

Global Sector PMI

Financial services top global sector PMI rankings in 2013

- Financials led the PMI sector business activity growth rankings last year, driven by other (non-bank) financials and insurance
- Basic material manufacturers top in Q4
- Banks was lowest ranked sector in Q4

Markit's detailed global PMI data showed that **financial services** registered the strongest overall business performance among the broad groups covered in 2013. It was the top-ranked group five times during the year, and second in two further months.

That said, financials lost momentum in the final quarter of the year and, on average, was ranked lower than all other groups except **telecommunication services**. In contrast, **basic materials** was the top-ranked group in Q4, having been the worst-performing area in each of the two prior quarters.

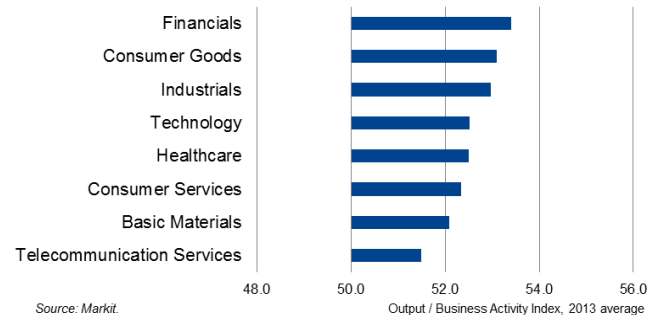
Detailed sectors

Within the financials group, growth during 2013 was driven by the **other financials** and **insurance** sectors. **Banking**, in contrast, was the third-worst sector covered during the year, ahead of **metals & mining** and **transportation**.

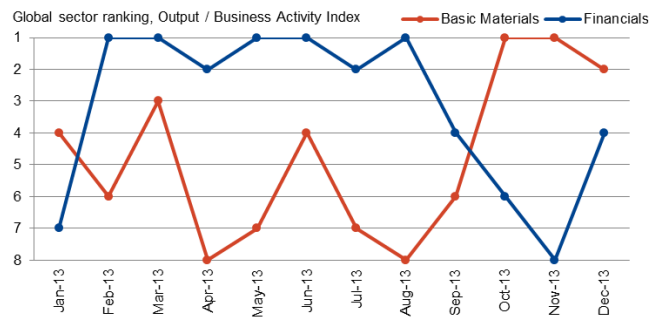
Although metals & mining was the lowest-ranked sector in 2013 in terms of its average Output Index reading, the sector nonetheless posted the greatest improvement in the average Index level during the year compared with the average for 2012. The next-best performing sectors on this score were **other financials**, **machinery & equipment**, **chemicals** and **software & services** respectively.

Although services-related sectors dominated the top rankings in 2013 as a whole, manufacturers led the rankings in the fourth quarter. The top four sectors in Q4 were **chemicals**, **automobiles & auto parts**, **beverages** and **machinery & equipment**. Conversely, the worst four sectors were all services-related: **banks**, **telecommunication services**, **transportation** and **real estate**.

Global Sector PMI: broad sectors in 2013

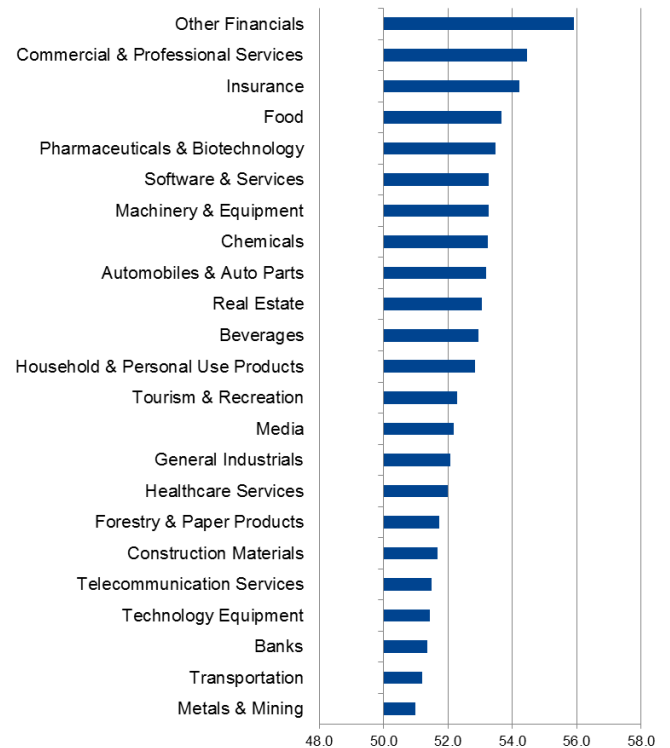


Source: Markit.



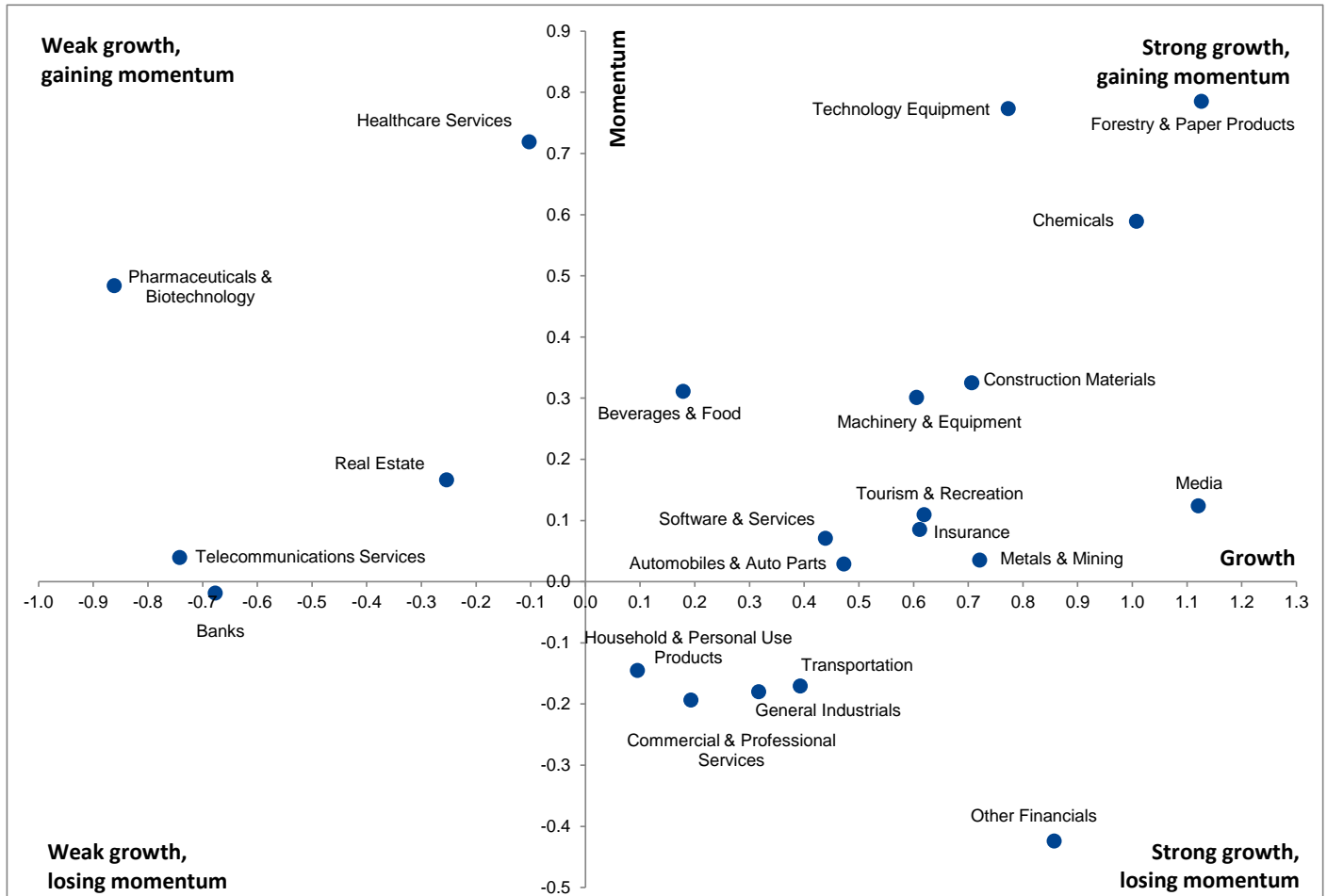
Global Sector PMI: detailed breakdown

Output / Business Activity Index, 2013 average



Source: Markit.

Relative growth and momentum by sector



Momentum and relative growth in Q4

Global Sector PMI data can be analysed according to *relative growth* and *momentum*.

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.

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.

In terms of momentum, the best performing sectors over the final quarter of 2013 were **forestry & paper products**, **technology equipment**, **healthcare services** and **chemicals**.

The **'other' financials** sector lost the most momentum of any sector in Q4, but nonetheless was still showing relatively strong growth. It was the fourth highest-scoring sector in terms of relative growth over the fourth quarter, behind **forestry & paper products**, **media** and **chemicals**.

Five sectors recorded negative relative growth in the fourth quarter. Two of these are finance-related – **banks** and **real estate** – two health care-related – **pharmaceuticals & biotechnology** and **healthcare services** – and finally **telecommunication services**. That said, four of these sectors showed positive momentum scores, with banks the exception.

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.

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

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