

# Global Basic Materials PMI

## Basic materials output expands sharply in Q4

- **Basic materials Q4 growth rate surpasses all other sector groups**
- **Chemicals output growth hits 34-month high in December**

The latest Markit Global Sector PMI™ data indicated that the **basic materials** industry expanded sharply in the final quarter of 2013, recovering from a period of stagnation earlier in the year. On a quarterly basis, production expanded at the sharpest pace since the first quarter of 2011. Moreover, in the three months to December, of the eight broad sector groups it was the basic materials industry that registered the fastest growth.

PMI output data for all eight broad sectors posted above the 50.0 no-change mark in December, indicating a broad-based expansion at the end of the year. Basic materials, led by a sharp expansion in the chemicals sector, registered the second-sharpest increase of the eight sector groups in December, surpassed only by **technology**.

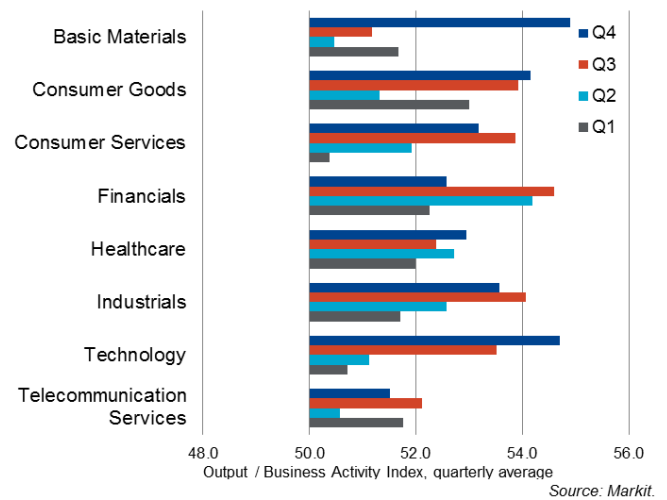
Markit Global Basic Materials PMI data are derived from surveys of over 2,800 companies in the global basic materials industry across 28 major economies. Specifically, this includes firms in the chemicals, metals & mining and forestry & paper sectors.

**Chemicals** output rose at the fastest pace in 34 months in December, expanding at a sharper rate than any other sector covered. This reflected the fastest expansion in chemicals new orders since the global data series began in October 2009.

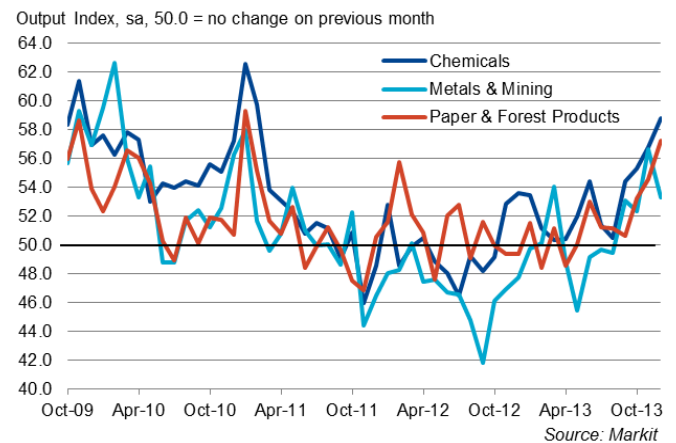
Meanwhile, the rate of production growth in the **forestry & paper** sector accelerated to the sharpest since January 2011, aided by a strong expansion of new orders.

Growth in **metals & mining** output eased from November's 34-month high and was the weakest of the basic materials sectors. Nevertheless, the pace remained solid in December and was sharper than the historical series average.

Global Sector PMI: broad groups



Global Basic Materials: Constituent sectors



Given the simultaneous expansions seen across many different global sectors, the basic materials industry looks set to begin 2014 on a solid footing. Basic materials new orders rose in December at the fastest rate since March 2010. Moreover, sharp output growth and concurrent accumulations of backlogs were seen in the **industrials** and **consumer goods** sectors in December. This should support demand for basic materials in the first quarter of the year as manufacturers step up purchasing activity to accommodate higher levels of production and new orders.

## Notes on data

Markit Global Basic Materials PMI data are derived from surveys of over 2,800 companies operating in 28 major economies. 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 insight 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](mailto: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