

Global Sector PMI

Food, banks and high-tech services drive global growth in May

- Food sector retakes top spot
- Banks, healthcare and tech service sectors also grow strongly
- Metals & mining remains bottom-ranked sector

Global sector PMI™ data from Markit showed a clear trend of services and food-led growth in May. Food producers registered the strongest overall rate of output expansion, while service sectors occupied nine of the top 12 sector rankings. In contrast, five of the bottom-six ranked sectors were manufacturing-related.

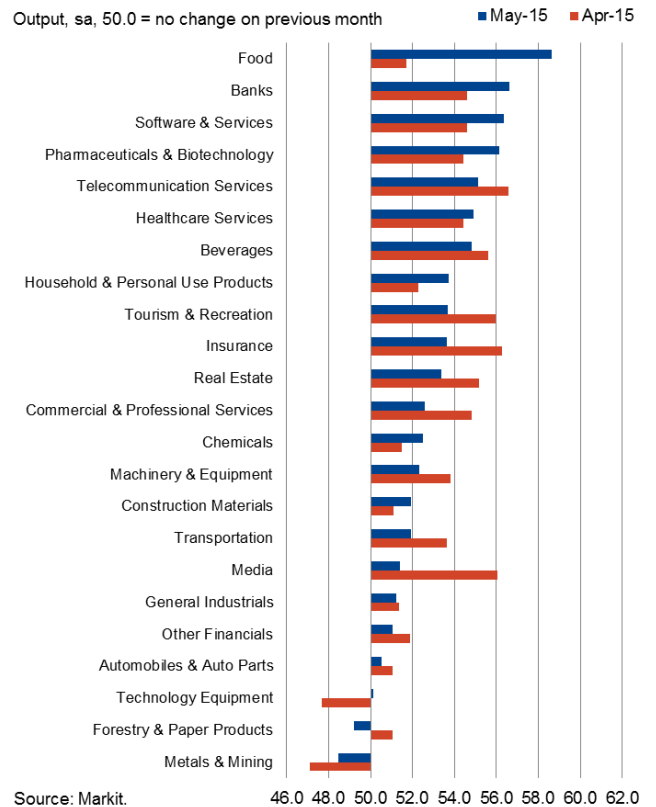
Food production regains momentum

Global **food** producers registered a rebound in growth in May, following a slowdown the previous month. As a result, the sector led the global growth rankings for the third time in four months, climbing 15 places in the table in the process – more than any other sector. Its sister sector, **beverages**, also registered solid growth, ranked seventh overall.

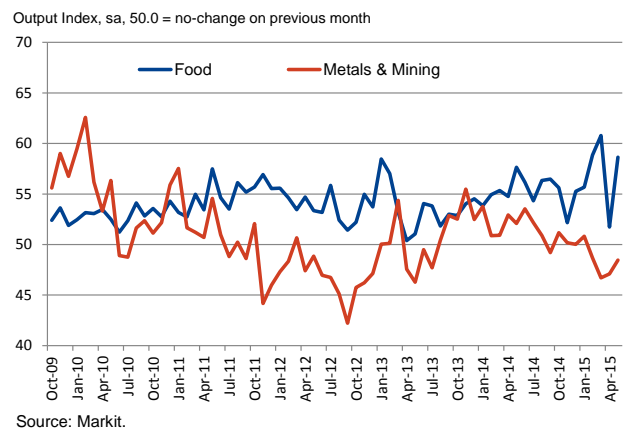
Banks registered the second-fastest rate of growth in May, enjoying its strongest expansion since last August and moving up seven places in the table. The next-best performing sectors were all related to healthcare and technology: **software & services**, **pharmaceuticals & biotechnology**, **telecommunication services** and **healthcare services**.

At the other end of the table, output fell in the **metals & mining** and **forestry & paper products** sectors. Metals & mining remained the bottom-ranked sector for the fourth month in a row, with a fourth successive drop in production. The remaining basic materials sector, **chemicals**, grew for the thirty-first consecutive month, albeit at a moderate pace.

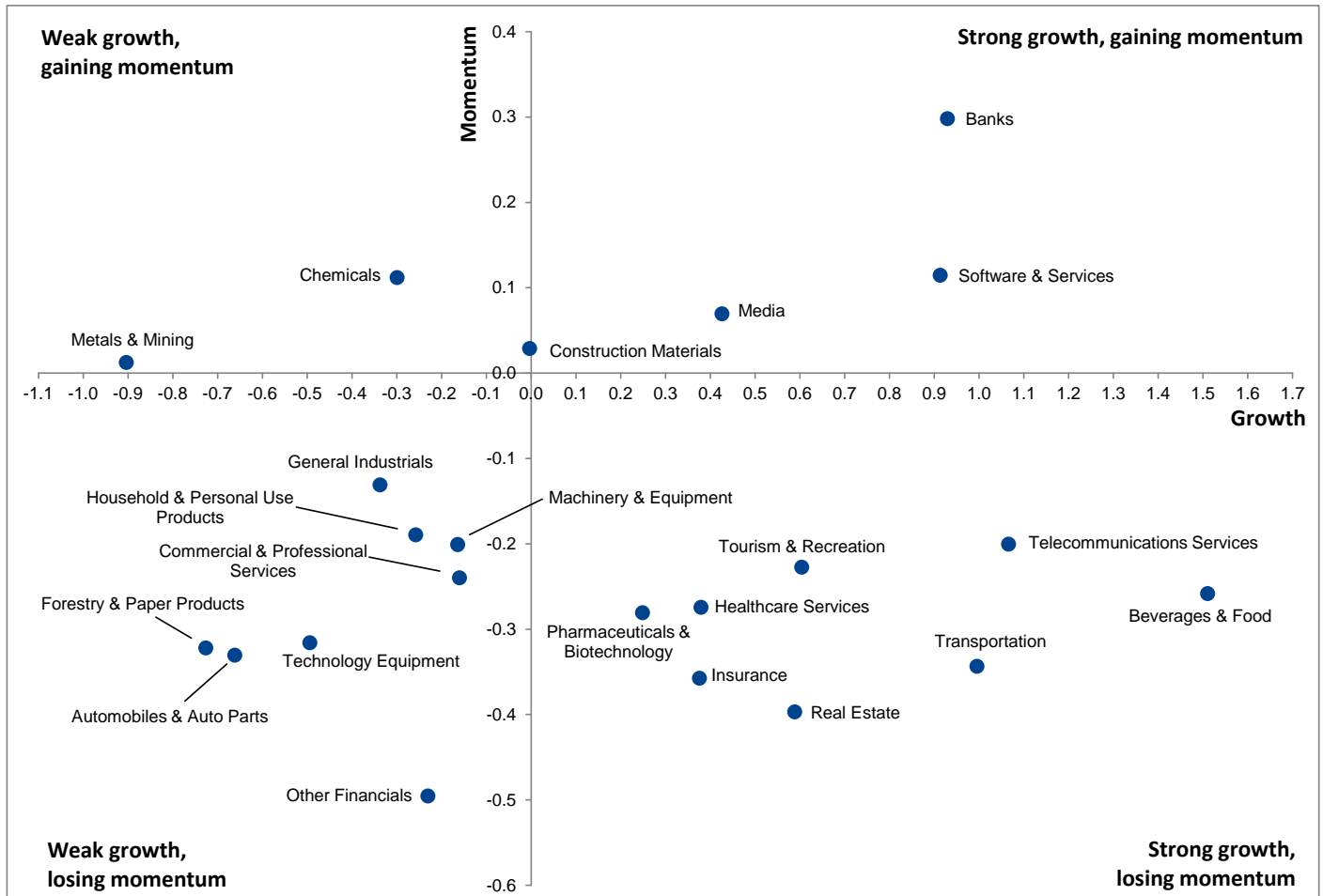
Global Sector PMI: detailed sectors



Global Sector PMI: selected sectors



Relative growth and momentum by sector



Momentum and relative growth

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

There was a broad-based loss of momentum in the latest three-month period. A total of 16 of the 22 sectors saw negative momentum scores, led by three finance-related sectors: **other financials**, **real estate** and **insurance**. In contrast, **banks** registered the highest momentum score over the same period.

Other financials was one of eight sectors that registered both negative momentum and relatively weak growth. Of the remaining seven sectors, six were manufacturing-related, the exception being **commercial & professional services**.

Metals & mining registered the weakest relative growth score of all sectors in the latest period, though it did register a marginally positive momentum score. Other sectors to gain momentum during the month included **construction materials**, **media**, **software & services** and **chemicals**.

Beverages & food registered the strongest relative growth score in the three months to May, despite a sharp dip in growth in April.

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