

IHS MARKIT EUROPE SECTOR PMI®

Slowest decline in autos output since November 2018

KEY FINDINGS

Weakest fall in new orders at European autos firms since October 2018

Forward-looking ratio of new orders and stocks of finished goods indices continues to improve

Strong growth in banking, technology services and other financials

European Sector PMI® indices are compiled from responses to IHS Markit's European PMI surveys, covering over 8,000 private sector companies in 11 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

The European **automobiles & auto parts** sector remained in a downturn in November, with its output index ranked seventeenth of 19 detailed sectors. That said, the rate of contraction signalled was the slowest for a year. Moreover, with the decline in new orders easing further and inventories of finished goods continuing to fall sharply, the ratio of these two indices rose again, pointing to a future recovery in the level of the output index back towards growth territory. Less positively, employment in the sector continued to fall at one of the sharpest rates since 2009.

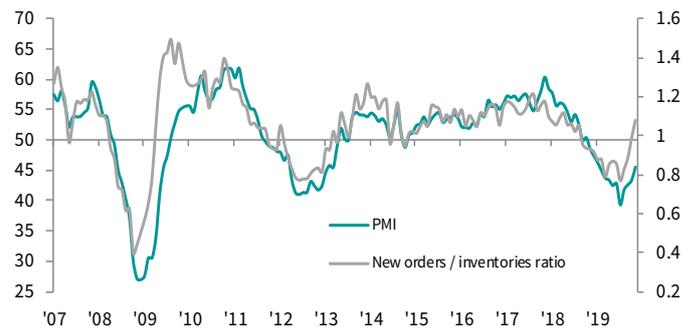
The latest sector data also revealed that **beverages & food** was the only category of manufacturing to record growth of output in November. Even here, the rate of expansion has slowed in recent months from a strong trend pace. **Metals & mining** registered the strongest decline of all sectors monitored, a position it has shared with autos for all of the past year.

Banks, software & services, other financials and **beverages & food** recorded the fastest rates of expansion in November, respectively. These four sectors have also registered the strongest trend growth rates over 2019 so far.

Europe Automobiles & Auto Parts

PMI, sa, >50 = improvement since previous month

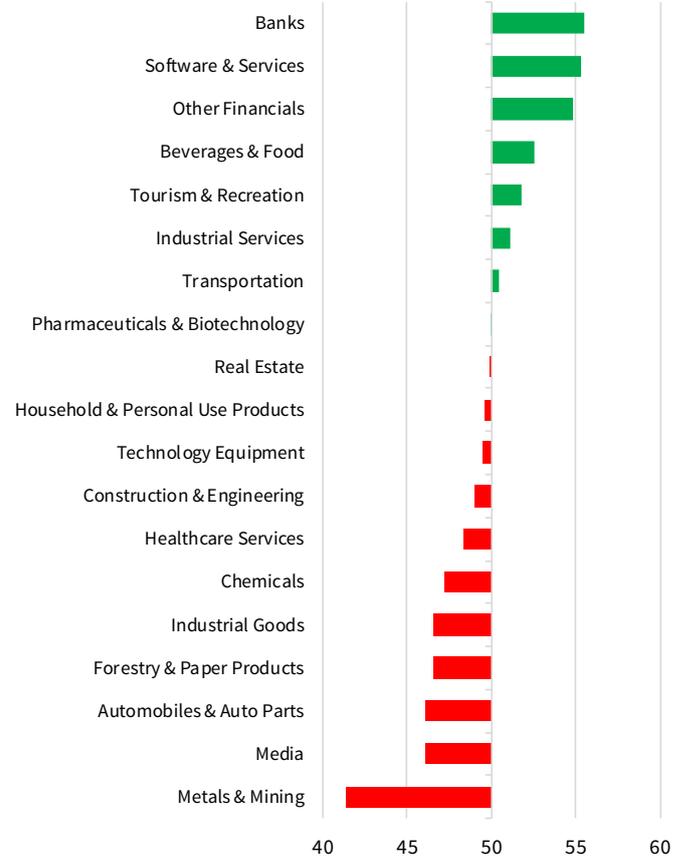
New orders to inventories ratio*



Source: IHS Markit. *New Orders Index divided by Stocks of Finished Goods Index.

Output Index, Nov '19

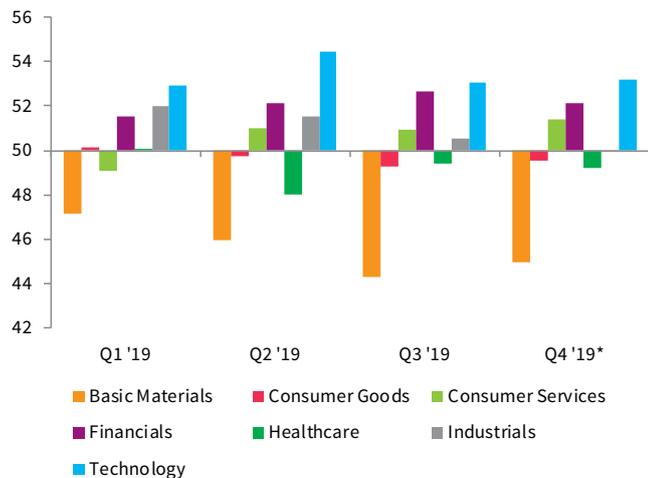
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

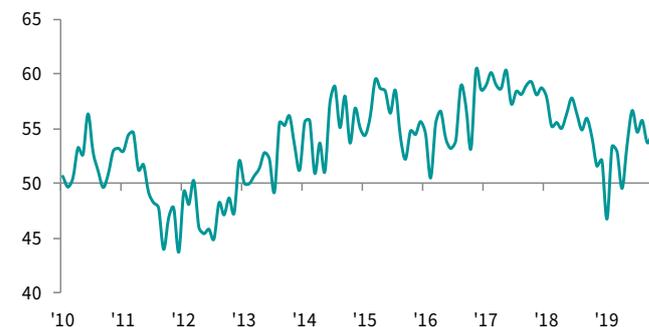
sa, >50 = growth since previous month (quarterly average)



Source: IHS Markit. *Oct-Nov.

Europe Banks Business Activity Index

sa, >50 = growth since previous month



Source: IHS Markit.

CONTACT

IHS Markit

Chris Williamson
 Chief Business Economist
 T: +44-20-7260-2329
chris.williamson@ihsmarkit.com

Trevor Balchin
 Economics Director
 T: +44-1491-461-065
trevor.balchin@ihsmarkit.com

Katherine Smith
 Corporate Communications
 +1 781 301 9311
katherine.smith@ihsmarkit.com

Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. 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.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.

About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2019 IHS Markit Ltd. All rights reserved.

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. To learn more go to ihsmarkit.com/products/pmi.html.

If you prefer not to receive news releases from IHS Markit, please email katherine.smith@ihsmarkit.com. To read our privacy policy, click here.