

December 20, 2020

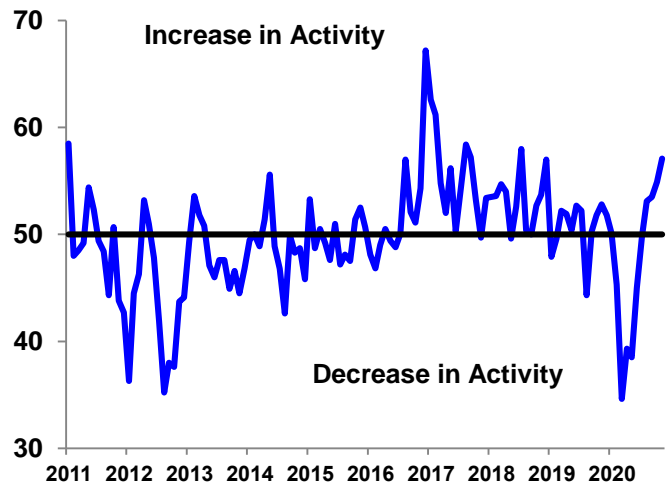
## The PMI increases in November 2020

**The Purchasing Managers' Index of Bank Hapoalim and the Purchasing Managers' Organization rose by 2.2 points in November to a level of 57.1 points.** This is the fourth month in a row that the index indicates an expansion in industrial activity. All the key components in the index this month indicated an expansion in activity. The export orders component returned this month to indicate a net expansion in orders.

**The Global Purchasing Managers' Index, published by JPMorgan Bank, rose in November by 0.7 points to 53.7 points - the highest level since February 2018.** The Purchasing Managers' Index in the Eurozone rose to 53.8 and in the US the Markit index rose to 56.7 Points - The highest level since September 2014. The Caixin Purchasing Managers' Index rose to 54.9 points - the highest level in a decade.

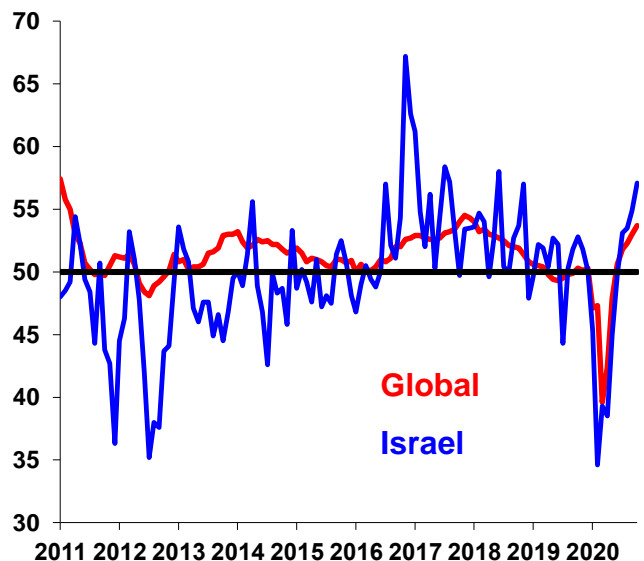
**Bank Hapoalim economists:** Most of the global purchasing managers' indices for the industrial sector are at a high level, which indicates an expansion in activity. In Israel, the level of the index is the highest recorded since February 2018. Foreign trade data for November indicated a sharp jump in both imports and exports of goods. The increase in exports is noticeable in the chemical and electronics industries. Although the last quarter of the year was characterized for the most part by closures, we see strong activity in exports and production. The removal of restrictions on activity led to a decrease in the broad unemployment rate to a level of 14.6% in the first half of November compared to 18.0% in the second half of October.

**Israel's PMI**  
50=unchanged, s.a.



Source: Bank Hapoalim & IPLMA

**Global and Israel's PMI**



## November Data (seasonally adjusted)

| Index                             | November 2020 | October 2020 | Percent Point Change | Trend      | Trend (Months) |
|-----------------------------------|---------------|--------------|----------------------|------------|----------------|
| PMI                               | 57.1          | 54.9         | 2.2                  | Growing    | 4              |
| Trend                             | 56.9          | 54.6         | 2.3                  | Growing    | 3              |
| New Orders - Domestic             | 61.9          | 52.5         | 9.4                  | Growing    | 3              |
| New Orders-Exports                | 56.1          | 48.2         | 7.9                  | Growing    | 1              |
| Production                        | 51.7          | 66.0         | -4.3                 | Growing    | 6              |
| Employment                        | 60.3          | 57.3         | 3.0                  | Growing    | 4              |
| Raw-Materials Prices              | 58.5          | 60.5         | -2.0                 | Increasing | 4              |
| Inventory – Finished Goods        | 52.3          | 49.8         | 2.5                  | Increasing | 1              |
| Inventory - Raw-Materials         | 57.5          | 51.7         | 5.8                  | Increasing | 2              |
| Inventory Accrual Purchases       | 54.0          | 59.0         | -5.0                 | Increasing | 4              |
| Supplier Delivery Time - Imports  | 32.1          | 34.4         | -2.3                 | Decreasing | 17             |
| Supplier Delivery Time - Domestic | 48.9          | 46.1         | 2.8                  | Decreasing | 11             |

### Notes to the review and the PMI in Israel

The indices presented in this report are calculated by processing the replies obtained from a large number of purchasing managers of industrial companies in Israel. The questions refer to changes in ten areas compared with the previous month. The replies are qualitative, as follows: 1. High/Better; 2. Low/Worse; 3. Unchanged. A diffusion index, which measures the ratio of respondents expecting an improvement or no change, is calculated for six of the questions. The index calculation methodology matches the methodology used in calculating the PMI worldwide. The Israeli PMI is included in both the European and global PMI.

Great effort was made to avoid errors when gathering the information, processing it and preparing it for publication. Bank Hapoalim B.M. and the Israeli Purchasing and Logistics Managers Association are not responsible for mistakes that could occur, and any causative damage that could result from the use of erroneous data.