

News Release

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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UniCredit Bank Austria Manufacturing PMI[®]

Austrian manufacturing growth remains strong

Key findings:

- Headline PMI remains elevated at 59.4
- Output and new orders grow at slowest rates in four months
- Input price inflation accelerates to five-month high

Data collected from September 12-22

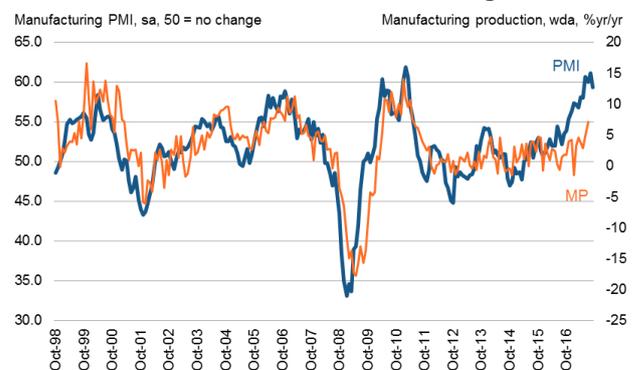
The latest PMI[®] survey data from Unicredit Bank Austria signalled a further marked improvement in the health of the Austrian manufacturing sector, with overall expansion remaining among the strongest registered over the survey history. Growth rates for output, new orders, exports and employment all remained elevated, despite easing since August. Suppliers remained under substantial pressure, and input price inflation accelerated to the fastest since April.

The headline UniCredit Bank Austria Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The PMI fell from 61.1 in August to 59.4 in September. The latest figure signalled the slowest pace of expansion in the sector since May, albeit one that remained marked overall. The September reading was the eighth-highest in the survey history, stretching back to October 1998. Furthermore, the latest data extended the current sequence of growth to two-and-a-half years, the longest run in over nine years.

Goods producers in Austria registered another marked increase in output in September, led by the investment goods sector. The overall rate of growth

UniCredit Bank Austria Manufacturing PMI



Sources: Unicredit Bank Austria, IHS Markit, Eurostat.

eased to a four-month low, but remained strong in the context of historic data.

New orders exhibited a similar trend to output, increasing at a marked rate (albeit the slowest since May). Data signalled strong growth of both domestic and export business.

Rising intakes of new work placed further pressure on manufacturing capacity. Backlogs of work in the sector rose for the thirteenth consecutive month, and at a marked pace. Meanwhile, inventories of finished goods declined further, albeit more slowly than in August. Suppliers' delivery times continued to lengthen substantially.

Manufacturers continued to expand their workforces at a historically strong rate in September. Employment in the sector has risen continuously since April 2016, and the latest increase was broad-based across the three sub-sectors monitored.

Cost pressures intensified in September. Input price inflation accelerated to a five-month high and was well above the long-run survey average. In contrast, output price inflation eased to the slowest in six

months, but remained strong in the context of historic data.

Output expectations in the Austrian manufacturing sector remained strongly optimistic in September, generally linked to a positive economic outlook.

Sentiment eased since August, but was nonetheless among the strongest registered since the series began in July 2012.

For further information, please contact:

IHS Markit

Trevor Balchin, Director
Telephone +44-1491-461-065
Email: trevor.balchin@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44207 260 2234
Email joanna.vickers@ihsmarkit.com

Note to Editors:

The UniCredit Bank Austria Manufacturing *PMI*[®] is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. The panel is stratified by GDP and company workforce size.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease. All data are seasonally adjusted.

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

The UniCredit Bank Austria Manufacturing *PMI* is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times index inverted so that it moves in a comparable direction. The *PMI* is designed to show a convenient single-figure summary of the health of the manufacturing sector.

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