

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Italy Services PMI<sup>®</sup>

## Strongest rise in new business inflows in a year-and-a-half in October

### Key findings:

Growth in new work accelerates, supported by fresh rise in exports

Input cost inflation at four-and-a-half year low

Job creation only fractional despite stronger rise in activity

Data were collected 09-28 October 2025.

The expansion of the Italian services economy gained momentum at the start of the final quarter of 2025. Both output and new business increased at sharp and accelerated paces. Notably, October saw an end to the trend of decline in exports, with the volume new business from abroad up slightly on the month. Meanwhile, firms enjoyed a combination of milder cost pressures, with the rate of input price inflation retreating to its lowest in four-and-a-half years, and a sharper rise in charges.

Employment growth was only slight, however, and confidence in the 12-month outlook for activity remained subdued in the context of the series history.

The **HCOB Italy Services PMI<sup>®</sup> Business Activity Index** rose from 52.5 in September to 54.0 in October. The latest reading signalled the strongest growth in services activity in 17 months.

The sharp rise in output was linked by respondents to greater workloads following to an influx of new business, new customer introductions and more client requests.

Indeed, there was a rise in the volume of new work in October. In fact, the rate of expansion picked up for the third month in a row and was the most pronounced seen since April 2024. In anecdotal evidence, new customer wins and marketing efforts were noted as key drivers behind the improvement in sales.

For the first time in the nine months of growth in overall new business, the upturn was supported by an uptick in export sales. Although only slight, the rise in international orders ended a 14-month run of decline. Some panellists noted higher sales from European customers, but there were also reports of persistent international uncertainty.

Services firms retained a positive outlook when asked about their expectations for activity for the year ahead. Panellists are forecasting an improvement in market conditions and expect new customer wins and increased service offerings to be supportive of growth. The level of confidence ticked down from September and remained subdued by historical standards, however.

Services firms cautiously added to their payroll numbers in October, often a result of higher temporary staff numbers. The rate of workforce expansion was marginal, and the least marked in the current period of growth which began in February.

Operating capacity remained in excess in October, as has been the case on a consistent basis for eight straight months. Despite stronger inflows of new work and softer jobs growth, the rate at which backlogged orders were depleted was the strongest in six months, albeit only modest overall.

Turning to prices, signs of improved demand conditions and attempts to protect profit margins from cost pressures drove a sharper rise in prices charged for Italian services in October. The rate of output price inflation reached a three-month high and was moderate overall, but remained just below the average seen over the year-to-date.

October data marked a sharp pick-up in operating expenses, thereby stretching the trend of inflation to just shy of five-and-a-half years. Raw material and energy prices, alongside insurance and consultancy fees had all reportedly increased in cost. The rate of input price inflation softened to its weakest since April 2021, however.

### Comment

Commenting on the PMI data, Nils Müller, Junior Economist at Hamburg Commercial Bank, said:

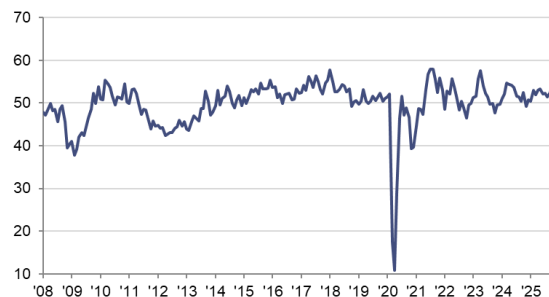
*“Italy’s services sector entered the fourth quarter on a strong footing, as the HCOB Italy Services PMI rose to 54.0 in October. The acceleration in activity growth was accompanied by a robust rise in new business, fresh customer wins, and a renewed rise in export orders. The improvement in services fed through to the broader economy, lifting the HCOB Italy Composite PMI to 53.1, marking the strongest reading since March 2024. While manufacturing output also returned to growth, the momentum was clearly concentrated in the service sector.”*

*“Price dynamics in the Italian service sector were mixed. Input cost inflation eased to a four-and-a-half year low, offering some relief to firms. However, operating expenses continued to be elevated, with higher energy, insurance and consultancy costs cited. In response, service providers raised their charges at a faster pace, aiming to protect margins amid improved demand conditions.”*

*“Employment growth remained subdued, with firms adding staff only fractionally, often through temporary hires. Despite the stronger rise in workloads, backlogs continued to fall, pointing to persistent spare capacity. Business confidence stayed positive but was below historical norms, reflecting a cautious outlook in the face of persistent global headwinds.”*

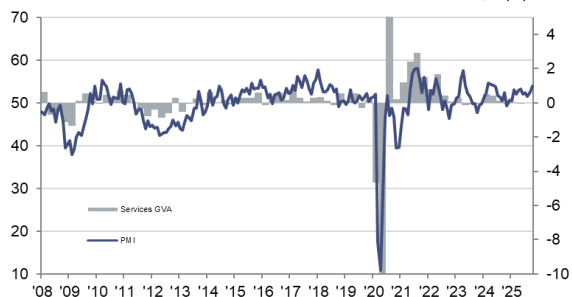
*“Overall, October’s PMI data highlight the resilience of the service sector, which remains the main engine of growth within Italy’s private economy. With overall demand firming and export orders showing early signs of recovery, the outlook has brightened – even if hiring and sentiment remain restrained.”*

**HCOB Italy Services PMI Business Activity Index**  
sa, > 50 = growth since previous month



Sources: HCOB, S&P Global PMI.

**Services PMI Business Activity Index**  
sa, > 50 = growth since previous month



Sources: HCOB, S&P Global PMI, ISTAT via S&P Global Market Intelligence.

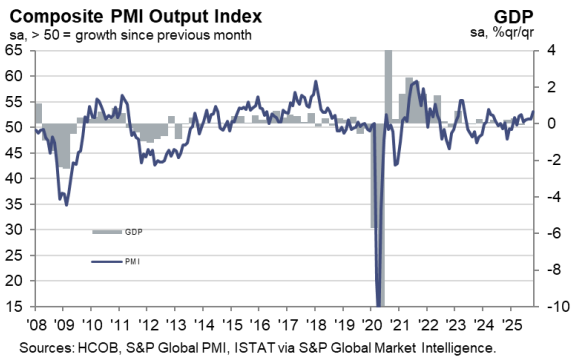
## HCOB Italy Composite PMI<sup>®</sup>

### Italian private sector expands at fastest rate in 19 months

At 53.1 in October, the **HCOB Italy Composite PMI Output Index** signalled the strongest expansion of the Italian private sector in just over one-and-a-half years (up from 51.7 in September). The upturn reflected a stronger rise in services activity and renewed growth in manufacturing output. Growth in new orders reached a similar high in October, though the expansion here was limited to the service sector. The improvement was centred on domestic sales, as overall new export business fell again.

Nevertheless, the pace of job creation lost momentum across the private sector and was only slight overall. This came amid increasing signs of spare capacity, with total backlogs falling at the strongest rate in six months.

Turning to prices, the rate of input cost inflation fell to its lowest in three months, despite manufacturers recording stronger cost pressures compared to September. At the same time, there was a pick-up in the rate of overall charge inflation, despite renewed discounting at goods producers.



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## Note to Editors

The HCOB Italy Services PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in January 1998.

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 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.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services 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 figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

### 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.

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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