

News Release

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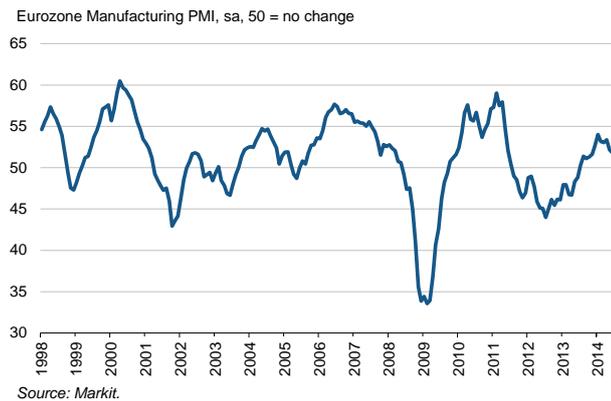
Markit Eurozone Manufacturing PMI® – final data

Eurozone manufacturing recovery slows as French downturn deepens

Data collected 12-23 June.

- Final Eurozone Manufacturing PMI at 51.8 in June (flash estimate: 51.9)
- Conditions brighten in Spain and Ireland, but France falls further into contraction territory
- Input costs and output prices both increase

Manufacturing PMI® (overall business conditions)



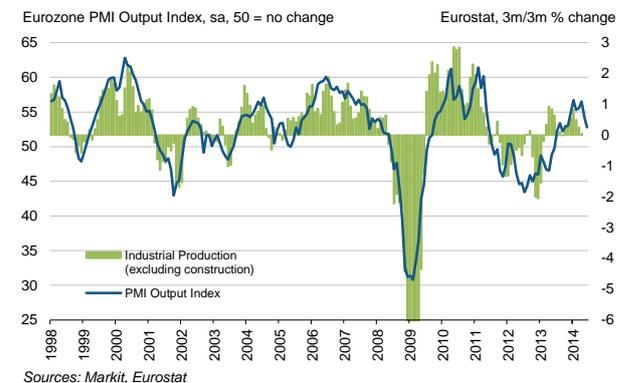
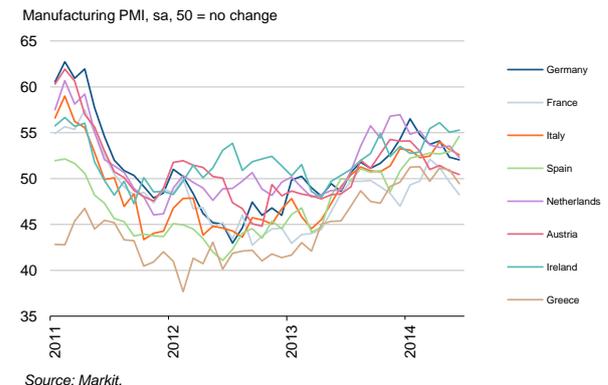
The recovery in the eurozone manufacturing sector was extended to a twelfth successive month in June. Signs that the upturn is losing momentum were still evident, however, as growth of both output and new orders slowed since May.

The final seasonally adjusted **Markit Eurozone Manufacturing PMI®** dipped to a seven-month low of 51.8, down from 52.2 in the prior month and below the earlier flash estimate of 51.9. The average reading for the second quarter (52.4) was also slightly below that for the opening quarter of the year (53.4).

National PMI readings improved in Ireland and Spain, reaching a two-month high in the former and a seven-year record in the latter. PMI indices fell in all of the other nations, although only France and Greece signalled outright contractions.

Countries ranked by Manufacturing PMI®: June

Ireland	55.3	2-month high
Spain	54.6	84-month high
Italy	52.6	3-month low
Netherlands	52.3	11-month low
Germany	52.0 (flash 52.4)	8-month low
Austria	50.4	11-month low
Greece	49.4	7-month low
France	48.2 (flash 47.8)	6-month low



June saw manufacturing production expand at the slowest pace since September 2013. The weaker trend was most evident in France, which saw output contract for the first time in five months and at the fastest pace during the year-to-date. Slower production growth was meanwhile registered in

Germany (nine-month low), Italy, Ireland (both four-month lows), the Netherlands (11-month low) and Greece (three-month low).

Underlying the slower expansion of production was a weaker increase in new orders. Although new business inflows rose at the slowest pace since October 2013, this nonetheless extended the current upturn in new order volumes to 12 months.

Domestic market conditions remained generally subdued, according to companies, while levels of new export business rose at the least marked pace for almost a year. France posted the worst performance, with concurrent contractions of new orders and new export business registered for the second straight month. Moreover, the rates of contraction were the sharpest during the year-to-date in both cases.

Austria also reported declines in both total and export demand, while total new orders stagnated in Greece despite an increase in new export business. Growth of new orders meanwhile slowed in Germany, Italy and the Netherlands, but accelerated sharply in Ireland and Spain.

Manufacturing employment rose for the sixth successive month in June, although the rate of growth remained only marginal. France reported job cuts for the third straight month, while a reduction was also registered in Greece and staffing levels were broadly unchanged in Germany and Austria. Job creation slowed in almost all of the remaining nations, the notable exception being Spain – which reported the strongest increase since July 2007.

Input costs rose for the first time in five months in June, in some cases reflecting recent oil price increases. With costs showing a modest gain, manufacturers raised their average selling prices for the second month in a row. However, rates of increase in purchase prices and output charges were only modest. Supplier delivery times lengthened for the twelfth month in a row, and to the greatest extent since June 2011.

Comment:

Chris Williamson, Chief Economist at Markit said:

“With manufacturing growing at the slowest rate for seven months in June, the PMI survey will raise concerns that the eurozone recovery is losing momentum.

“There are encouraging signs of growth gathering momentum in the region’s ‘periphery’, especially in Spain and Ireland, and some of the slowdown in Germany may have been due to a high number of public holidays. But the overall picture is a reminder of just how fragile the region’s recovery is looking.

“Employment is barely rising in the manufacturing sector as companies worry about waning growth of new orders, which reflects very subdued demand for goods from households and businesses.

“The slowdown will put pressure on policymakers at the ECB to do more to prevent the recovery from stalling, and we will no doubt see more calls for full-scale quantitative easing to be implemented.”

-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 June 2014 flash was based on 93% 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 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.

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