

# Europe Flash

## Stable eurozone PMIs in negative territory

### • Eurozone downfall stabilizes in November

The eurozone flash Composite PMI stood at 45.8, very slightly up from October (45.7), somewhat below expectations (BBVA and Consensus: 45.9). Manufacturing was up by 0.8 points but services went down by 0.3 points, both remaining clearly in contractionary territory. After the deep fall observed since March (with an accumulated downturn of 5 points between March and July), Manufacturing PMIs have recovered over 2 points in the last four months, while services continue falling slowly. Although available soft data for Q4 are similar to those for Q3, our model MICA-BBVA forecasts that recession would be larger in Q4 than in Q3 (-0.4% fall for the last quarter, from -0.1%).

### • The downturn eases in France, as services contraction lessened in November

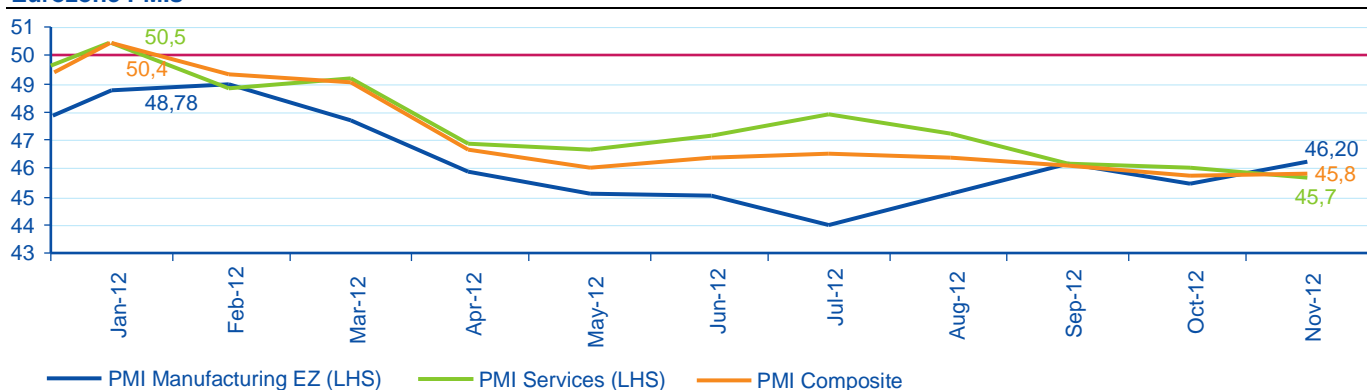
A positive surprise from France, which is rebounding after the sharp fall registered in September. However, new business fell at the same sharp rate as in October. Tough business environment and weak demand are behind these data.

### • The German index remains stable, with manufacturing offsetting the worsening of services

The contraction of the manufacturing sector eased, while the services index reached its lowest level since June 2009. New business volumes continue contracting in both sectors. The fall in orders from abroad lessened, which could be due to the stronger demand from China. The business expectations index declined, being at its lowest since March 2009.

Chart 1

Eurozone PMIs



Source: BBVA Research

Table 1

PMI survey for November

CC	Indicator	BBVA	Consensus	October	November
Eurozone	PMI Composite	45,9	45,9	45,7	45,8
	PMI Manufacturing	45,7	45,6	45,4	46,2
	PMI Services	46	46	46	45,7
France	PMI Manufacturing	-	-	43,7	44,7
	PMI Services	-	-	44,6	46,1
Germany	PMI Manufacturing	46	46	46	46,8
	PMI Services	48	48,5	48,4	48,0

Source: BBVA Research

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