# Global PMI Monitor: DM Services Outperform

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- **Global trends:**
  - The global composite PMI rose by +0.6pt in July to 52.6, reflecting a tick down in manufacturing (-0.1pt to 52.1) but a rise in services (+0.8pt to 52.5).
  - In July, the services business activity PMI component rose sharply for DMs (+2.6pt to 53.2) but fell for EMs (-2.6pt to 50.9).
- **Major economy-level trends:**
  - The manufacturing PMI rose in the US (avg. ISM/S&P Global +1.1pt to 54.8) and the Euro area (+0.4pt to 51.9) but fell in China (avg. RatingDog/NBS -1.0pt to 50.0).
  - The services PMI rose in the US (avg. ISM/S&P Global +1.8pt to 54.4) and Euro area (+2.2pt to 51.7) but fell in China (avg. RatingDog /NBS -2.4pt to 49.8).
- **Country-level trends:**
  - The composite PMI broadly improved in Europe in July.
- **Activity components:**
  - The global forward-looking PMI component rose for both services (services future activity +0.7pt to 60.3) and manufacturing (orders-to-inventories ratio +0.01 to 1.07).
  - The global employment PMI component rose by +0.8pt for manufacturing to 50.4 and by +0.6pt for services to 50.5.
- **Inflation-related components:**
  - The global manufacturing suppliers' delivery time component increased +0.7pt in July to 46.5.
  - The global manufacturing input price PMI fell by -2.3pt to 60.7 and the output price PMI fell by -1.8pt to 55.2.
- **Trade-related components**:
  - The manufacturing new export orders PMI component rose by +2.2pt to 54.3 in India and fell by -4.4pt to 47.5 in Mexico.

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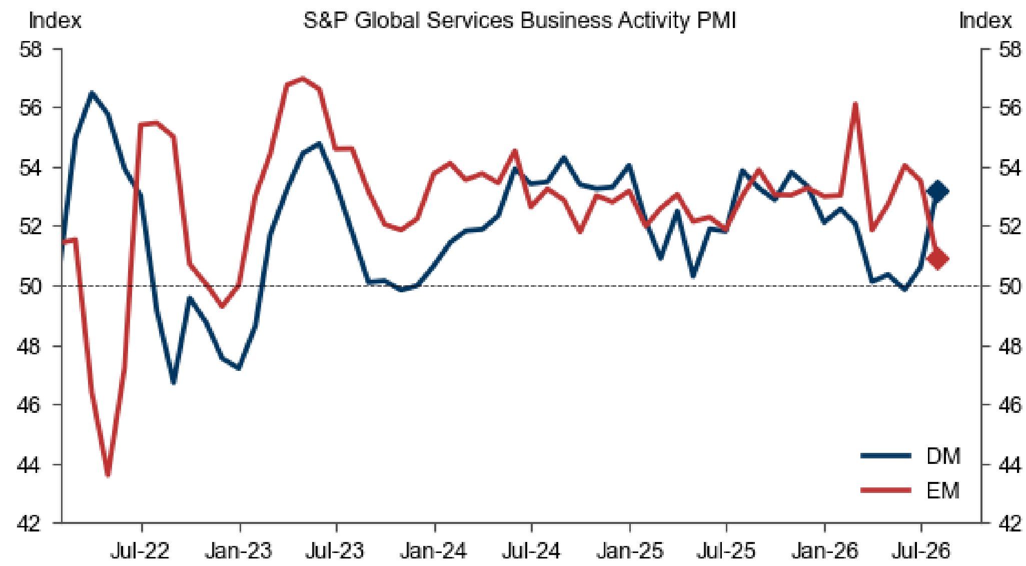
Investors should consider this report as only a single factor in making their investment decision. Fo
certification and other important disclosures, see the Disclosure Appendix, or go to
www.gs.com/research/hedge.html.

**Exhibit 1: In July, the Services Business Activity PMI Component Rose Sharply for DMs (+2.6pt to 53.2) but Fell for EMs (-2.6pt to 50.9)**

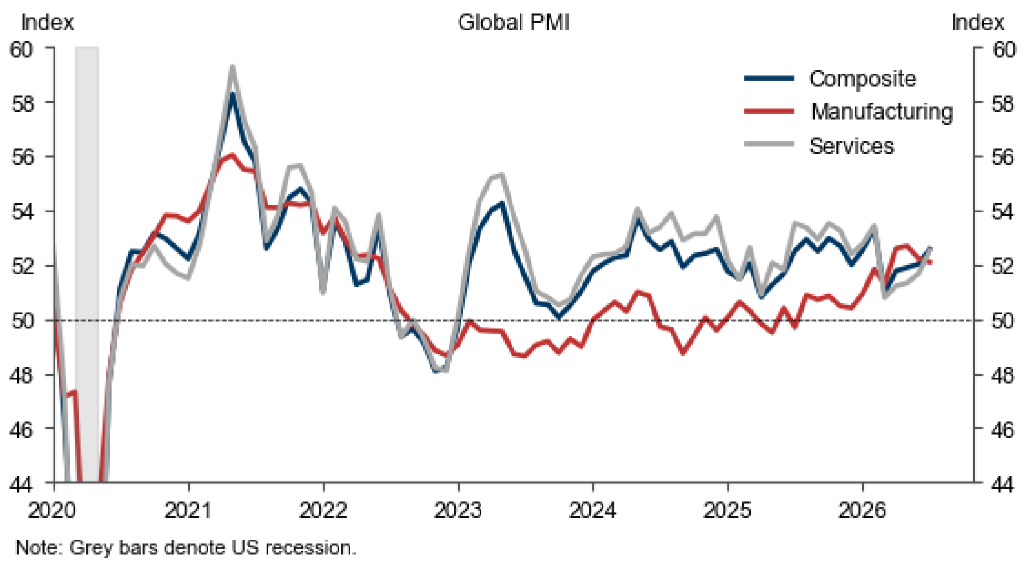



Source: S&P Global, Haver Analytics, Goldman Sachs Global Investment Research

# DM Services Outperform

## Global Trends

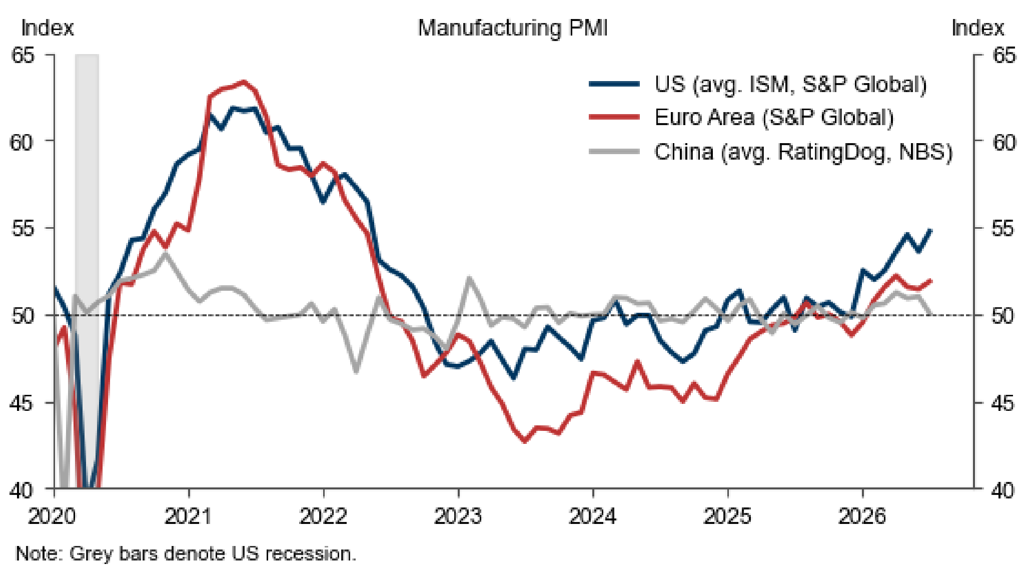
**Exhibit 2: The Global Composite PMI Rose by +0.6pt in July to 52.6, Reflecting a Tick Down in Manufacturing (-0.1pt to 52.1) but a Rise in Services (+0.8pt to 52.5)**




Source: S&P Global, Haver, Goldman Sachs Global Investment Research

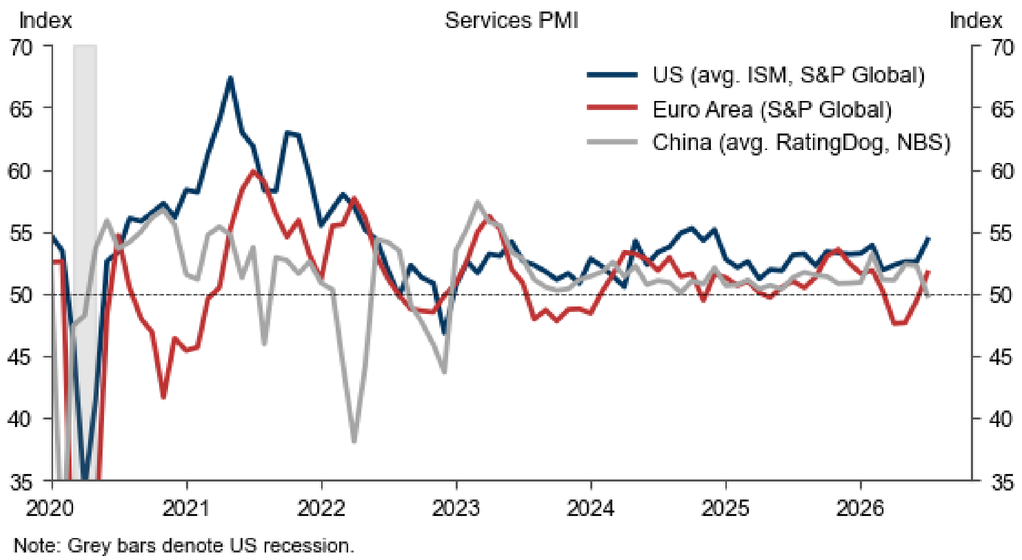
## Major Economy-Level Trends

**Exhibit 3: The Manufacturing PMI Rose in the US (Avg. ISM/S&P Global +1.1pt to 54.8) and the Euro Area (+0.4pt to 51.9) but Fell in China (Avg. RatingDog/NBS -1.0pt to 50.0)**




Source: S&P Global, Haver, Goldman Sachs Global Investment Research

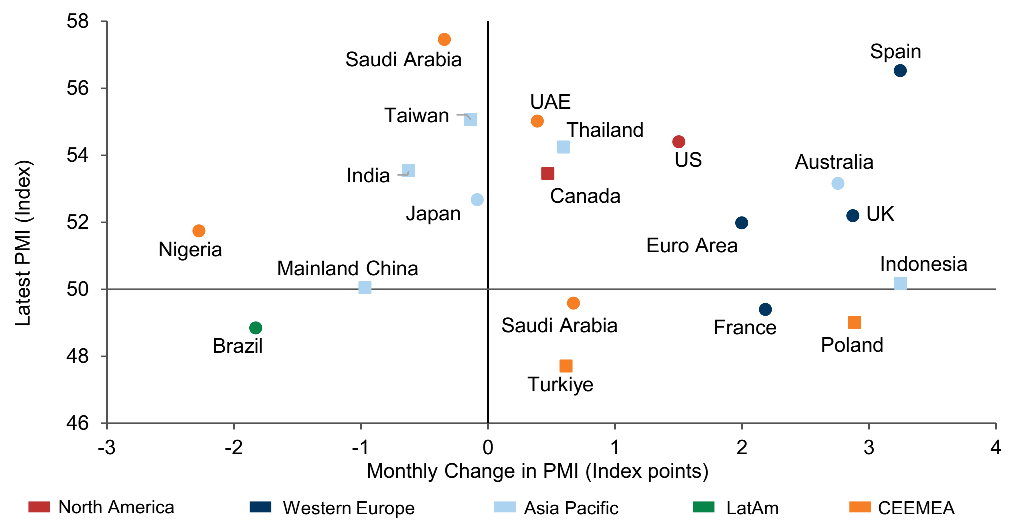
**Exhibit 4: The Services PMI Rose in the US (Avg. ISM/S&P Global +1.8pt to 54.4) and Euro Area (+2.2pt to 51.7) but Fell in China (Avg. RatingDog /NBS -2.4pt to 49.8)**




Source: S&P Global, Haver, Goldman Sachs Global Investment Research

## Region-Level Trends

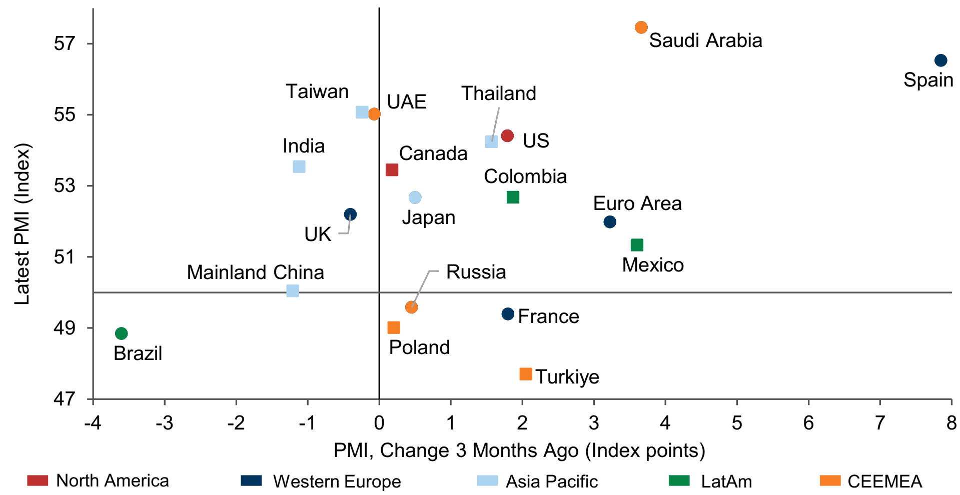
**Exhibit 5: The Composite PMI Broadly Improved in Europe in July**




Round markers are Composite PMIs, square markers are Manufacturing PMIs. We plot economies in our GS coverage with a global Gross Value Added (GVA) weight of at least 0.5%, and that are a standard deviation away from the cross-economy mean in either the PMI level or the PMI change, as well as the G7 and BRICs economies. US PMI is an average of S&P Global and ISM Composite PMIs. Mainland China PMI is an average of Caixin and official NBS Composite PMI.

Source: S&P Global, Haver, Goldman Sachs Global Investment Research

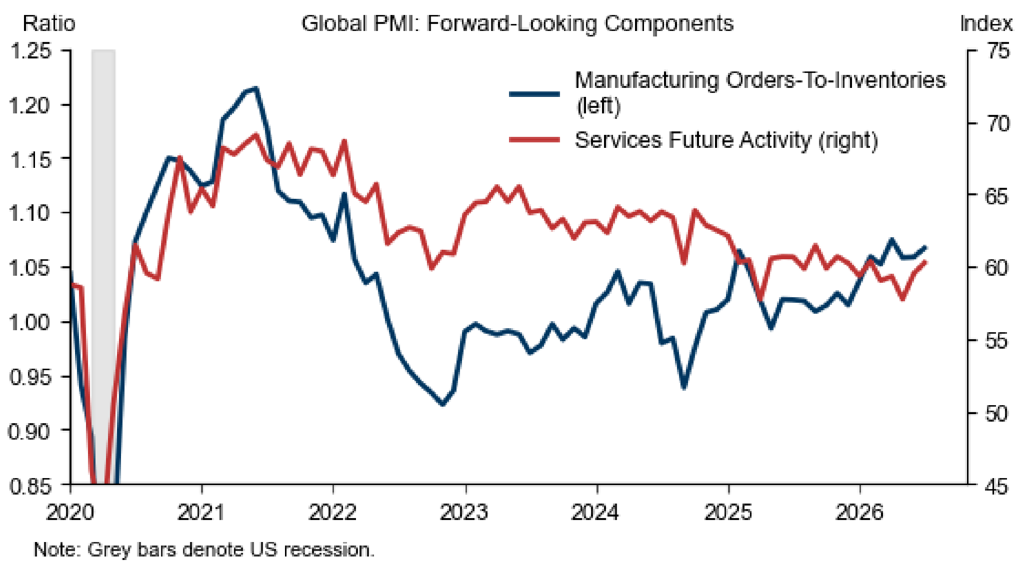
**Exhibit 6: On a 3-Month Basis, the Composite PMI Has Declined in the Euro Area and UK**




Round markers are Composite PMIs, square markers are Manufacturing PMIs. We plot economies in our GS coverage with a global Gross Value Added (GVA) weight of at least 0.5%, and that are a standard deviation away from the cross-economy mean in either the PMI level or the PMI change, as well as the G7 and BRICs economies. US PMI is an average of S&P Global and ISM Composite PMIs. Mainland China PMI is an average of Caixin and official NBS Composite PMI.

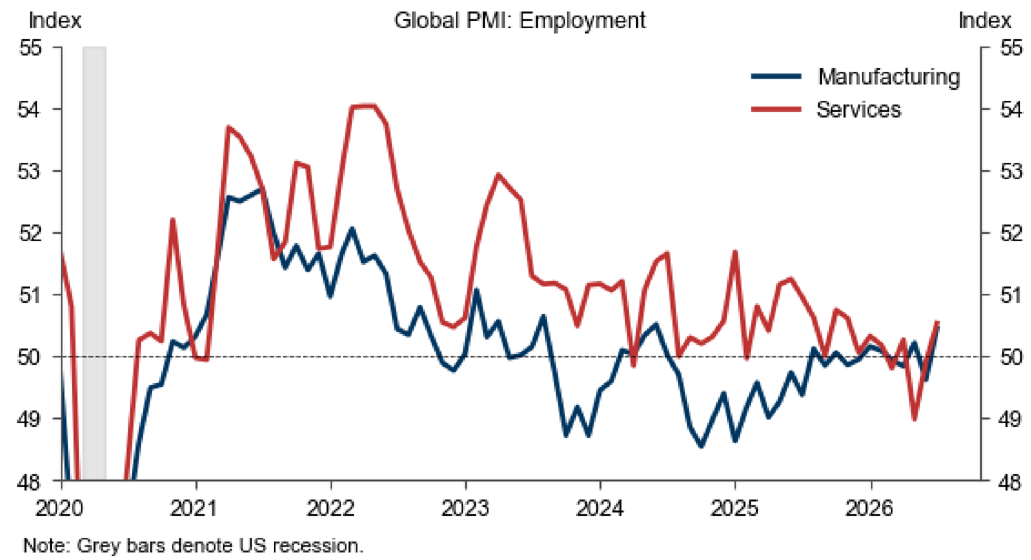
Source: S&P Global, Haver, Goldman Sachs Global Investment Research

**Exhibit 7: The Global Forward-Looking PMI Component Rose for Both Services (Services Future Activity +0.7pt to 60.3) and Manufacturing (Orders-to-Inventories Ratio +0.01 to 1.07)**




Source: S&P Global, Haver, Goldman Sachs Global Investment Research

**Exhibit 8: The Global Employment PMI Component Rose by +0.8pt for Manufacturing to 50.4 and by +0.6pt for Services to 50.5**



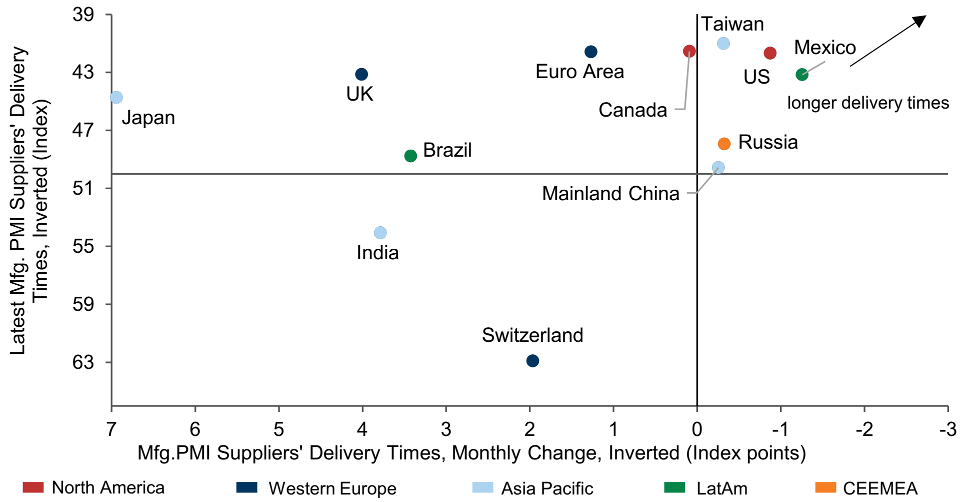

Source: S&P Global, Haver, Goldman Sachs Global Investment Research

## Inflation-Related Components

**Exhibit 9: The Global Manufacturing Suppliers' Delivery Time Component Increased +0.7pt in July to 46.5**


Source: S&P Global, Haver, Goldman Sachs Global Investment Research

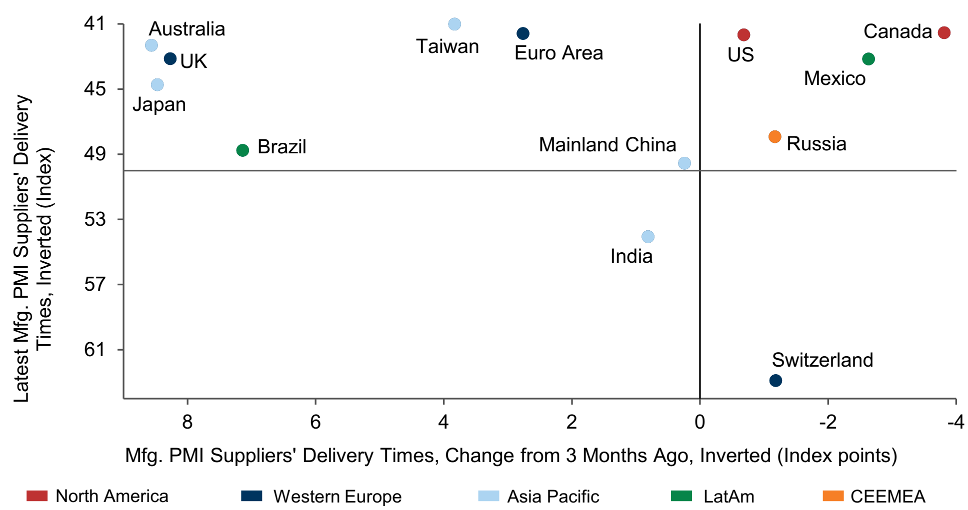
**Exhibit 10: Manufacturing Suppliers' Delivery Times Lengthened in Mexico and the US Last Month**




We plot economies in our GS coverage with a global GVA weight of at least 0.5%, and that are a standard deviation away from the cross-economy mean in either the suppliers' delivery times level or its change, as well as the G7 and BRICs economies. China PMI is an average of the Markit and the NBS official suppliers' delivery times components.

Source: S&P Global, Haver, Goldman Sachs Global Investment Research

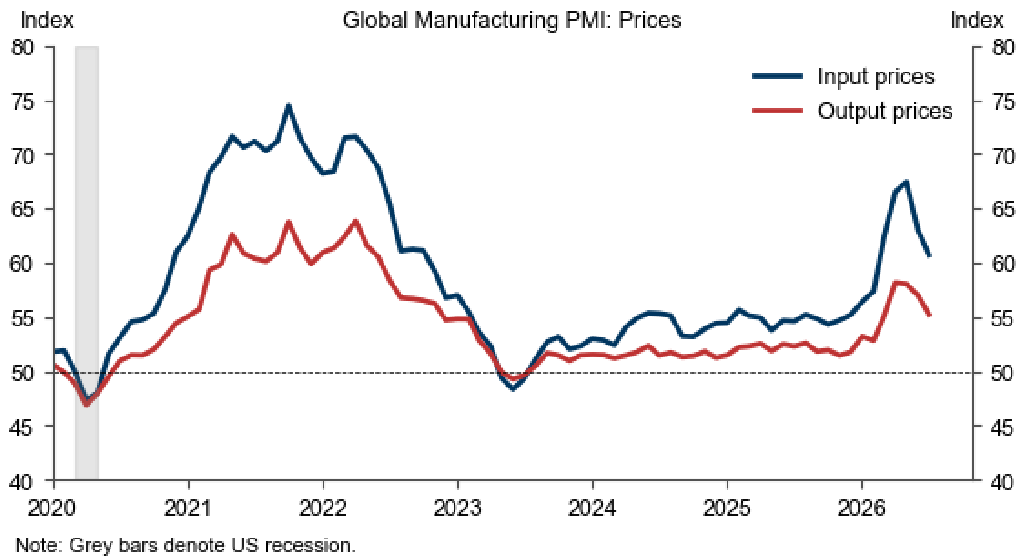
**Exhibit 11: On a 3-Month Basis, Manufacturing Suppliers' Delivery Times Have Worsened in North America**




We plot countries in our GS coverage with a global GVA weight of at least 0.5%, and that are a standard deviation away from the cross-country mean in either the suppliers' delivery times level or its change, as well as the G7 and BRICs economies. China PMI is an average of the Markit and the NBS official suppliers' delivery times components.

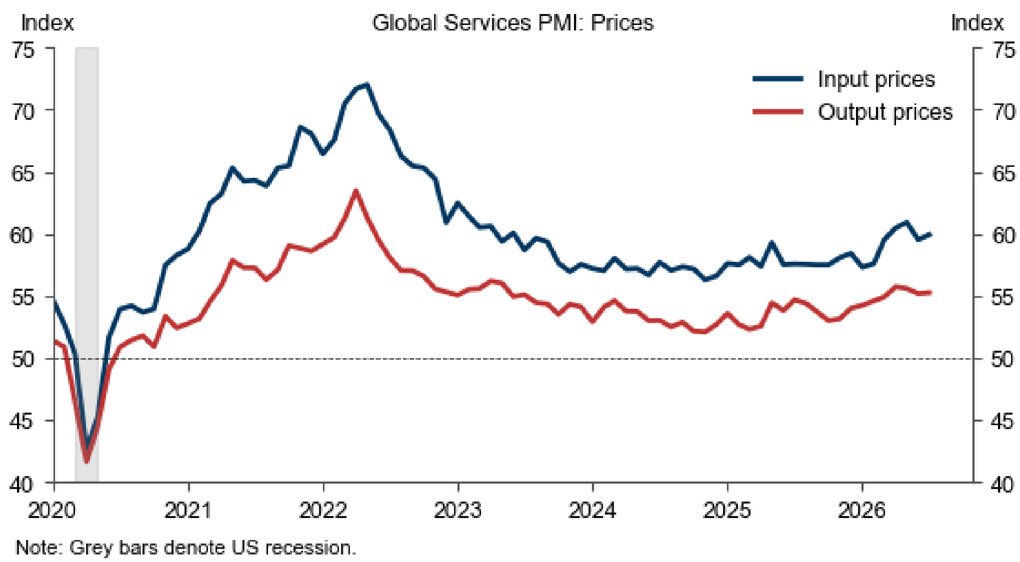
Source: S&P Global, Haver, Goldman Sachs Global Investment Research

**Exhibit 12: The Global Manufacturing Input Price PMI Fell by -2.3pt to 60.7 and the Output Price PMI Fell by -1.8pt to 55.2**




Source: S&P Global, Haver, Goldman Sachs Global Investment Research

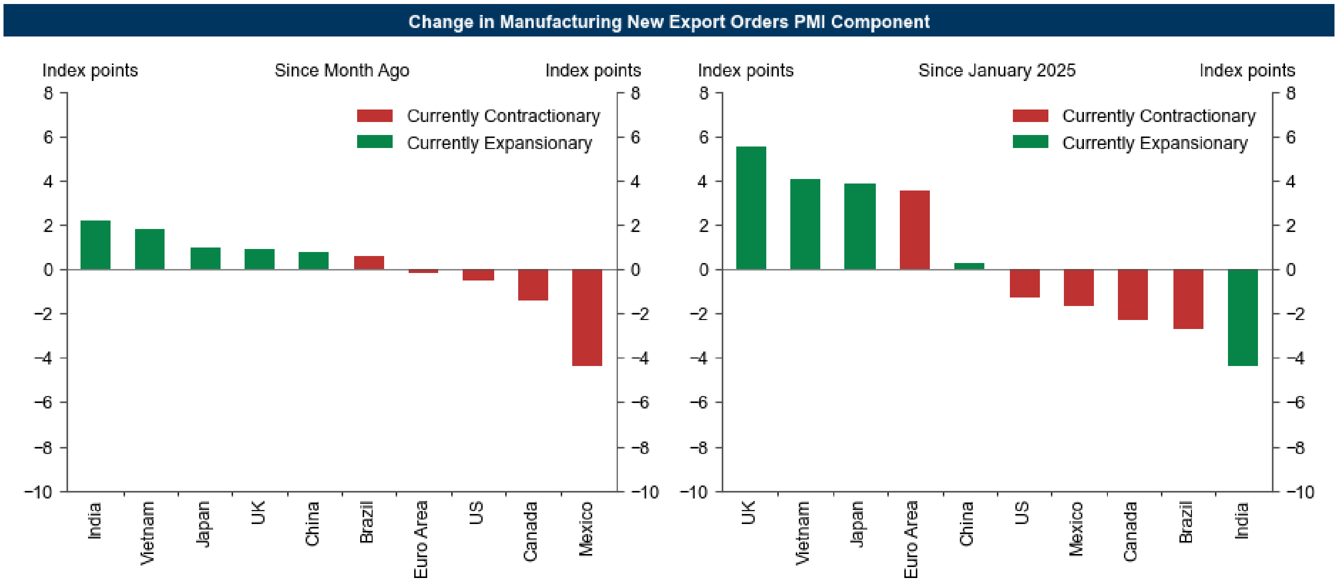
**Exhibit 13: The Global Services Input Price PMI Rose by +0.4pt to 59.9 and the Output Price PMI Ticked Up by +0.1pt to 55.3**




Source: S&P Global, Haver, Goldman Sachs Global Investment Research

## Trade-Related Components

**Exhibit 14: The Manufacturing New Export Orders PMI Component Rose by +2.2pt to 54.3 in India and Fell by -4.4pt to 47.5 in Mexico**




Source: S&P Global, Haver Analytics, Goldman Sachs Global Investment Research

### Analysis of PMIs From Our Economics Team

- USA: ISM Services Slightly Below Expectations, August 5
- Brazil: Softer July Manufacturing and Services PMI; Still Intense but Moderating Input Cost/Price Pressures, August 5
- China: Unofficial services PMI fell sharply in July; July inflation preview, August 5
- Mexico: Firmer Consumer Sentiment and Manufacturing/Services PMIs; Mixed Business Sentiment Signals, August 4
- USA: ISM Manufacturing Above Expectations; S&P Global Manufacturing PMI Revised Up, August 3
- China: Unofficial China manufacturing PMI fell in July, August 3
- Europe July Flash PMIs: Firming Activity and Moderating Price Pressures, July 24

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