

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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Markit Flash Eurozone PMI®

PMI signals slowing growth for second successive month in November

- Flash Eurozone PMI Composite Output Index⁽¹⁾ at 51.5 (51.9 in October). Three-month low.
- Flash Eurozone Services PMI Activity Index⁽²⁾ at 50.9 (51.6 in October). Three-month low.
- Flash Eurozone Manufacturing PMI⁽³⁾ at 51.5 (51.3 in October). 29-month high.
- Flash Eurozone Manufacturing PMI Output Index⁽⁴⁾ at 52.8 (52.9 in October). Two-month low.

Data collected 12-20 November.

At 51.5, down from 51.9 in October, the flash estimate of the **Markit Eurozone PMI® Composite Output Index** remained above the 50.0 no-change level for a fifth successive month in November, but signalled a modest easing in the rate of expansion for the second month running.

Output growth in manufacturing stabilised at a robust rate and remained stronger than service sector expansion, which eased to the weakest since August.

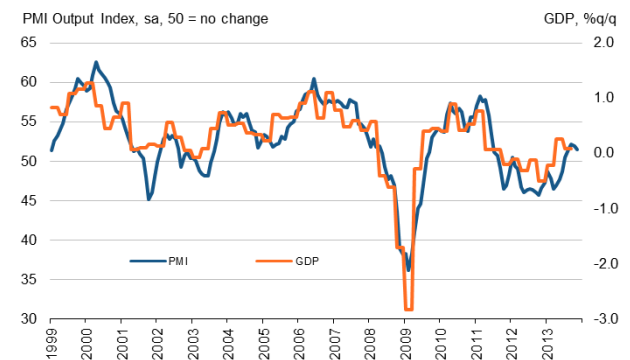
Trends were also varied by country. The composite PMI covering both manufacturing and services in Germany rose to its highest since January, signalling increasingly robust growth and a seventh successive monthly expansion.

In contrast, the comparable index for France fell to its lowest since June, signalling a renewed decline after just two months of fractional growth.

Elsewhere across the region, output rose for the fourth month in a row, but the rate of increase was the weakest seen over that period.

Eurozone private sector new orders rose for the fourth consecutive month, with the rate of increase unchanged on the very modest pace seen in October. Growth of manufacturing new orders accelerated to the strongest since August, fuelled by the largest rise in new export orders since May 2011. However, new business expansion in the service sector slowed for the second month in a row.

Markit (Flash) Eurozone PMI and GDP



Source: Markit, Eurostat. GDP = gross domestic product

Private sector employment in the eurozone fell for the twenty-third consecutive month, with the rate of job losses accelerating marginally for the second successive month. Manufacturers reported the smallest drop in payroll numbers since July, while employment in the services sector fell at the strongest rate since August.

By country, staffing numbers rose for the third time in five months in Germany, but fell at the steepest rate for six months in France. Elsewhere, the rate of job shedding eased to the second-lowest seen for over two years.

The volume of outstanding business fell marginally again, as a steepening rate of decline in services was partly offset by the largest rise in manufacturing backlogs since May 2011.

Input costs rose for the sixth month running, rising at the fastest rate since September of last year. The strengthening in inflation was reflected in both manufacturing and services.

Output prices meanwhile continued to fall, dropping to the greatest extent for three months. Prices charged for goods showed the steepest monthly increase since August 2011, but charges levied for services showed the strongest fall for four months.

Commenting on the flash PMI data, **Chris Williamson, Chief Economist at Markit** said:

“Some encouragement must be gleaned from the PMI signalling expansion of the eurozone economy for a fifth successive month in November, but the average reading over the fourth quarter so far is signalling a very modest 0.2% expansion of GDP across the region, and it looks like momentum is being lost again.

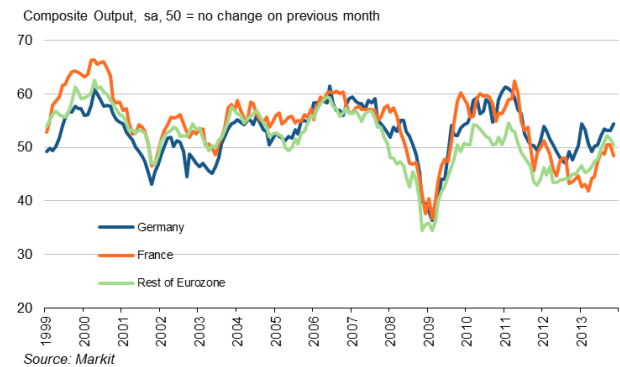
“The fall in the PMI for a second successive month suggests that the ECB was correct to cut interest rates to a record low at its last meeting, and the further loss of growth momentum will raise calls for policymakers to do more to prevent the eurozone from slipping back into another recession.

“Attention will also be focused on the signs that deflationary forces may be gathering. Prices charged for goods and services fell at a faster rate in November, despite firms’ input costs rising at the steepest clip for over a year.

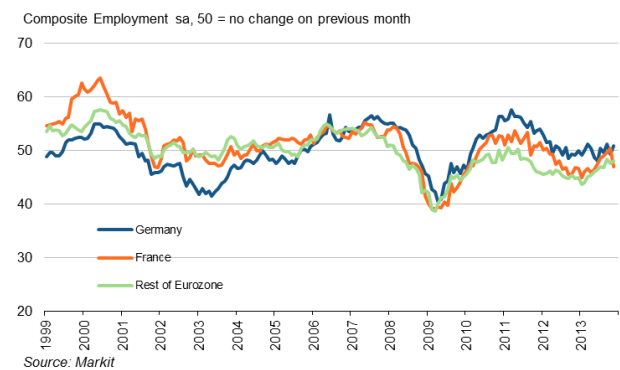
“Any improvements were largely confined to Germany, where the PMI has notched up the best growth since mid-2011 so far in the fourth quarter, signalling a 0.5% increase in GDP. France, on the other hand, showed further signs of being the ‘sick man of Europe’ with output showing a renewed decline and raising the risk that GDP could fall again in the fourth quarter, constituting a renewed recession. Meanwhile growth outside the ‘big two’ slowed to near-stagnation.”

-Ends-

Core v. Periphery PMI Output Indices



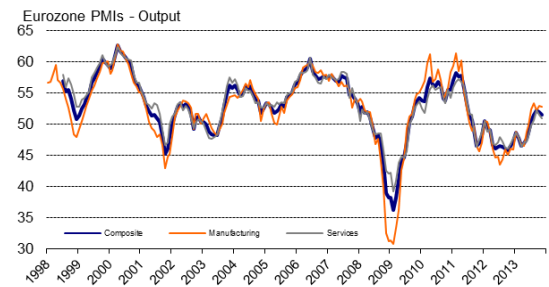
Core v. Periphery PMI Employment Indices



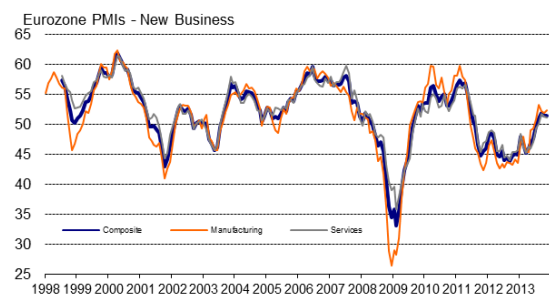
Summary of November data

Output	Composite	Output increases for fifth month running, albeit at modest pace.
	Services	Activity increases for fourth month running, but only marginally.
	Manufacturing	Output rises for fifth month running, at moderate pace.
New Orders	Composite	New business growth unchanged at modest rate.
	Services	New business rises marginally.
	Manufacturing	New order growth fastest in three months.
Backlogs of Work	Composite	Backlogs decline marginally.
	Services	Outstanding business falls for twenty-ninth month running.
	Manufacturing	Backlogs rise for third time in four months.
Employment	Composite	Jobs decline for twenty-third month running.
	Services	Employment contracts further.
	Manufacturing	Jobs decline at marginal pace.
Input Prices	Composite	Input price inflation at 14-month high.
	Services	Input price inflation at 11-month high.
	Manufacturing	Input prices rise at fastest rate in 13 months.
Output Prices	Composite	Output prices fall at fastest rate in three months.
	Services	Charges decline at fastest rate in four months.
	Manufacturing	Factory gate price inflation at 27-month high, but still modest overall.
PMI⁽³⁾	Manufacturing	PMI rises to 29-month high of 51.5.

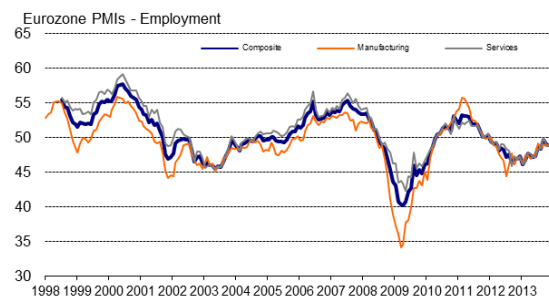
Output



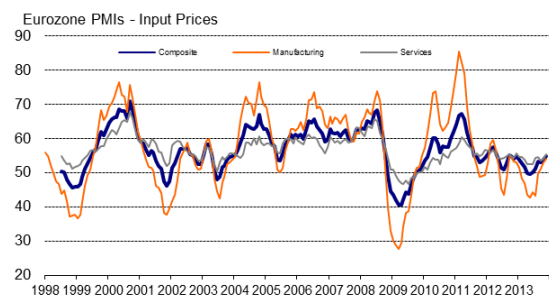
New business



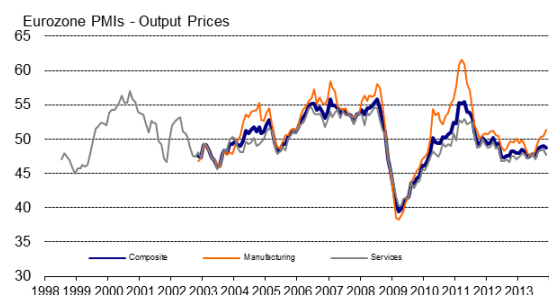
Employment



Input prices



Output prices



Source: Markit.

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Note to Editors:

Final November data are published on 2 December for manufacturing and 4 December for services and composite indicators.

The Eurozone *PMI*[®] (*Purchasing Managers' Index*[®]) is produced by Markit 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
Eurozone Composite Output Index ¹	0.0	0.2
Eurozone Manufacturing <i>PMI</i> ²	0.0	0.2
Eurozone Services Business Activity Index ²	0.1	0.3

The *Purchasing Managers' Index*[®] (*PMI*[®]) 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*[®] surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

Markit 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 Markit. Please contact economics@markit.com.

Notes

1. The Composite Output *PMI* 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?"

About Markit

Markit is a leading, global financial information services company with over 3,000 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial market place. For more information, see <http://www.markit.com/en/>.

About PMIs

Now available for 32 countries and key regions including the Eurozone, *Purchasing Managers' Index*[®] (*PMI*[®]) surveys have become 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. To learn more go to www.markit.com/economics.

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