

Snap | 23 June 2026

Eurozone activity remains lacklustre as price pressures ease

The composite PMI increased from 48.5 to 49.5 in June. This still marks sluggish economic activity for the bloc, but the easing of price pressures indicated by the survey is encouraging. The combination of sluggish growth and fading inflation concerns marks a dovish reading for the ECB



Frankfurt skyline, Germany

Despite most survey responses coming in before the Middle East deal was signed, the PMI had already ticked up a bit. But the increase to 49.5 would still indicate slightly declining activity according to the survey. After already signalling contraction in business activity in April and May, this surely rounds out a weak quarter for economic growth in the eurozone.

The survey further indicated that – thanks to energy prices already moderating ahead of the deal – inflationary pressures had been softening. Both manufacturing and services experienced a slower pace of increase in their input costs and also increased their own prices less quickly than in May. And with energy prices now substantially lower thanks to the US-Iran deal, it could well be that this trend continues in the months ahead (if the deal holds, of course).

For the ECB, this is dovish news. If the environment which the PMI paints persists in the coming

weeks, it will deter the ECB from hiking forcefully, as the inflationary environment would not be strong enough to require significant monetary tightening.

Author

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.