

Europe macro tracker

Economic activity is starting to falter

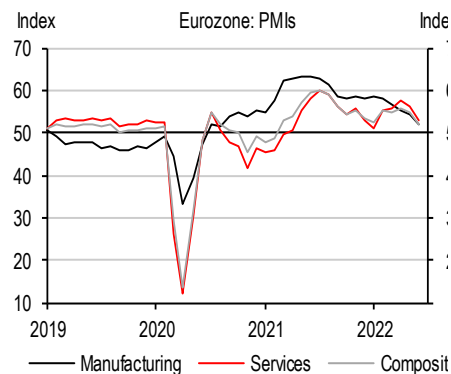
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Economics - Europe

Business activity and consumer confidence data have disappointed, as high inflation makes its mark

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HSBC Continental Europe

Signs of faltering economic activity in the eurozone

1. Eurozone PMI fell markedly in June



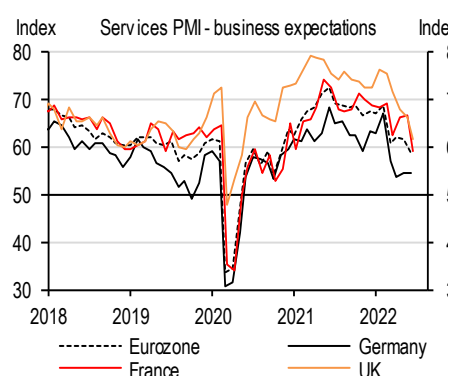
Source: S&P Global PMIs, Refinitiv Datastream.

2. The Manufacturing PMI was particularly weak



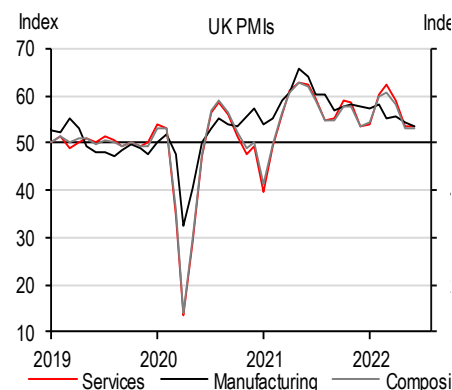
Source: S&P Global PMIs, Refinitiv Datastream.

3. In services, the post-Omicron rebound is starting to fade



Source: S&P Global PMIs, Refinitiv Datastream.

4. The UK PMIs have been a bit more resilient



Source: S&P Global PMIs, Refinitiv Datastream.

This is a Free to View version of a report with the same title published on 29-Jun-22. The full version of the note is available for clients of HSBC and contains further discussion of the Macro scenario currently affecting Europe. Please contact your HSBC representative or email AskResearch@hsbc.com for more information.

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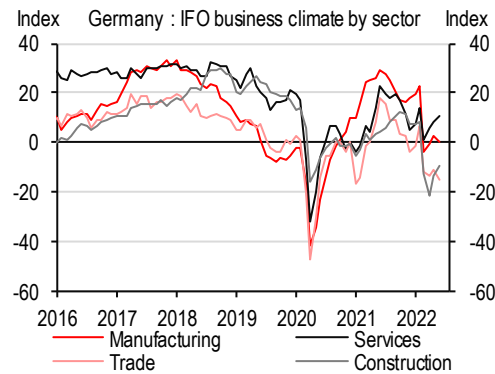
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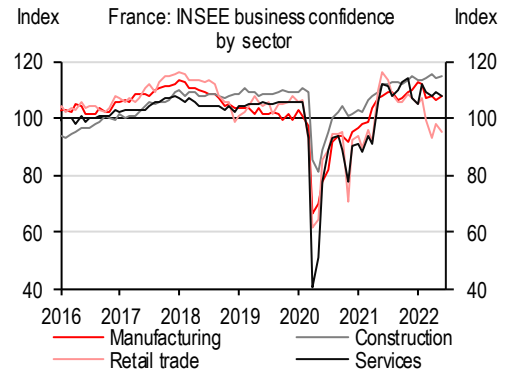
Mounting concerns for the consumption outlook

5. Business confidence remains especially weak in the retail sector, both in Germany...



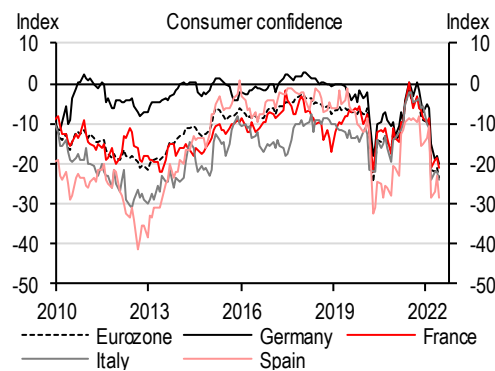
Source: Refinitiv Datastream, HSBC.

6. ...and in France



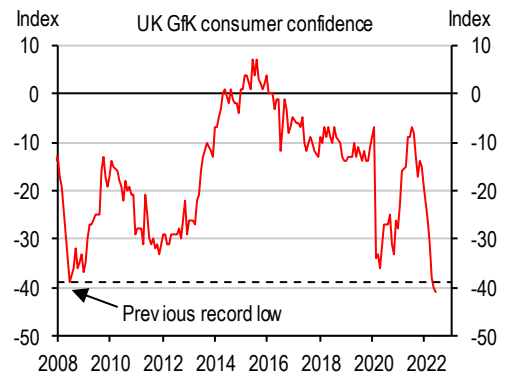
Source: Refinitiv Datastream, HSBC.

7. Consumer confidence has dropped in all the Big 4 eurozone countries, particularly in Spain...



Source: Refinitiv Datastream.

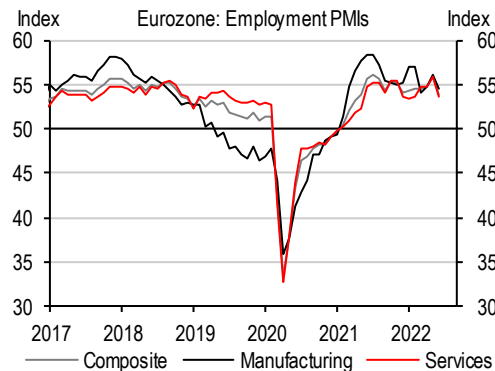
8... and hit a new record low in June in the UK



Source: Refinitiv Datastream.

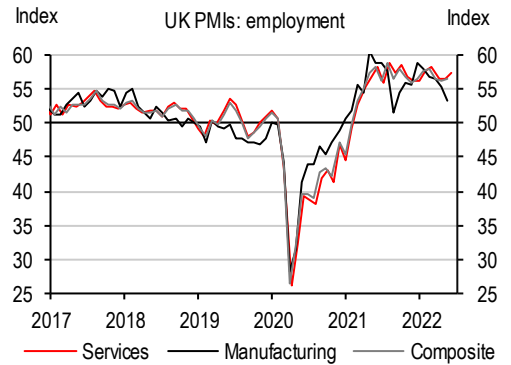
Mixed developments on labour markets and inflation

9. Employment growth in the eurozone is starting to soften...



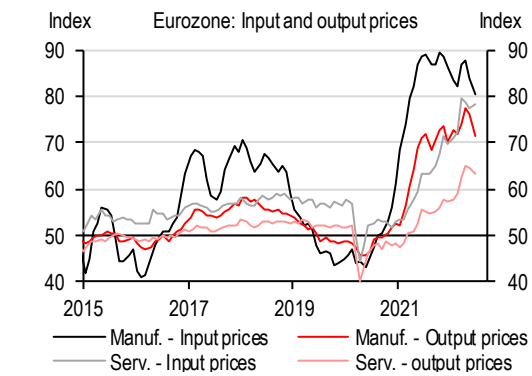
Source: S&P Global PMIs, Refinitiv Datastream.

10. ...while it remains strong for services in the UK



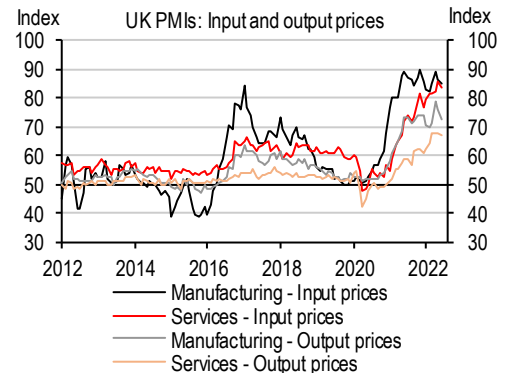
Source: S&P Global PMIs, Refinitiv Datastream.

11. The PMIs suggest that price pressures are starting to soften in the eurozone...



Source: S&P Global PMIs, Refinitiv Datastream.

12. ...but not so much in the UK



Source: S&P Global PMIs, Refinitiv Datastream.

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