

Markit EU Sector PMI

EU sector data points to continuing broad-based expansion

- **Technology and basic materials lead October's solid expansion in private sector activity**
- **Steady growth recorded for financials, consumer goods and industrials**
- **Consumer services remains weak point of otherwise healthy picture**

Markit's October EU sector PMI® data showed the recent rebound in the region's private sector economy continuing into the final quarter. Moreover, growth was broad based, suggesting the upturn has a sound footing heading into the latter stages of the year.

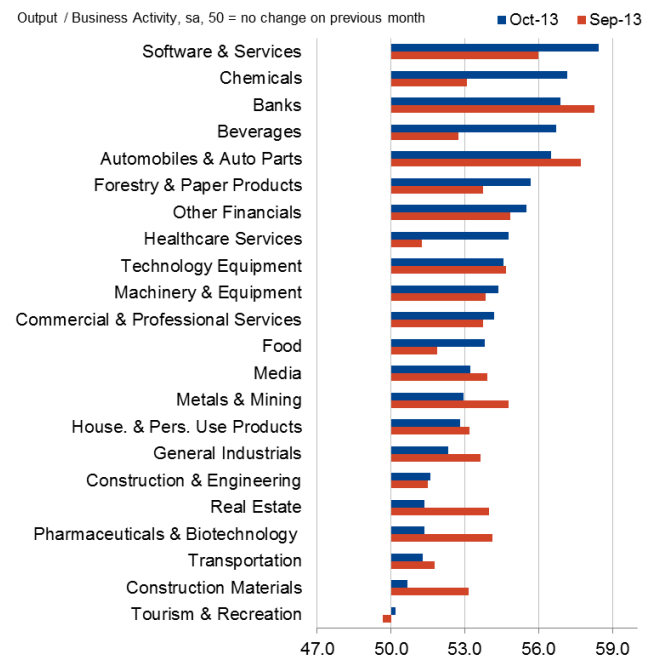
At the top-tier level of data, it was **technology** that led in terms in output growth in October. The sector has seen business activity rise throughout the past seven months, culminating in the fastest expansion for more than six years in the latest survey period. Further evidence of the underlying strength in technology was provided by the fact that it was also the primary driver of job creation during the month.

Technology's two sub-sectors, **software & services** and **technology equipment**, both registered marked rises in output on the month, with the former the top-ranked EU sector (see first chart).

Basic materials was another strong performer in October. It recorded a fourth straight monthly rise in output, with growth having accelerated throughout this sequence to a 30-month high. Reflecting this, basic materials had the second-strongest growth momentum at the start of Q4, behind only **financials** (see second chart and accompanying notes). Providing the main boost to the industry was a sharp acceleration in output growth at **chemicals** manufacturers – the most marked among all narrowly defined sectors.

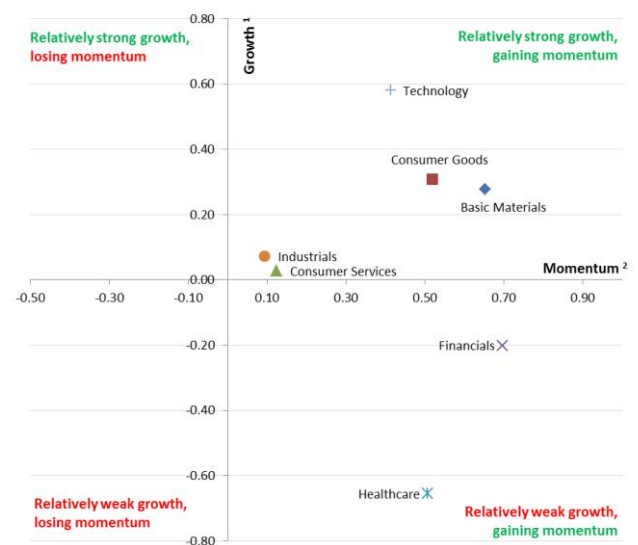
At the other end of the spectrum, **consumer services** posted the weakest overall rise in business activity of all monitored top-tier sectors in October, which was somewhat unsurprising given the current lack of purchasing power among households in the region. The sector's muted performance reflected a virtual

Detailed sector growth ranking



Source: Markit

Broad sector growth and momentum compared



Source: Markit

stagnation in activity at **tourism & recreation** firms, alongside a slower rise in **media** output compared with one month previously.

Elsewhere, **financials**, **consumer goods** and **industrials** all saw increases in output that were solid and slightly faster than one month before. Each carries momentum into the final stages of the year, having recorded sustained growth in new business in recent months.

Notes on data

¹ This score is the difference between the Activity Index's three-month average (August, September and October) and its long-run average (since October 2009), divided by the standard deviation from the mean.

² This score is the difference between the latest three-month average of the Activity Index's *month-on-month movement* and the long-run average of its month-on-month movement, divided by the standard deviation from the mean.

Markit EU Sector PMI data are derived from surveys of over 6,400 companies operating in 11 countries. The data are released on the fifth working day (UK) of each month at 0930 UK time.

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 EU sector data are available via a subscription from Markit, and datasets are also available at a global level. For further information please contact economics@markit.com.

Markit EU 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
- Other Financials
- Real Estate

Healthcare

- Healthcare Services
- Pharmaceuticals & Biotechnology

Industrials

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

Technology

- Technology Equipment
- Software & Services

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