policy of the US. Both factors are making supply chain management more difficult. Overall, however, the delivery time indicator shows that most companies are relatively good at adapting to uncertainty and that there have been no major disruptions so far.*

*For the ECB, the price environment for services remains slightly tense. Companies are still facing quite significant cost increases and raised their selling prices slightly more in June than in the previous month. This higher inflation in the service sector is partly offset by a deflationary environment in the goods sector. However, energy prices play an important role here. Until recently, they were still falling, but have risen sharply since the conflict between Israel and Iran. This information has only been partially reflected in the surveys. Overall, however, the ECB can remain relatively calm, as the strong euro and the deflationary effect of US tariffs argue against a short-term rise in inflation."*

-Ends-



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## Note to Editors

Final June data are published on 1 July for manufacturing and 3 July 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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