

# Global Sector PMI

## Financials slides to bottom of growth rankings in November

- **Financials ranks lowest among broad groups, reflecting stagnation in banking activity**
- **Growth at basic materials producers accelerates further, led by metals & mining**

Markit's global sector PMI data showed that **financials** registered the weakest increase in activity of all groups in November, and the slowest growth in ten months. Moreover, it was the bottom-ranked group for the first time since June 2010. This reflected a stagnation in **banking** activity and much weaker growth in **other financials**.

All other broad sector groups posted higher activity index readings in November compared with one month earlier, representing a broad-based acceleration in growth. **Basic materials** led the growth rankings for the second month running, with output rising at the fastest rate since February 2011.

### Detailed sector rankings

The eight broad sector groups can be broken down into a total of 26 sectors and subsectors. November data signalled that **commercial & professional services** registered the fastest growth, closely followed by **automobiles & auto parts**. The rates of expansion in these sectors were the sharpest since January 2012 and February 2011 respectively.

**Insurance** was the best-performing financial sector. This was in contrast to **banks**, which was ranked worst among all sectors and posted a stagnation in activity.

Reflecting the improvement in basic materials, **metals & mining** and **chemicals** were among the top-ranked sectors in November, while **forestry & paper products** also posted solid growth in output. Metals & mining rose 11 places in the table since October, the most of any sector except **household & personal use products** which also gained 11 places.

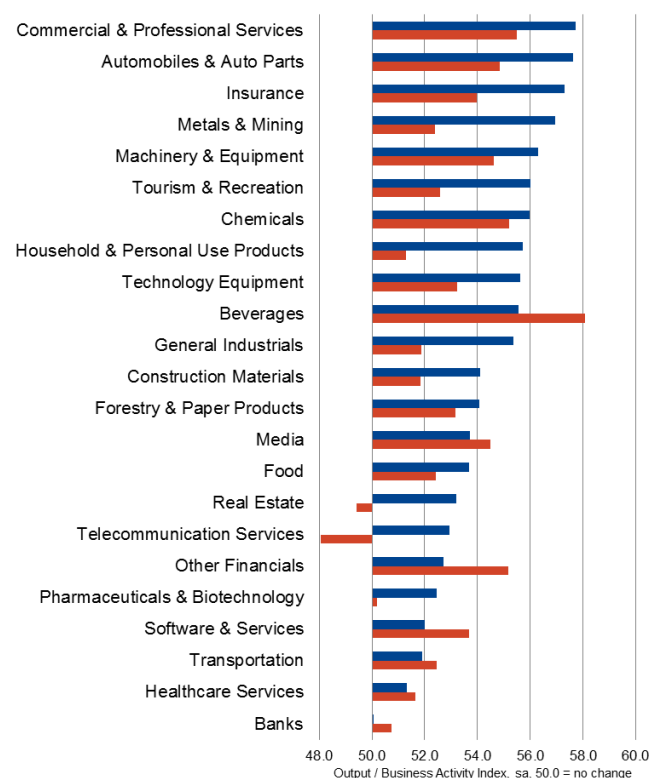
The largest slide down the sector rankings was seen by **other financials**, which dropped 14 places to 18<sup>th</sup>. The next biggest fall was registered by **software & services**, down 11 places to 20<sup>th</sup>.

Global Sector PMI: broad sectors



Source: Markit.

Global Sector PMI: detailed breakdown

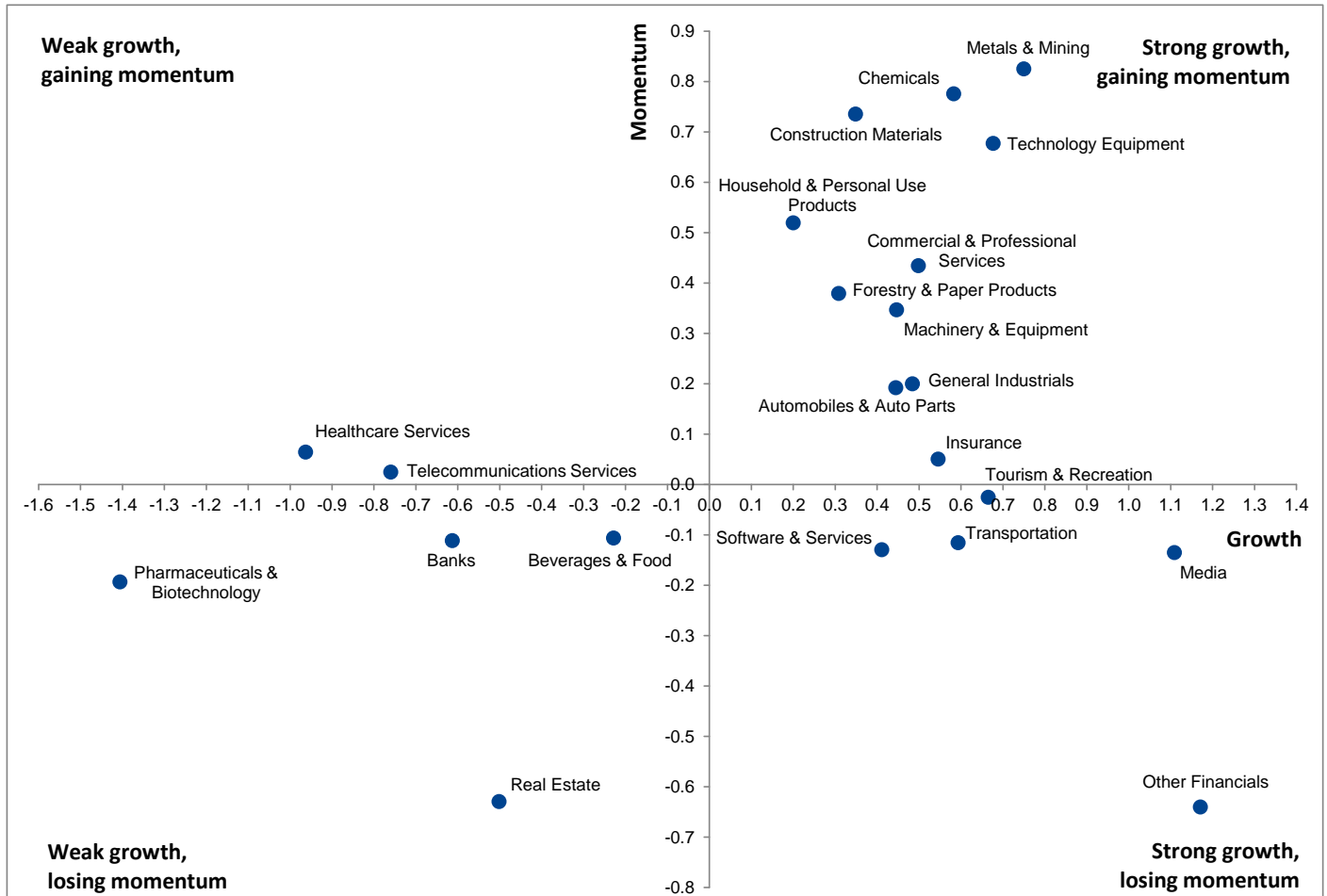


Source: Markit.

### Forthcoming sector commentary:

- **9 December: Commercial & Professional Services**
- **10 December: Metals & Mining**
- **11 December: Banks**

Relative growth and momentum by sector



Cyclical sectors gaining momentum

Global Sector PMI data can be analysed according to *relative growth* and *momentum*. Momentum can be tracked by a score calculated as 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 (since October 2009), divided by the standard deviation from the mean. Similarly, a relative growth score is the difference between the Activity Index’s latest three-month average and its long-run average (since October 2009), divided by the standard deviation from the mean.

In terms of momentum, the best performing sectors over the past three months have been **metals & mining** and **chemicals**, located in the basic materials group. Other highly cyclical sectors such as **construction materials**, **technology equipment** and **household & personal use products** are also scoring highly for momentum.

The two lowest-scoring sectors are both located in the financials group, namely **other financials** and **real estate**. These are both losing momentum.

Although other financials is showing negative momentum, it is still the highest-scoring sector in terms of relative growth over the latest three-month period, just ahead of **media**. This reflects its position at the top of the sector output rankings back in September, while the loss of momentum relates to its sharp slide down the rankings in November.

In contrast to other financials, **banks** and **real estate** are currently scoring negatively for relative growth. The other sectors to record negative growth readings are typical defensive sectors such as **beverages & food** and healthcare-related industries. **Pharmaceuticals & biotechnology** has the lowest relative growth score, followed by **healthcare services**.

## 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](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