

# Global Sector PMI

## Food producers climb to top of global sector rankings in May

- Fastest increase in foot output since global sector data started in late-2009
- Beverages firms cut output
- Basic materials, autos and transport remain weak

Global Sector PMI data from Markit showed that food manufacturing topped the rankings in May. In contrast, beverages was the only sector to post falling activity. Healthcare-related sectors continued to perform comparatively well, while the constituents of the basic materials group remained stuck in a low gear.

### Beverages & Food

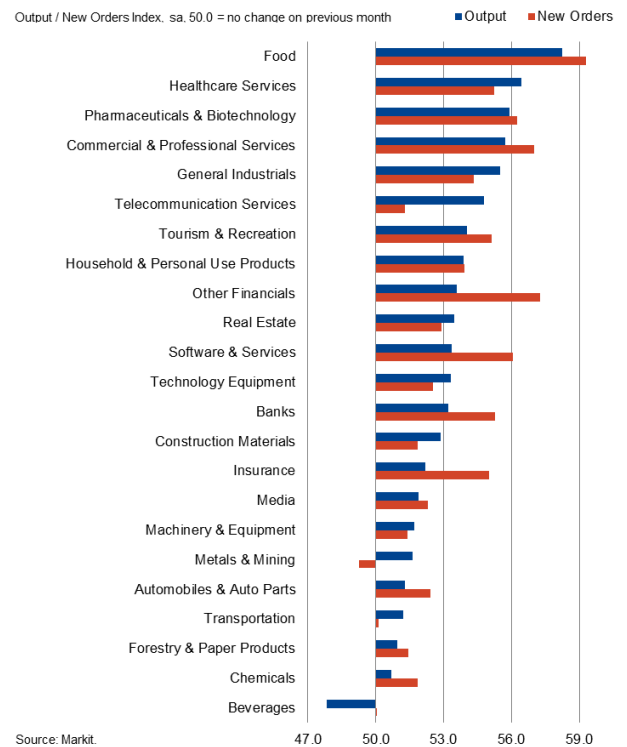
Global **food** manufacturers registered a marked acceleration in growth in May. Moreover, the Output Index for the sector was the highest since the series began in October 2009, as was the sector's New Orders Index. Stronger business conditions in the food sector were accompanied by heightened inflationary pressures with input prices rising at the fastest rate since September 2012 and output price inflation at a seven-month high.

**Beverages** production fell in May, the only global sector monitored to record a decline. New orders were unchanged since April and backlogs declined for the second month in a row.

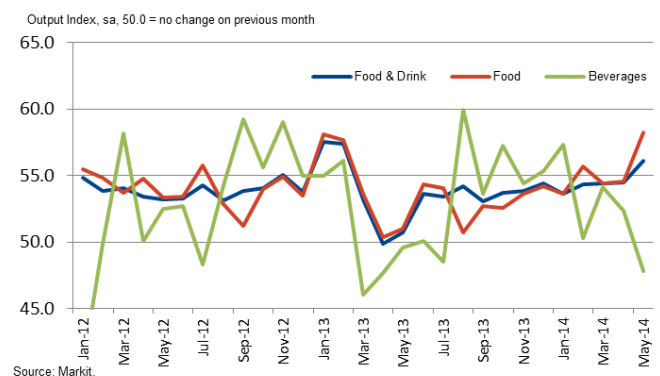
### Healthcare

Healthcare-related sectors continued to fare well in May, with **healthcare services** and **pharmaceuticals & biotechnology** ranked second and third globally. Activity growth in the former was unchanged from April's 19-month high, while output growth in the latter accelerated for the third month running to the highest since the start of 2014. New business rose sharply in both sectors.

### Global Sector PMI: detailed sectors



### Global Beverages & Food



### Basic Materials

Global manufacturing of basic materials registered another notably subdued performance in May, with the three constituent sectors all in the bottom six rankings for output. **Chemicals** and **forestry & paper products** registered only marginal increases in output, while **metals & mining** saw modest growth and was the only global sector monitored to record falling new orders in May.

### Automobiles & Auto Parts

**Automobiles & auto parts** registered higher output in May, but the rate of expansion remained weak in the context of recent data. Output growth was unchanged from April's ten-month low, and new business expansion was the second-weakest in ten months.

### Industrials

This broad group of sectors – encompassing both manufacturing and service activities – was a mixed bag in May. **Commercial & professional services** registered the fourth-fastest growth rate of all sectors monitored, and the third-fastest increase in new business. Meanwhile **general industrials** held on to fifth place in the sector rankings.

In contrast, **transportation** was the lowest-ranked service sector globally for activity, in twentieth place overall. The rate of expansion was the slowest in the current ten-month sequence of growth.

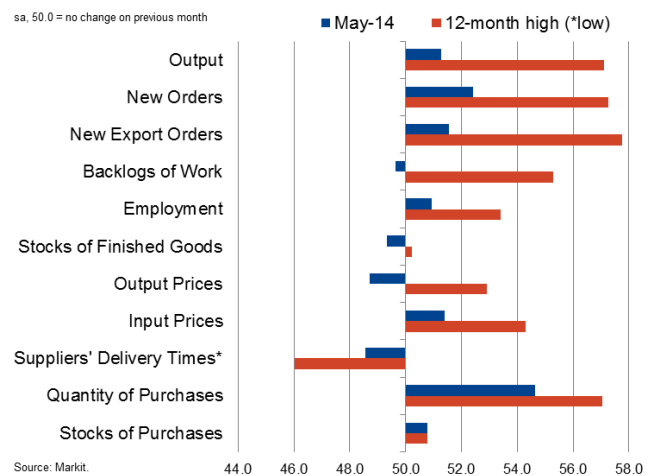
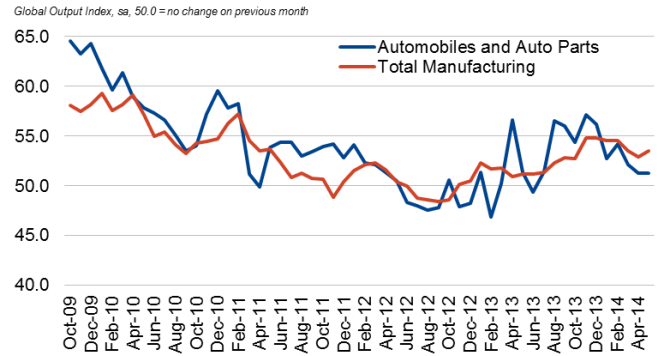
Industrial goods manufacturers registered growth of output in May, but the rate of expansion in the **machinery & equipment** sector slowed to a 13-month low. Output of **construction materials** increased at a stable, moderate pace.

### Employment

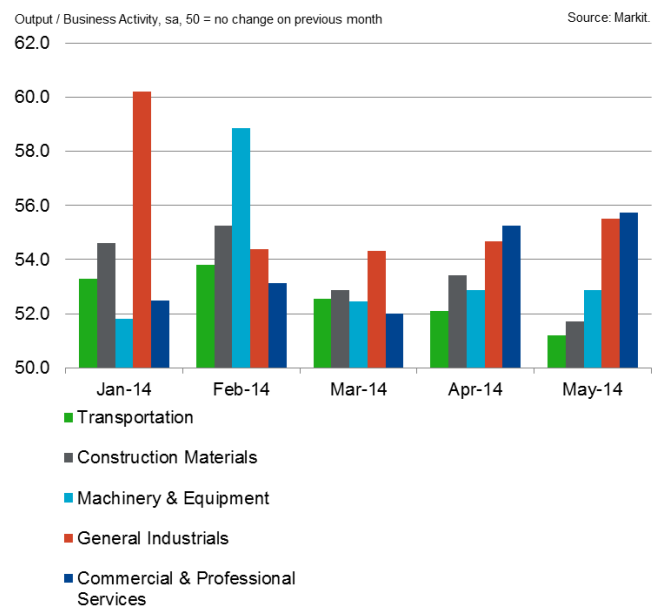
Top-ranked global sectors in May:

1. Software & Services
2. Technology Equipment
3. Real Estate
4. Healthcare Services
5. Forestry & Paper Products

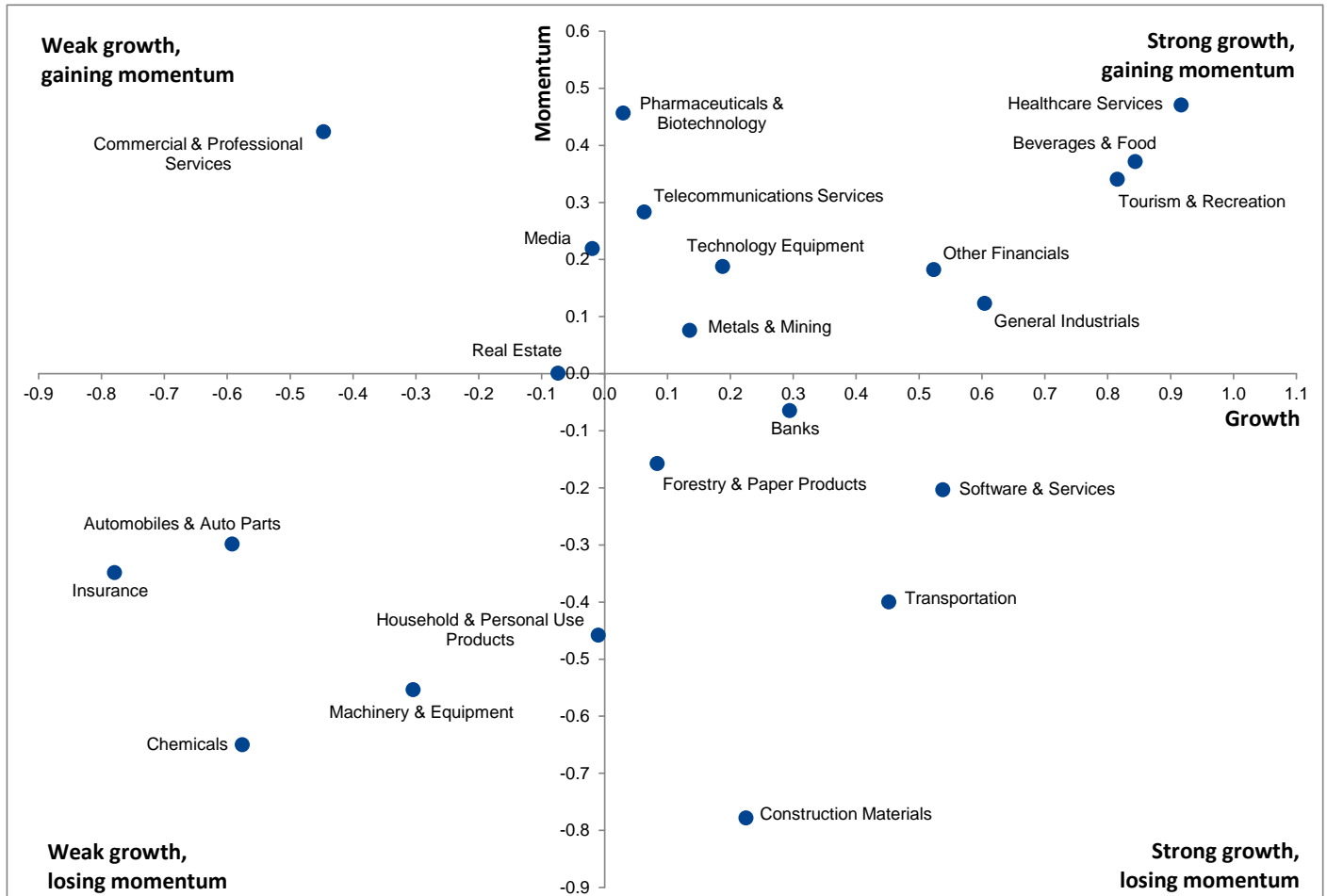
### Global Automobiles & Auto Parts



### Global Industrials



Relative growth and momentum by sector



Momentum and relative growth

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. 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.

Nine sectors were located in the top-right quadrant of the chart in the latest three-month period, signalling relatively strong growth and positive momentum. Among these, **Healthcare services** registered the strongest relative growth and momentum of all sectors monitored. It was just ahead of **pharmaceuticals & biotechnology** in terms of momentum, and **beverages & food** in terms of relative growth. **Tourism & recreation** recorded the third-best growth score, and the fifth-best momentum score.

**Commercial & professional services** recorded the third-best momentum score, but was among the lowest-ranked sectors in terms of relative growth. Along with **media**, this sector may move into the top-right quadrant in the coming months given its current momentum score, as growth accelerates to a relatively strong pace.

Five sectors occupied the bottom-left quadrant in the latest three-month period, signalling weak and slowing growth. **Insurance** registered the weakest relative growth score, followed by **automobiles & parts** and **chemicals**.

**Construction materials** recorded the lowest momentum score of all sectors, suggesting it may move into the bottom-left quadrant in the coming months as growth slows to a relatively weak pace.

## 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](mailto: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