

“Everyone thinks of changing the world, but no one thinks of changing himself.”

Leo Tolstoy

ECOFLASH

25 JANUARY 21

Daily Update USA, UK, Germany, Canada

US MARKIT manufacturing PMI increased in January

The index increased to **59.1** in January from **56.5** in December. In January last year it stood at **51.9**.

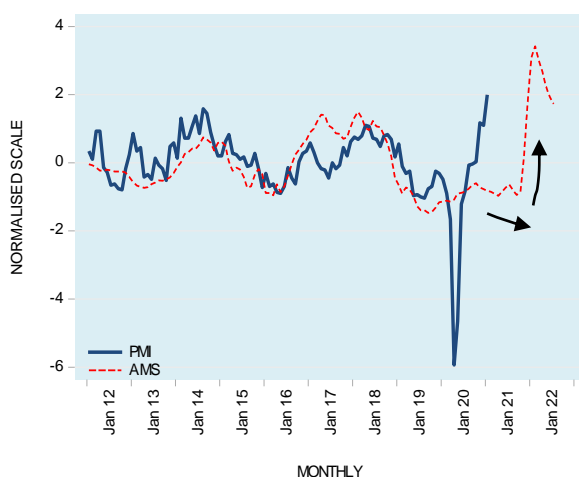
Using the lagged annual growth of our US AMS momentum index, we expect the PMI to come under pressure until around mid-2021.

US existing home sales momentum still strong in December

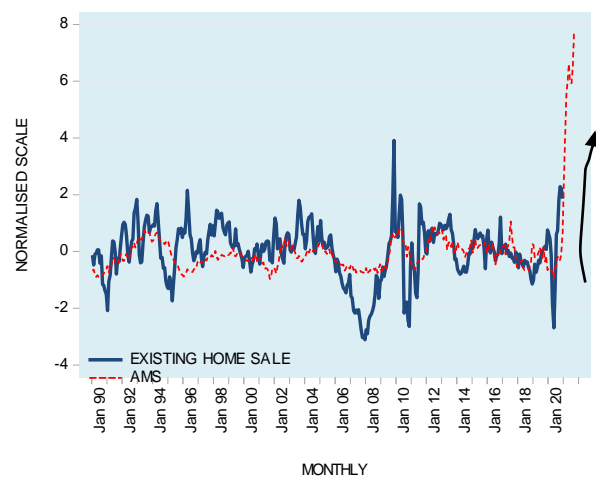
The yearly growth rate stood at a lofty **22.2%** in December against **26.1%** in November the previous month.

Based on the lagged momentum of US AMS, we can suggest that the momentum of existing home sales is likely to remain supported in the months ahead.

US MARKIT MANUF. PMI v US MOMENTUM INDEX LAG 20



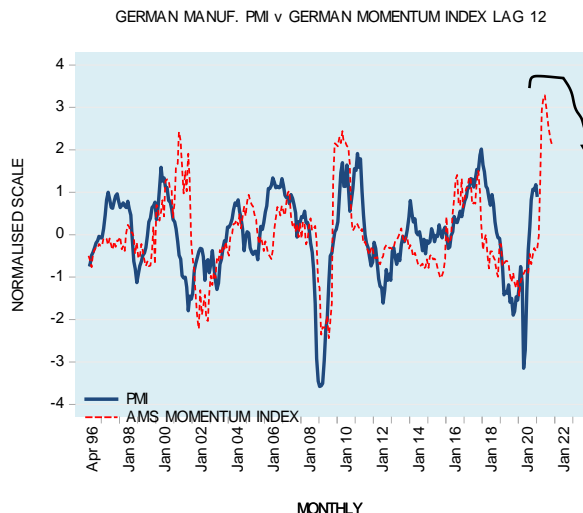
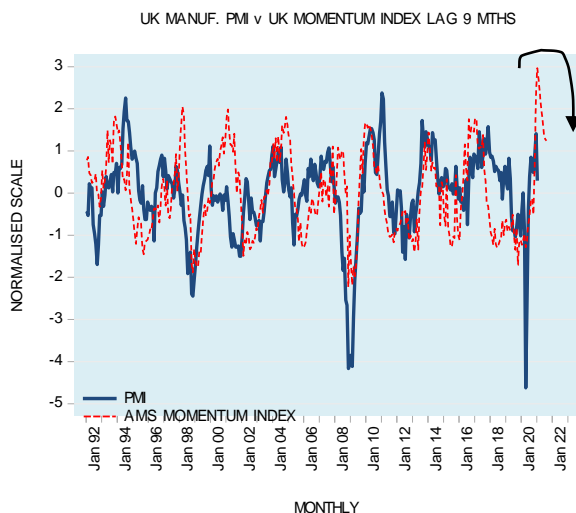
Y/Y %CHNG US EXISTING HOME SALES v US AMS LAG 9 MTHS



UK manufacturing PMI dipped in January

The PMI fell to **52.9** in January from **57.5** in the previous month.

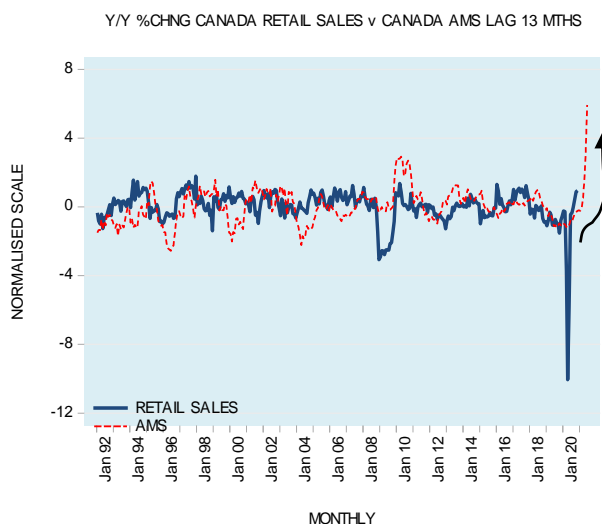
Making use of the lagged UK AMS momentum index, we suggest that the UK manufacturing PMI may lose momentum in early 2021 (see chart).



Canada retail sales annual growth edged up in November

The annual growth rose to **7.5%** in November from **7.3%** in October.

Based on the lagged momentum of Canada’s AMS it is likely that the momentum of retail sales will continue to improve in the months ahead (see chart).



German manufacturing PMI softened slightly in January

The German manufacturing PMI eased to **57** in January from **58.6** in the previous month. In January last year it stood at **45.2**.

Following the lagged momentum of our German AMS momentum index, we hold that the manufacturing PMI is likely to be supported ahead although may lose momentum in the latter half of 2021 (see chart).