

Global Sector PMI

Consumer goods group moves to top of global sector growth rankings

- **Consumer goods posts sharpest acceleration in growth since January**
- **Construction materials leads growth at detailed sector level**

February's global sector PMI data dump showed a broad-based expansion of business activity across all eight groups monitored by the business survey. However, growth eased in four, with another group, **telecommunications**, recording the same moderate rate of expansion as in January.

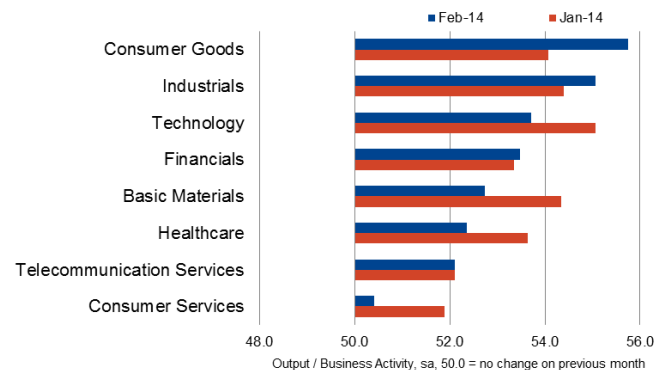
The biggest improvement in performance was recorded by the **consumer goods** group, which also led the overall growth rankings in February with its fastest expansion in close to four years. Second in the growth table was **industrials**, the only group to record back-to-back increases in its PMI output index at the start of 2014. **Financials** was the third group that posted a faster increase in business activity than in January, though it was still outperformed overall by **technology**. However, technology experienced a loss of momentum since the start of the year, echoing the trends observed for **basic materials**, **healthcare** and **consumer services**, the last of which sat bottom of the growth rankings having registered only a marginal rise in business activity since January.

Detailed sectors

Driving the improvement observed in consumer goods was a marked upturn in **household & personal use products**, which rose 13 places in the growth rankings and recorded the second-fastest overall increase in business activity of the 23 most detail sectors covered by the survey, behind **construction materials** (see page 2). **Food** – another sub-sector of the broad consumer goods group – was another big mover (up six places), registering its most marked rise in output for a year. Interestingly, it was **beverages** which propped up the sector PMI table, having fallen from second position in January. Moreover, this was the only sector where output levels were unchanged.

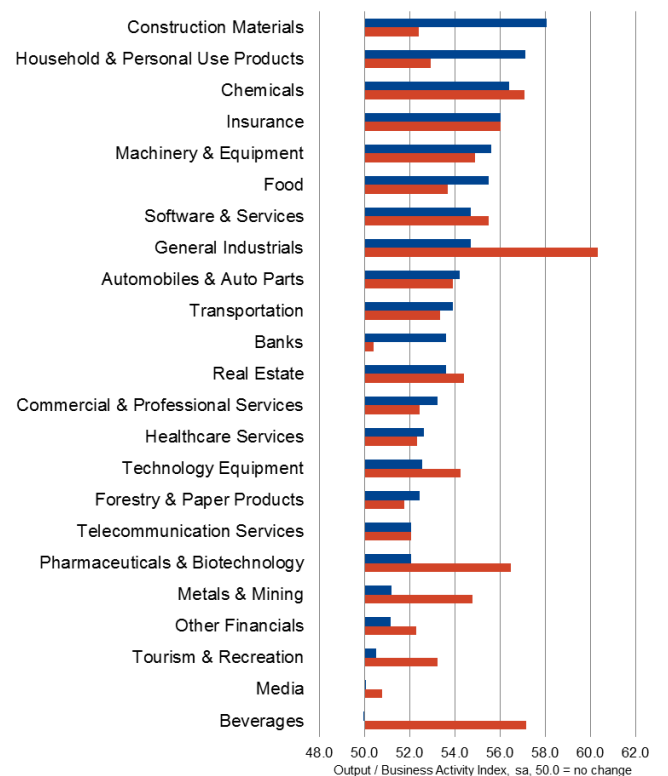
Last month's growth leader, **general industrials**, also

Global Sector PMI: groups



Source: Markit.

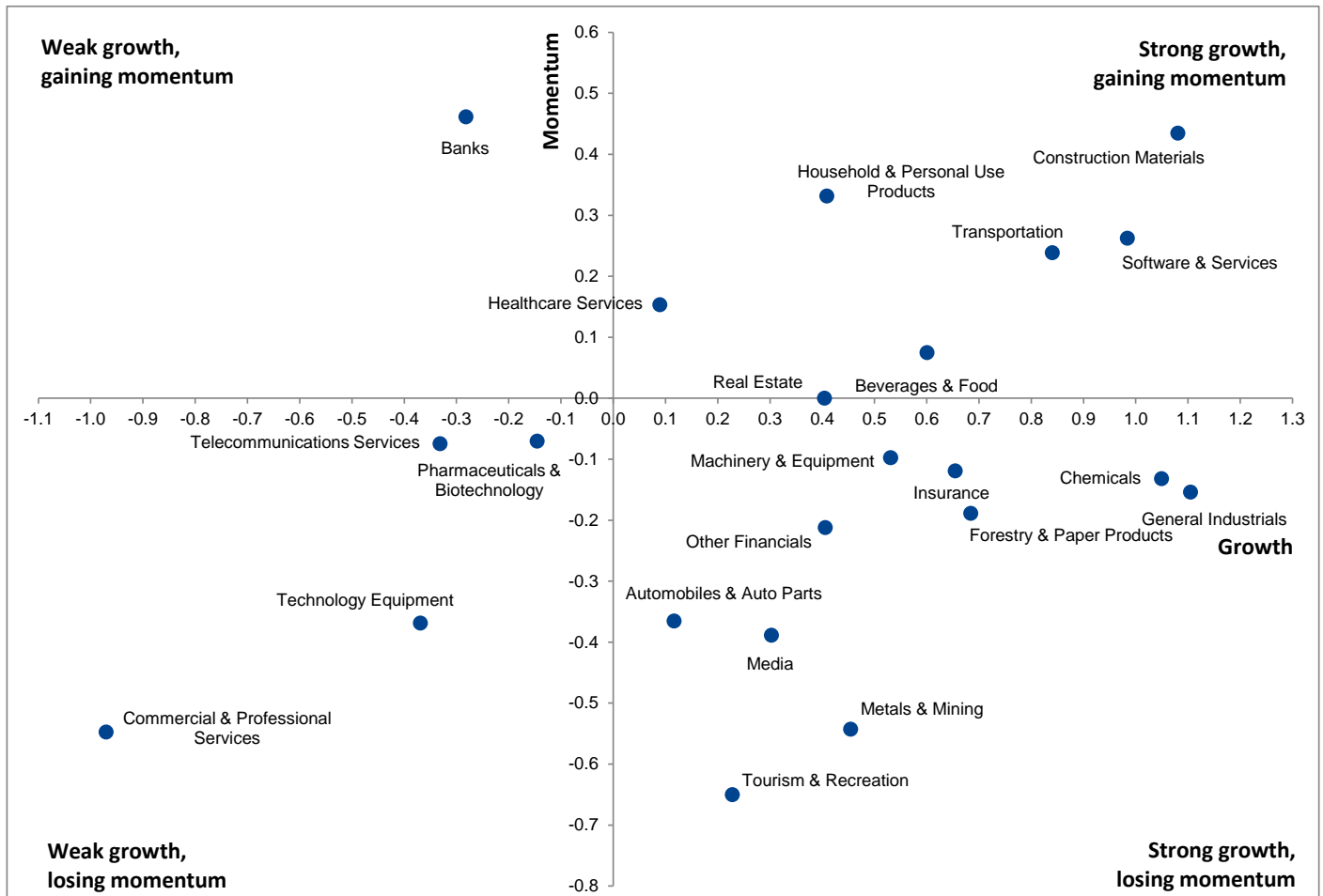
Global Sector PMI: detailed sectors



Source: Markit.

lost momentum since the start of the year, but nevertheless posted a solid increase in output to extend its current sequence of expansion to nine months.

Relative growth and momentum by sector



Momentum and relative growth in February

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

The sector with the strongest momentum over the three months to February was **banks**. **Construction materials** was next, reflecting a marked gathering of pace since the start of the year. **Household & personal use products** completed the top three.

At the other end of the spectrum, **tourism & recreation** showed the most significant loss of momentum. **Media**, the other component of the broad consumer services group, was also among the groups that experienced a notable slowdown in the latest three-month period, alongside **commercial & professional services** and **metals & mining**.

A *relative growth* score is the difference between the Business Activity Index's latest three-month average and its long-run average (since October 2009), divided by the standard deviation from the mean.

As had been the case in the three months to January, five sectors showed below-trend growth in the latest three-month period. Moreover, four were losing momentum, with only **banks** speeding up in the latest period. By far the lowest relative growth score was for **commercial & professional services**.

Software & services was an all-round strong performer in the three months to February, possessing relatively strong growth and at the same time gaining momentum. **Transportation** also fell into that bracket.

The most common theme in the three months to February was for sectors to be growing faster than their long-run trend but losing momentum. This was true for ten sectors, including **automobiles & auto parts**.

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