

# Global Financials PMI

## Fast-growing financial industry leads global expansion in May

- **Financial firms report fastest rise in business activity since March 2012**
- **Expansion strongest among the eight global industries covered by PMIs**
- **Banks act as a drag on financials growth**

Global financial activity increased at the strongest pace for over a year in May, according to newly-launched Markit Global Sector *PMI™* data. The strong rate of expansion, which was the fastest of the eight major industry categories covered by the PMI, was fuelled by companies reporting the largest inflow of new business since February 2012.

The Markit Global Sector PMIs are a new dataset that provides insight into business trends for eight industries and 26 sectors as defined by the Markit Sector Classification structure. The global sector PMI data track monthly changes in variables such as output, orders, employment and prices.

Business activity within the global financial industry rose strongly during May, with the rate of growth faster than the global average. The latest increase in output continues a trend that has been recorded in each month since January 2012, with the sole exception of a marginal reduction last June.

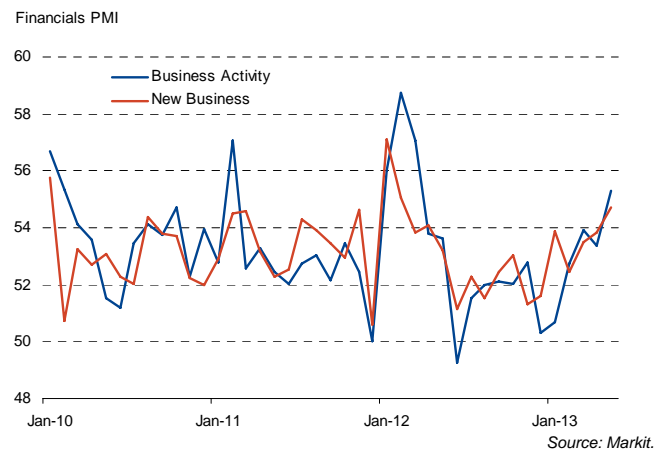
Financial companies largely attributed the increase in activity to a solid rise in new business volumes. The rate of new order growth accelerated for the third month running to its fastest since February 2012.

### Modest expansion of banking sector

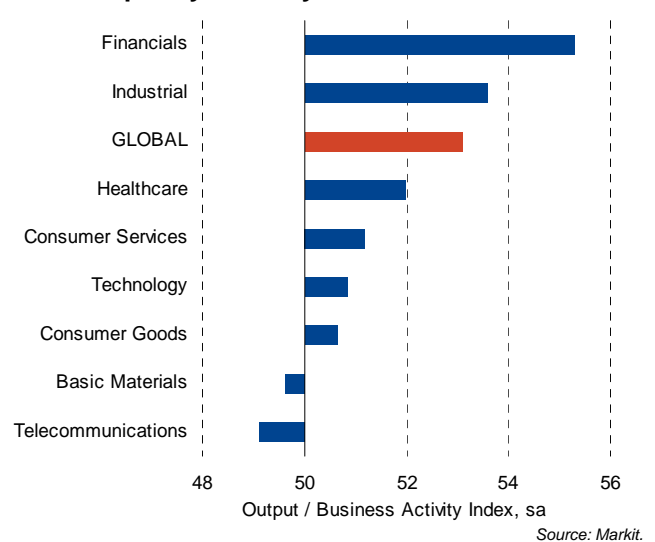
Behind the overall expansion of the financial industry was a sharp acceleration in the 'other financials' sector, which comprises non-bank financials and investment service companies, and saw the steepest increase in activity of all 26 sectors covered by the PMIs.

Faster growth was also seen in both the insurance and real estate sectors. However, the banking sector was the principle drag on the wider financials industry in

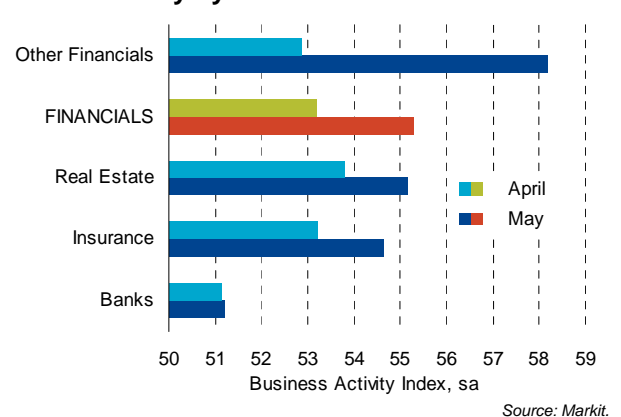
### Global financials industry



### Global output by industry



### Financials activity by sector



May, with the rate of increase in business activity little-changed from April's modest pace.

Banks similarly reported only a slight rise in new work during May, the smallest increase since last November. Consequently, firms took a cautious approach to hiring, with only a marginal rate of job creation recorded. In fact, employment in the banking sector has been broadly flat over the past two months, with the increase in staff numbers in May merely reversing a reduction in April.

Markit also produces EU Sector PMI data, and the latest indices similarly suggested only a modest rate of activity growth in the EU banking sector during May. Nonetheless, the rate of expansion was the strongest in 2013 to date and in contrast with contractions recorded throughout the majority of 2012. However, new business fell for the second month running and at the strongest pace since last November.

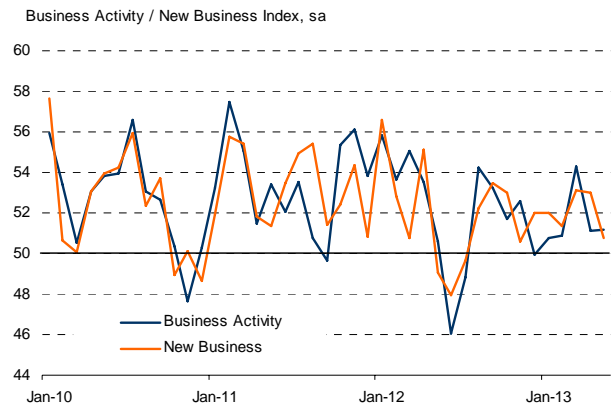
**Notes on data**

Markit Global Sector PMI data are derived from surveys of over 20,000 companies operating in 28 countries. The data are 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.

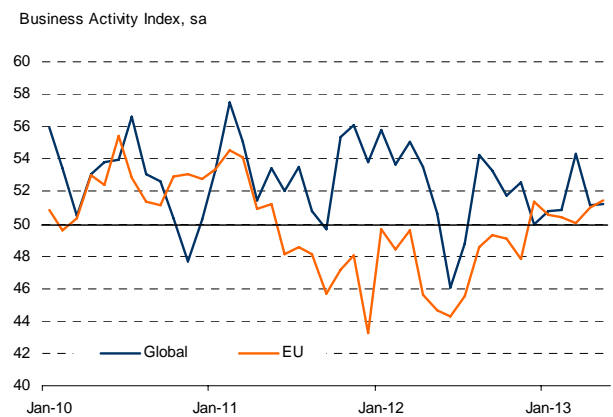
The data create powerful insight into sector profitability and provide tools for investment strategy and asset allocation. Corporate users are able to examine trends within industry sectors, to help industry forecasting and inventory planning. The dataset provides monthly indicators of business trends 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.

**Global banking sector**



Source: Markit.

**Global and EU Banks PMI compared**



Source: Markit.

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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## Mark Wingham

### Economist

Markit

Tel: +44 1491 461004

Email: [mark.wingham@markit.com](mailto:mark.wingham@markit.com)

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## Markit Global Sector PMI structure

### Groups

- Sectors
- Subsectors

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### 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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