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News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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IHS Markit Eurozone Manufacturing PMI® – final data

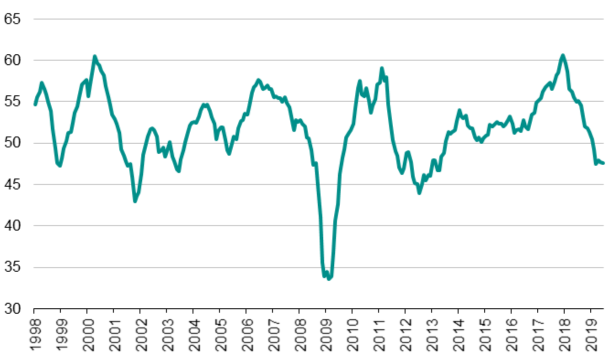
Eurozone manufacturing sector remains in contraction during June

Key findings:

- Final Eurozone Manufacturing PMI at 47.6 in June (Flash: 47.8, May Final: 47.7)
- Ongoing falls in output and new orders weigh on sector during June
- Input prices down as delivery times shorten to greatest degree in a decade

Data collected June 12-21

IHS Markit Eurozone Manufacturing PMI



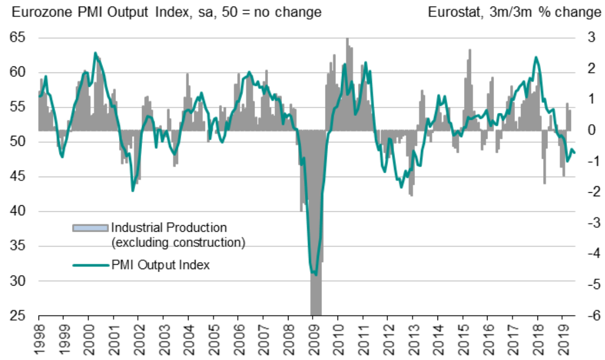
Source: IHS Markit.

Manufacturing operating conditions in the euro area deteriorated for a fifth successive month during June. After accounting for seasonal factors, the IHS Markit Eurozone Manufacturing PMI® remained below the crucial 50.0 no-change mark, falling to a three-month low of 47.6, from 47.7 in May. Moreover, the PMI was slightly weaker than the earlier flash reading of 47.8.

There remained notable performance divergences by market group during June. Operating conditions for consumer goods companies improved to the greatest degree since January. In contrast, intermediate and investment goods producers recorded marked contractions. For intermediate goods, the deterioration was the sharpest recorded since April 2013.

Countries ranked by Manufacturing PMI: June

Greece	52.4	19-month low
France	51.9 (flash: 52.0)	9-month high
Netherlands	50.7	72-month low
Ireland	49.8	73-month low
Italy	48.4	3-month low
Spain	47.9	74-month low
Austria	47.5	55-month low
Germany	45.0 (flash: 45.4)	4-month high



Sources: IHS Markit, Eurostat

Operating conditions were generally weak across the single currency area, according to the latest country data. Germany remained the weakest-performing nation, despite its respective PMI improving to a four-month high. Austria, Spain, Ireland and Italy all recorded PMI readings below the 50.0 no-change mark, whilst growth in the Netherlands was only marginal.

France bucked the overall trend somewhat, registering its highest PMI for nine months, though growth here was only modest. Greece remained the strongest-performing, despite posting its lowest PMI reading for 19 months.

A challenging economic environment characterised by ongoing global trade tensions and political uncertainties, plus ongoing underperformance in the autos industry, led to another notable deterioration in manufacturing order books. June marked the ninth month in succession that a fall in new work has been registered, although the latest reduction was the weakest since January. Export orders meanwhile also fell at a marked pace and maintained the sequence of contraction that began last October.

Another fall in overall new work continued to weigh on production volumes, which were down modestly in June and for a fifth successive month. Firms again made notable inroads into their backlogs, which were cut for a tenth month in a row. Companies also added to their inventories of finished goods (albeit marginally) for the first time since March.

Ongoing weakness in output and new order trends weighed on employment and purchasing decisions in June. Job cuts were registered for a second month in succession, with Germany, Italy and Spain all registering reductions in employment. On the purchasing front, buying activity continued to fall, in line with the trend seen since last December. Signalling a preference to utilise existing inventory wherever possible, firms cut purchasing activity to the greatest degree since April 2013.

With demand for inputs waning, average delivery times improved at the strongest rate in a decade. June marked the fourth successive month that a shortening of lead times has been registered and this helped contribute to a first fall in input prices for three years. Metals prices were reported to be lower, whilst a reduction in the cost of crude oil and its derivates also contributed to lower overall prices.

Nonetheless, manufacturers continued to raise their own charges, though competitive pressures meant inflation was marginal and the weakest in the current 33-month sequence of rising charges.

Finally, business confidence remained historically subdued despite improving slightly to a four-month high in June. Austrian and German manufacturers were the least confident of an improvement in output from present levels in the next 12 months.

** Includes intra-eurozone trade.*

Comment

Commenting on the final Manufacturing PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

"Eurozone manufacturing remained stuck firmly in a steep downturn in June, continuing to contract at one of the steepest rates seen for over six years. The disappointing survey rounds off a second quarter in which the average PMI reading was the lowest since the opening months of 2013, consistent with the official measure of output falling at a quarterly rate of approximately 0.7% and acting as a major drag on GDP.

"Deteriorating inflows of new work meanwhile meant manufacturers increasingly focused on keeping costs down, notably by cutting staff numbers and warehouse stocks.

"The downturn is also increasingly feeding through to lower inflationary pressures, as producers and their suppliers compete on price to retain customers and generate sales. In stark contrast to the steep rise in producers' costs and charges seen at the start of the year, raw material prices are now falling for the first time in three years and selling prices are barely rising.

"The downturn is also showing no signs of any imminent end. The survey's forward-looking indicators remained worryingly subdued in June, adding to concerns about the economy in the second half of the year."

-Ends-

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Note to Editors:

The Eurozone Manufacturing *PMI*® (*Purchasing Managers' Index*®) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The June 2019 flash was based on 89% of the replies used in the final 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 Manufacturing *PMI*	0.0	0.1

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.

IHS 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 revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

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IHS Markit (Nasdaq: 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.

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 https://ihsmarkit.com/products/pmi.html.