

# News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 0900 (UK Time) 23 April 2015**

## Markit Flash Eurozone PMI<sup>®</sup>

### Eurozone growth edges lower at start of second quarter

- Flash Eurozone PMI Composite Output Index<sup>(1)</sup> at 53.5 (54.0 in March). 2-month low.
- Flash Eurozone Services PMI Activity Index<sup>(2)</sup> at 53.7 (54.2 in March). 2-month low.
- Flash Eurozone Manufacturing PMI<sup>(3)</sup> at 51.9 (52.2 in March). 2-month low.
- Flash Eurozone Manufacturing PMI Output Index<sup>(4)</sup> at 53.1 (53.6 in March). 2-month low.

Data collected 13-22 April.

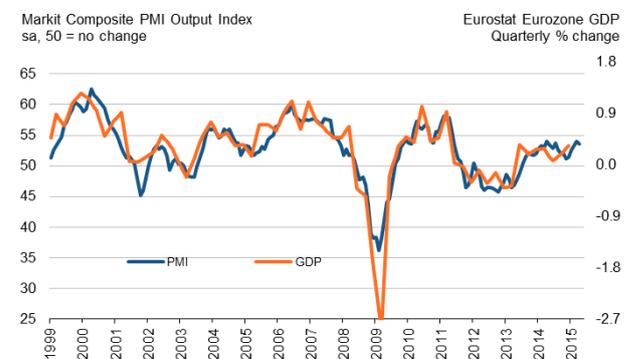
Eurozone business activity growth pulled back from March's 11-month high, according to flash PMI survey data for April. The slowdown reflected weaker rates of expansion in France and Germany, which offset an acceleration of growth in the rest of the region to the fastest since August 2007.

The Markit Eurozone PMI<sup>®</sup> fell from 54.0 in March to 53.5 in April, according to the flash estimate based on an expected 85% of usual monthly replies. Although signalling an easing in the pace of expansion, the latest reading was still the second-highest seen over the past nine months. The manufacturing and service sectors continued to expand, but both saw rates of expansion cool compared to their ten- and eight-month respective highs seen in March.

Incoming new business at service providers continued to rise solidly, but growth of manufacturing new orders slowed. Overall growth of new orders moderated slightly from March's near four-year high as a result, but remained sufficiently strong to encourage firms to take on staff at a marginally increased rate. April saw the strongest monthly gain in employment since August 2011. Job creation in manufacturing inched up to the highest since August 2011 and revived in services to a rate not exceeded since May 2011.

Despite the increase in workforce numbers, backlogs of work edged higher for a third consecutive month, raising the likelihood of further job gains in May.

### Markit Eurozone PMI and GDP



Source: Markit, Eurostat. GDP = gross domestic product

Average selling prices for goods and services meanwhile continued to fall, but the rate of decline was the weakest since June of last year, in part reflecting the pass-through of higher input costs. Average input costs rose at a rate just shy of March's eight-month high.

Manufacturers' selling prices rose marginally for the first time since last August, as their input prices rose at the fastest rate since last July.

Rates charged for services meanwhile fell at the slowest rate since June 2014, despite input cost inflation easing slightly during the month.

Growth slowed in Germany, reflecting weaker expansions in both manufacturing and services, but remained slightly above the pace of expansion seen across the region as a whole. France saw a steeper slowdown, with growth almost stalling. A near-stagnation of service sector growth in France was accompanied by a faster rate of decline of factory output.

In contrast to the slower rates of expansion seen in Germany and France, the rest of the region enjoyed the strongest growth since August 2007, with growth of new orders and employment also picking up to the highest since mid-2007.

Commenting on the flash PMI data, **Chris Williamson, Chief Economist at Markit** said:

*“The weaker rate of expansion is a big disappointment, given widespread expectations that the ECB’s quantitative easing will have boosted the fledgling recovery seen at the start of the year.*

*“However, it’s too early to draw firm conclusions about whether growth is faltering again and the effectiveness of policy. Although the PMI has pulled back from March’s recent high, the index remains above the average seen in the first quarter and is indicative of the eurozone economy growing at a reasonably robust quarterly rate of 0.4% at the start of the second quarter.*

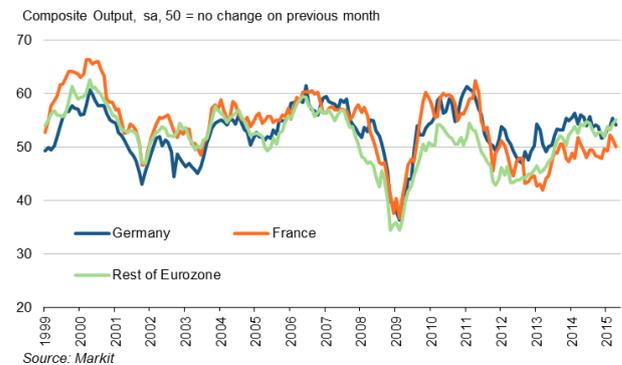
*“The survey also showed growth outside of France and Germany accelerating to the highest since August 2007, raising hopes that stimulus is feeding through to the ‘periphery’.*

*“The slowdown in April was in fact therefore a symptom of weaker expansions in both Germany and France, with the latter suffering a near-stalling of growth led by an accelerating downturn of its manufacturing economy.*

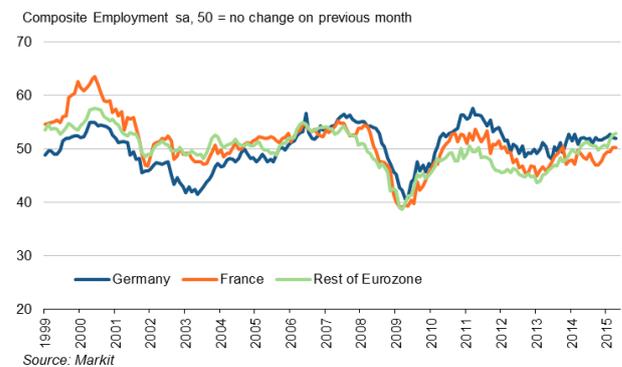
*“There are signs of increased risk aversion creeping in among businesses and their customers, linked in some cases to worries about Greece, which is likely to have dampened demand. However, in the case of France, the poor performance appears to reflect a longer-term malaise which, after a promising start to the year, in fact shows few signs of lifting.”*

-Ends-

### Core v. Periphery PMI Output Indices



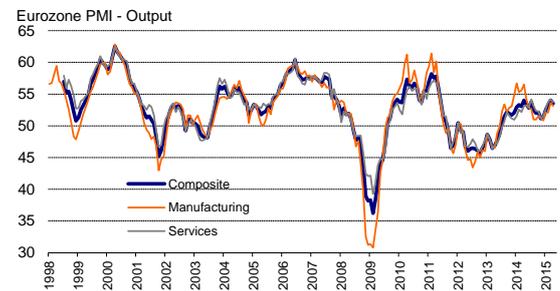
### Core v. Periphery PMI Employment Indices



## Summary of April data

<b>Output</b>	<b>Composite</b>	<b>Output rises for twenty-second successive month, albeit at slower rate than in March.</b>
	Services	Services growth eases slightly but remains solid.
	Manufacturing	Growth of manufacturing output second-strongest since May 2014.
<b>New Orders</b>	<b>Composite</b>	<b>New business growth eases slightly from March's 46-month high.</b>
	Services	Rise in services new business second-fastest in nearly four years.
	Manufacturing	Manufacturing new orders increase for fifth month running.
<b>Backlogs of Work</b>	<b>Composite</b>	<b>Outstanding business grows for third successive month.</b>
	Services	Incomplete business rises in April.
	Manufacturing	Backlogs broadly unchanged since March.
<b>Employment</b>	<b>Composite</b>	<b>Employment increases at strongest pace since August 2011.</b>
	Services	Rate of job creation equals February's 45-month high.
	Manufacturing	Jobs increase at strongest rate in since August 2011.
<b>Input Prices</b>	<b>Composite</b>	<b>Input price inflation broadly stable.</b>
	Services	Input price inflation eases slightly.
	Manufacturing	Input prices rise at strongest pace since July 2014.
<b>Output Prices</b>	<b>Composite</b>	<b>Charges decline at weakest rate since June 2014.</b>
	Services	Service providers cut prices charged at weakest rate since last June.
	Manufacturing	Factory gate prices rise marginally.
<b>PMI<sup>(3)</sup></b>	Manufacturing	Manufacturing PMI falls slightly to 51.9, from 52.2 in March.

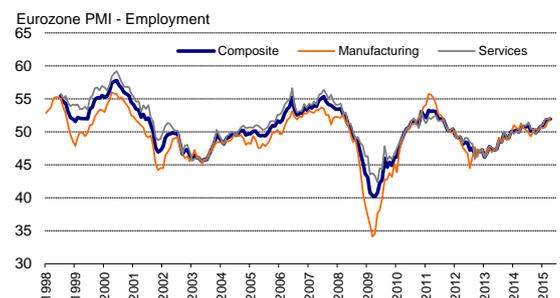
## Output



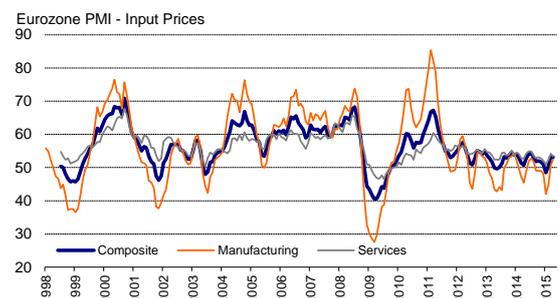
## New business



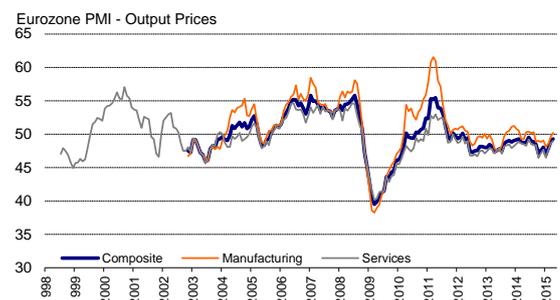
## Employment



## Input prices



## Output prices



Source: Markit.

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**Note to Editors:**

Final April data are published on 4 May for manufacturing and 6 May for services and composite indicators.

The Eurozone *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit and is based on original survey data collected from a representative panel of around 5,000 companies based in the euro area manufacturing and service sectors. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland. The flash estimate is typically based on approximately 85%–90% of total *PMI* survey responses each month and is designed to provide an accurate advance indication of the final *PMI* 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 Composite Output Index <sup>1</sup>	0.0	0.2
Eurozone Manufacturing <i>PMI</i> <sup>2</sup>	0.0	0.2
Eurozone Services Business Activity Index <sup>2</sup>	0.1	0.3

The *Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) 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*<sup>®</sup> 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 subsequently revised data are available to subscribers from Markit. Please contact [economics@markit.com](mailto:economics@markit.com).

**Notes**

1. The Composite Output *PMI* is a weighted average of the Manufacturing Output Index and the Services Business Activity Index.
2. The Services Business Activity Index is the direct equivalent of the Manufacturing Output Index, based on the survey question "Is the level of business activity at your company higher, the same or lower than one month ago?"
3. The Manufacturing *PMI* is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
4. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"

**About Markit**

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**About PMI**

Purchasing Managers' Index<sup>®</sup> (*PMI*<sup>®</sup>) surveys are now available for 32 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](http://www.markit.com/economics).

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