

News Release

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

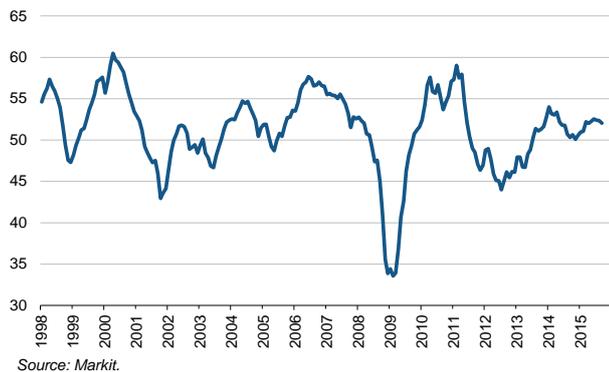
Manufacturing expands at modest pace through third quarter

Data collected 11-23 September

- Final Eurozone Manufacturing PMI at 52.0 in September (Flash: 52.0, August Final: 52.3)
- France returns to growth, leaving only Greece in contraction territory
- Input costs and output prices both fall

Manufacturing PMI® (overall business conditions)

Eurozone Manufacturing PMI, sa, 50 = no change



The eurozone manufacturing sector continued to make steady progress at the end of the third quarter, as production and new business both expanded at modest rates. Cost pressures shifted to the downside, however, with input costs and selling prices falling during the month.

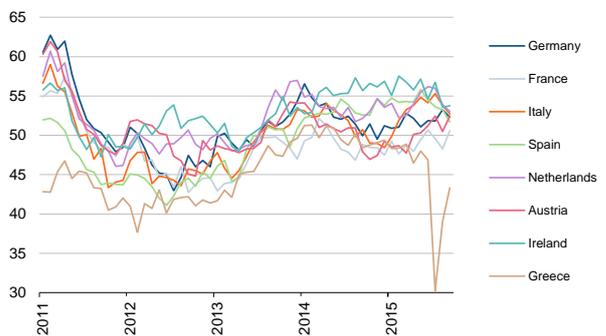
The final seasonally adjusted **Eurozone Manufacturing PMI®** eased to a five-month low of 52.0 in September, below August's 52.3 and unchanged from the earlier flash estimate. The latest reading was broadly in line with those registered over the past seven months.

The average PMI level over the third quarter as a whole (52.3) was unchanged from that in the second quarter. The respective averages for the Output Index and New Orders Index were both slightly higher than in quarter two.

Countries ranked by Manufacturing PMI®: Sep.

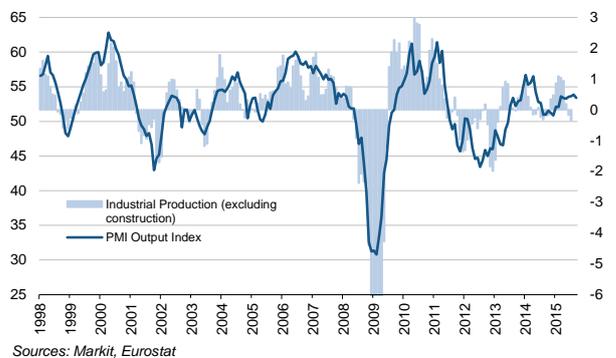
Ireland	53.8	2-month high
Netherlands	53.0	6-month low
Italy	52.7	7-month low
Austria	52.5	19-month high
Germany	52.3 (flash: 52.5)	2-month low
Spain	51.7	21-month low
France	50.6 (flash: 50.4)	3-month high
Greece	43.3	3-month high

Manufacturing PMI, sa, 50 = no change



Eurozone PMI Output Index, sa, 50 = no change

Eurostat, 3m/3m % change



Manufacturing production rose for the twenty-seventh successive month in September, as companies scaled up output in response to rising new order inflows and a further accumulation of backlogs of work. However, the rates of increase in

production and new business were both a notch lower than in the prior month.

Ireland topped the Manufacturing PMI growth table in September, and was one of only two nations (the other being Austria) to see growth accelerate. The Netherlands was in second position overall.

France moved back into expansion territory, leaving Greece as the only nation to report a contraction. French output rose for the first time in three months and at the quickest pace since March 2014, as the trend in new orders moved closer to stabilising.

Italy saw solid expansions in both output and new orders, although the rates of increase slowed sharply to eight- and seven-month lows respectively. Output growth also eased in Germany (two-month low) and Spain (weakest since August of last year). Both nations saw slower increases in new business.

New export* order inflows improved again in September, rising for the twenty-seventh successive month. Only Greece reported lower volumes of new export business. Faster rates of growth were registered in Italy, Spain and Ireland, but slower increases were seen in Germany and the Netherlands.

Job creation was recorded for the thirteenth straight month in September. Although the overall rate of growth eased to a four-month low, broad-based increases were seen across Germany, Italy, Spain, the Netherlands, Austria and Ireland. The trend in employment moved closer to stabilisation in France, while the rate of decline in Greece remained sharp despite slowing since August.

Price pressures shifted to the downside in September. Average input costs fell at the fastest pace in eight months, which companies attributed to lower commodity (especially oil) prices. Almost all of the nations covered reported sharp drops in input costs, the sole exception being Greece – which registered a solid rate of increase.

Meanwhile, output charges decreased for the first time in six months. Austria reported no change in average selling prices, whereas the remainder of the nations covered all saw output charges fall.

**Including intra-eurozone trade.*

Comment:

Chris Williamson, Chief Economist at Markit said:

“Despite unprecedented central bank stimulus and substantial currency depreciation, the eurozone manufacturing sector is failing to achieve significant growth momentum and even risks stalling again.

“The pace of expansion has been range-bound since the uplift following the start of QE earlier in the year, remaining disappointingly modest and even slipping to a five-month low in September.

“The manufacturing sector is likely to provide only a minor boost to the overall economy in the third quarter, restraining GDP growth to around 0.4%.

“Export orders rose at a slower rate in September, in part reflecting weaker demand from emerging markets, with the darkening global economic picture dampening business optimism and causing companies to pull-back on their hiring plans.

“With prices charged by manufacturers falling at the fastest rate in seven months amid a rapid descent in input prices, deflation worries will intensify and put pressure on the ECB to act more aggressively.

“Ireland remains the star performer, but even here there’s been a worrying drop-off in growth to the weakest in one-and-a-half years in recent months, accompanying similar slowdowns in Spain, Italy and the Netherlands. Growth also edged lower in Germany to remain frustratingly weak, given recent stimulus measures.

“Greece’s downturn showed signs of easing, though remained severe, while production stabilised in France.”

-Ends-

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Note to Editors:

The Eurozone Manufacturing *PMI*[®] (*Purchasing Managers' Index*[®]) is produced by 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 September 2015 flash was based on 94% 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 <i>PMI</i> [®]	0.0	0.2

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

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About PMI

Purchasing Managers' Index[®] (*PMI*[®]) surveys are now available for over 30 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 www.markit.com/economics.

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