

# Global Basic Materials PMI

## Demand for basic materials set to rise as global manufacturing strengthens

- **Output growth picks up in September**
- **Faster growth in global consumer and industrial goods manufacturing will boost demand for basic inputs**

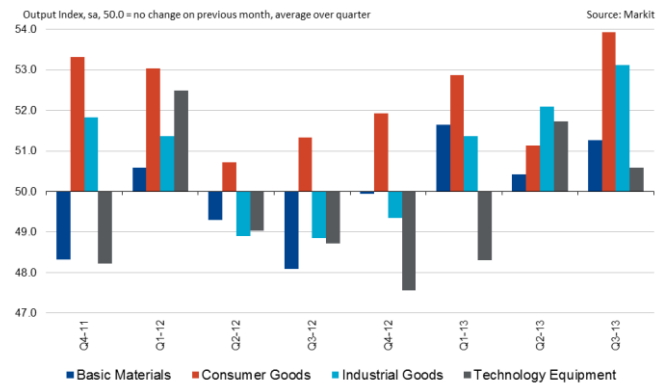
The global basic materials industry regained momentum at the end of the third quarter, according to Markit Global Sector PMI data. Output growth picked up from negligible rates in July and August, and new orders registered the strongest increase since February 2011.

On a quarterly basis, the output performance in basic materials in Q3 was the second-best since Q2 2011. Moreover, with the consumer and industrial goods sectors registering their best new order trends in two-and-a-half years, basic materials production looks set to accelerate further in the final quarter as manufacturers in other sectors step up purchasing activity to accommodate demand.

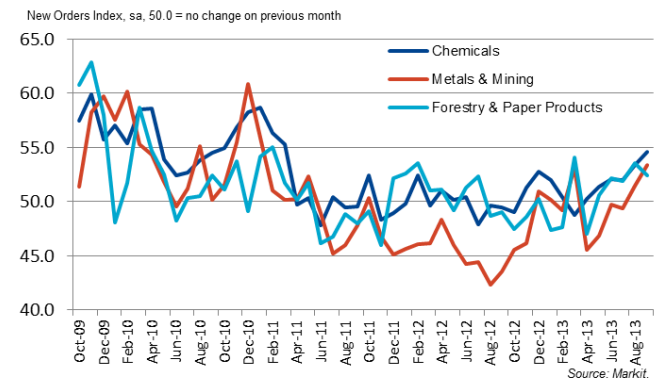
Markit Global Basic Materials PMI data are derived from surveys of over 1,500 companies in the global basic materials industry across 28 major economies. Specifically, this includes firms in the chemicals, metals & mining and forestry & paper sectors. September data showed the strongest increase in **chemicals** output of the year so far, driven by the fastest expansion in new orders since March 2011. **Metals & mining** – which had been a drag on the wider basic materials group in recent months – registered the first rise in production in six months, and the strongest growth in new orders since January 2011. Moreover, the new orders to inventory ratio – a leading indicator of future output trends – was the second-highest of all manufacturing sectors (behind automobiles & auto parts).

Output growth in the **forestry & paper** sector slowed to a weak pace in September (the slowest of all sectors covered by global PMI data), but new business growth remained stronger than the four-year series average.

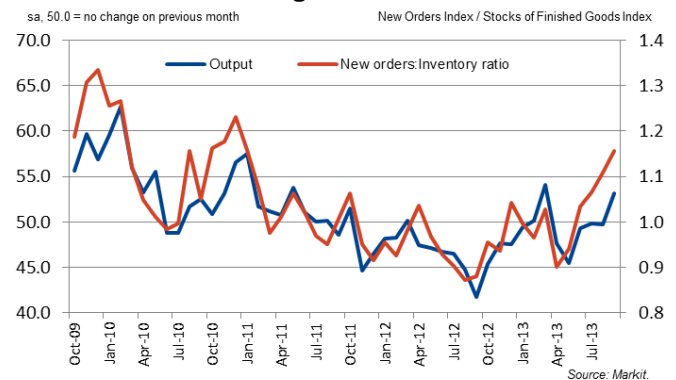
### Global Sector PMI: Manufacturing



### Global Basic Materials: Constituent sectors



### Global Metals & Mining PMI



**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 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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**Markit 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**