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UK: Manufacturing Survey Corrects Further?

by Andrew Wroblewski*

Surveys More in Line With Official Data?

The headline January manufacturing PMI corrected back further and a little more than most expectations, dropping 0.5 point to 56.7. This was a three-month low and took the headline down further from a November reading that was the highest level since February 2011. Encouragingly, both production and orders remained near recent respective 19-year highs; while employment reached a two-and-a-half year high. *However, a further rise in input costs was also a feature of these numbers.*

DE View: These numbers corroborate the picture of an economic recovery enjoying clear and continued traction, but with no added momentum having emerged of late. More notably the modest falls in PMI readings through the last few months result in readings more in line with official manufacturing data. *Regardless the BoE will take heart from the improved capex backdrop that these numbers point to.*

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