

Global Sector PMI

Software & services sector tops global growth rankings in June

- **Software & services heads rankings for first time in nearly two years**
- **Technology equipment production falls further**
- **Metals & mining remains bottom-ranked sector for fifth consecutive month**

Global sector PMI™ data from Markit showed that **software & services** registered the fastest growth of business activity in June. Moreover, the sector also posted the strongest expansion over the second quarter as a whole. **Pharmaceuticals & biotechnology** was in second position overall in June, followed by **commercial & professional services**. **Food** production remained the top-ranked manufacturing sector.

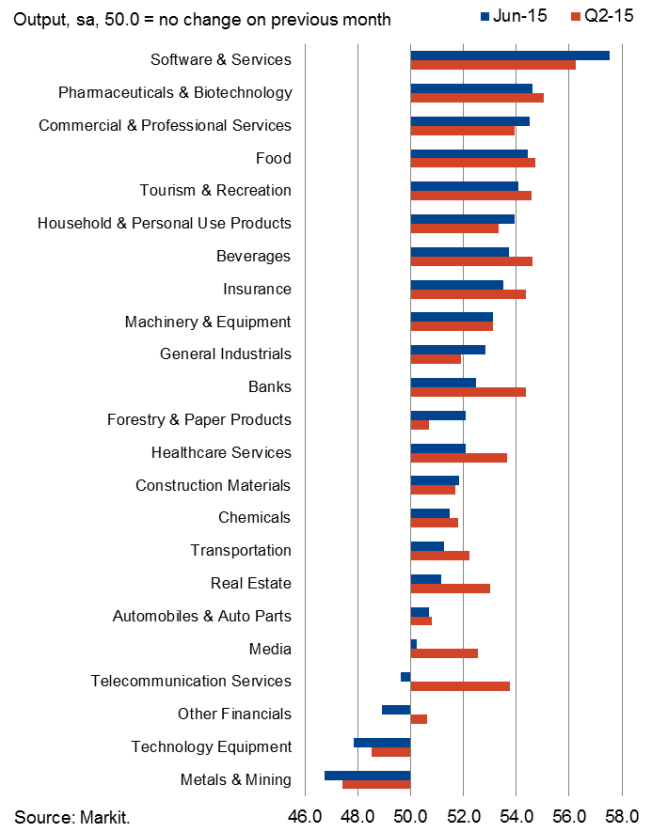
Mixed picture for broad technology sector

Software & services registered the strongest rise in business activity since July 2013, which was also the last time the sector topped the global growth rankings. The sector also posted the fastest expansion of new business of all global sectors covered by the surveys.

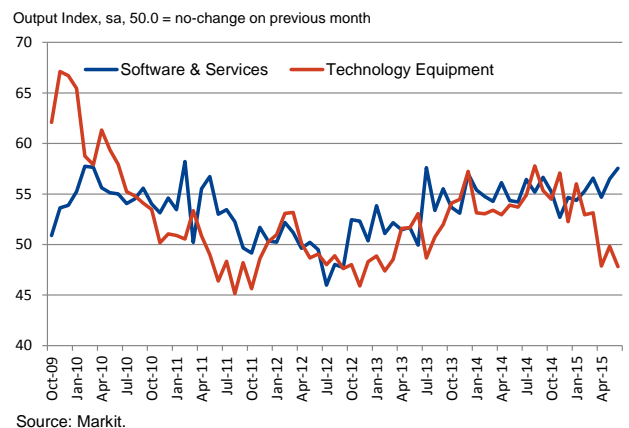
While technology services are booming, it was a different story for technology equipment manufacturers, who saw output fall for a third consecutive month in June, with the latest contraction the strongest since February 2013. The poor performance places the sector one position off the bottom of the global sector league table.

Three further sectors registered falling output in June. **Metals & mining** again registered the strongest rate of contraction, and production in the sector has now declined for five successive months. The remaining two sectors to record falling output in June were **other financials** and **telecommunication services**.

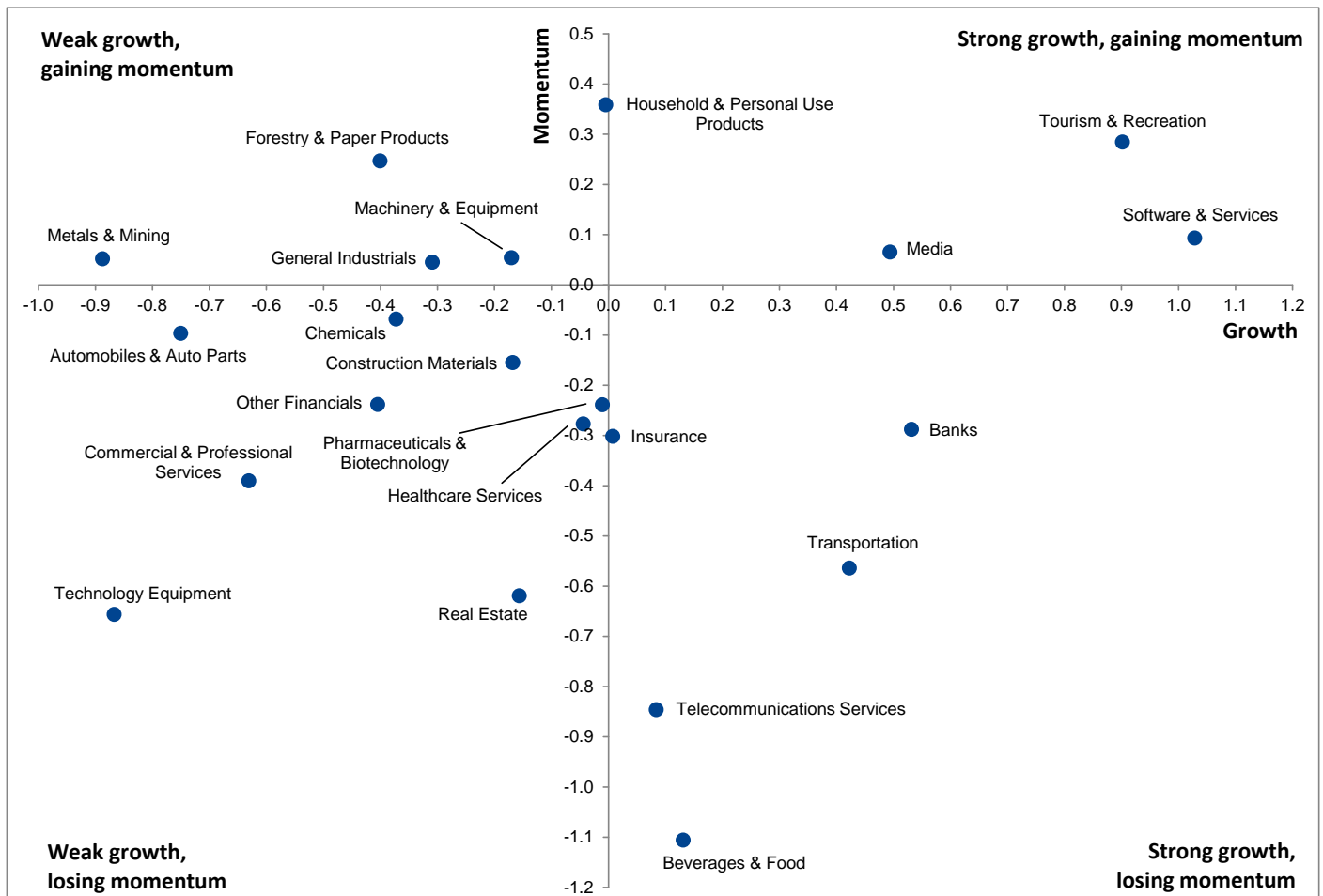
Global Sector PMI: detailed sectors



Global Technology PMI: constituent sectors



Relative growth and momentum by sector



Momentum and relative growth

Global Sector PMI data can be usefully analysed according to *momentum* and *relative growth*. *Momentum* is calculated as the difference between the average of the Business Activity Index's *month-on-month movement* over the latest three-month period and the long-run average of its month-on-month movement (since October 2009), divided by the standard deviation from the mean. A *relative growth* score is the difference between the Business Activity Index's average over the latest three-month period and its long-run average (since October 2009), divided by the standard deviation from the mean.

Only three sectors occupied the top-right quadrant of the chart in the latest three-month period. These included **software & services**, which also led the relative growth rankings, and the two consumer services sectors: **tourism & recreation** and **media**.

Five manufacturing sectors gained momentum during the latest period, led by **household & personal use products**. The two other consumer goods sectors – **beverages & food** and **automobiles & auto parts** – fared less well. The former posted the worst momentum score of all sectors, while automobiles & auto parts also lost momentum and scored the third-lowest relative growth reading, ahead of **metals & mining** and **technology equipment**.

Notes on data

Markit Global Sector PMI data are derived from surveys of over 20,000 companies operating in 28 countries. The data are typically released on the fifth working day (UK) of each month at 0930 UK time.

The Global Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The data create powerful insights into sector profitability and provide tools for investment strategy and asset allocation. Corporate users are able to examine trends within industry sectors, to help industry forecasting and inventory planning.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for eight major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services; and a further 26 sectors and subsectors of those groups.

Detailed historical global sector data are available via a subscription from Markit, and datasets are also available for Europe. For further information please contact economics@markit.com.

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Global Sector PMI structure

Groups

- Sectors
- Subsectors

Basic Materials

- Chemicals
- Resources
 - Forestry & Paper Products
 - Metals & Mining

Consumer Goods

- Automobiles & Auto Parts
- Beverages & Food
 - Food
 - Beverages
- Household & Personal Use Products

Consumer Services

- Media
- Tourism & Recreation

Financials

- Banks
- Insurance
- Other Financials
- Real Estate

Healthcare

- Healthcare Services
- Pharmaceuticals & Biotechnology

Industrials

- Industrial Goods
 - Machinery & Equipment
 - Construction Materials
- Industrial Services
 - Commercial & Professional Services
 - General Industrials
- Transportation

Technology

- Technology Equipment
- Software & Services

Telecommunication Services