

News Release

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

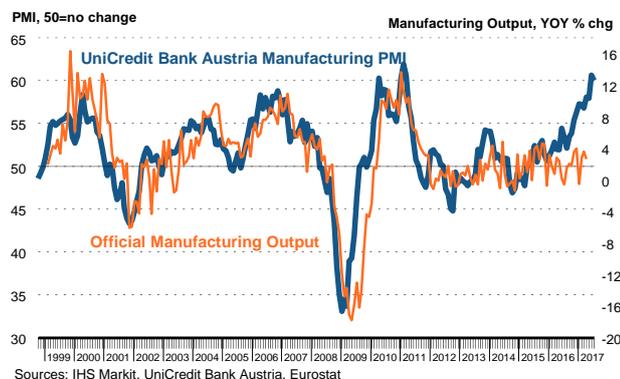
Austrian manufacturing growth remains elevated

Key findings:

- Headline PMI at second-highest level in over six years
- Steep expansions in output, new orders and employment
- Sharpest deterioration in vendor performance on record

Data collected from July 12-24

UniCredit Bank Austria Manufacturing PMI



The latest PMI[®] signalled further sharp growth in the Austrian manufacturing economy in July. Steep growth in output, new orders and employment were all key contributors towards the positive result. Additionally, vendor performance deteriorated to the greatest degree on record, in response to rising demand from Austrian manufacturing firms. On the price front, input and output cost inflation remained sharp during July, with input price inflation easing only marginally.

The UniCredit Bank Austria Manufacturing PMI – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – posted 60.0 in July, down slightly from 60.7 in June. The latest figure signalled the second-steepest

expansion in the Austrian manufacturing economy since March 2011.

Production growth in the Austrian manufacturing sector remained steep in July, despite easing marginally since the preceding survey. Growth was registered across all three monitored sub-sectors, and was led by the investment goods category. Furthermore, the latest result extended the current sequence of rising output in the Austrian manufacturing sector to 28 months. Anecdotal evidence pointed towards strong demand in both domestic and export markets.

New orders received by Austrian manufacturers grew in the latest survey, albeit to a slightly lesser extent than registered in June. The expansion was sharp overall and well above the historical average. In addition, new export business grew in July. That said, the rate of growth was at a lower level than new order growth, signalling stronger demand in the domestic economy than from abroad.

Suppliers' delivery times lengthened to the greatest extent in the survey's 19-year history during the latest survey. Austrian manufacturers reported a sharp deterioration in vendor performance, citing a shortage in capacity as a major factor.

Input price inflation remained steep in July. That said, average cost burdens grew at the slowest rate in the past eight months. Meanwhile, output prices increased sharply during the latest survey period. Anecdotal evidence suggested that part of the burden of high raw material costs continued to be passed on to customers.

Job creation in the Austrian manufacturing sector remained strong during July. The rate of employment growth was sharp overall and above the series long-run average. Firms expanded their

workforces in response to rising production requirements, according to anecdotal evidence.

Finally, optimism towards future output remained strongly positive in the latest survey. More than one-third of respondents expect their level of output to increase in the next 12 months.

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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 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/product/pmi.

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