

Hungary: PMI suggests strong finish for industry

Manufacturing PMI increased to 58.6 in November. With the indicator remaining elevated over recent months, we see industry finishing strongly in 2017.



Source: Shutterstock

58.6

Manufacturing PMI

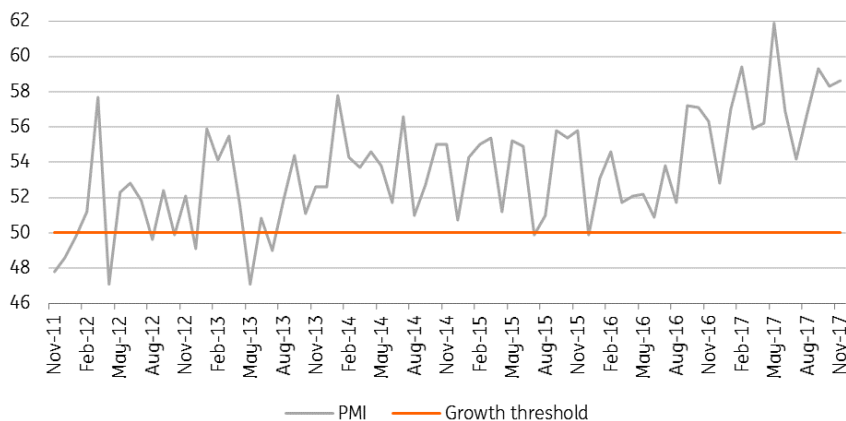
Consensus (59.5) / Previous (58.3)

Worse than expected

High PMI

The seasonally adjusted PMI for manufacturing edged up from 58.3 to 58.6 in November, showing some correction after the drop in October. While it came in well below consensus, we see no need to worry as it has been hovering around its all-time high levels.

<https://think.ing.com/snaps/hungary-an-optimistic-pmi-picture/>

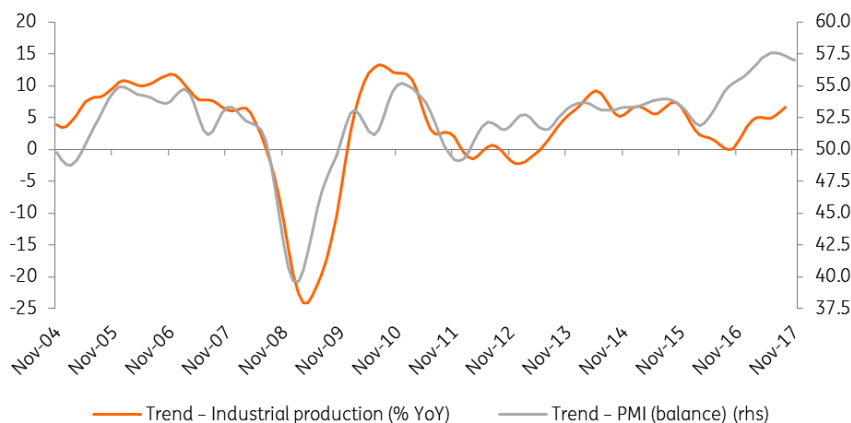


Source: Bloomberg

New orders strong

One of the most important sub-indices is for new orders, which rose slightly and remained above 50. This is a promising sign of a further pick up in manufacturing activity in coming months. The production index however decreased somewhat, but is still above the expansion threshold. When it comes to employment, it seems demand for workforce is still increasing, in line with the growing number of new job vacancies in the business sector.

<https://think.ing.com/snaps/hungary-a-country-with-a-4-unemployment-rate/>



Source: Bloomberg, ING

The overall picture is still rosy so, despite the strong domestic demand driving higher import activity, manufacturing could keep up its strong pace, helping export activity to rise and preventing the trade balance from significant deterioration.

<https://think.ing.com/snaps/hungary-industry-awakens-from-summer-lull/>

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