

News Release

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

Austrian manufacturing growth slowest for a year-and-a-half

Key findings:

- PMI falls for fifth time in six months on back of slower jobs growth
- Rate of new business expansion unchanged from May's 20-month low
- Strongest rise in average input prices since January

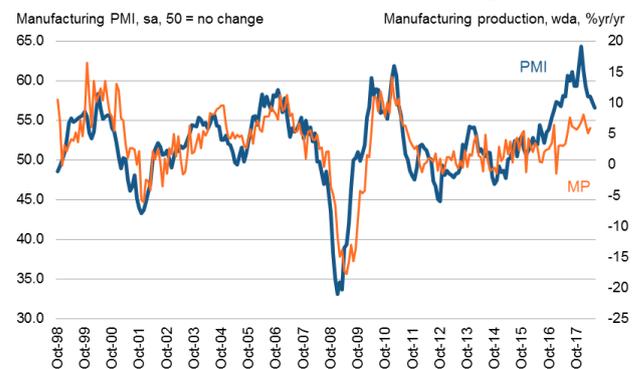
Data collected June 12-22

The latest PMI[®] data from Unicredit Bank Austria signalled a further loss of growth momentum in the Austrian manufacturing sector in June, with business conditions improving at the slowest pace since December 2016. This mainly reflected slower job creation, while new business growth was unchanged from May's recent low. Output growth strengthened slightly, while supply chains remained under intense pressure. The June survey data also revealed greater upward pressure on input prices paid by manufacturers.

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 for the fifth time in six months to 56.6 in June, down from 57.3 in May. The latest figure was the lowest since December 2016 but still well above the long-run average of 52.2, signalling a strong overall improvement in business conditions. At 39 months, the current sequence of positive PMI readings is the longest in the survey's near-twenty year history.

UniCredit Bank Austria Manufacturing PMI



Austria's manufacturing job market showed signs of cooling in June. The size of the workforce increased for the twenty-seventh successive month, but the rate of growth was the slowest since May 2017.

New orders expanded for a thirtieth consecutive month in June, the longest sustained period of growth in over a decade. The rate of expansion remained stable at the relatively modest pace achieved in May, however, the joint-weakest since August 2016.

Output growth picked up slightly in June, but remained softer than the recent trend. Growth of consumer goods output remained comparatively weak compared with the trends for intermediate and investment goods.

Backlogs of work rose for a twenty-second consecutive month in June. Reflecting the recent slowdown in new order growth, the rate at which backlogs increased was the weakest since October 2016.

Suppliers' delivery times continued to lengthen substantially in June as firms reported raw material

shortages. That said, the incidence of delays was the lowest since September 2017.

Manufacturing input prices in Austria rose sharply in June, and at the fastest rate in five months. Firms reported higher prices for metals, plastics, wood and packaging. This led to another strong increase in output prices.

Austrian manufacturers maintained a positive outlook for output growth over the next 12 months in June. That said, the degree of sentiment remained weaker than at the start of 2018.

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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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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>.

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