

Global Financials PMI

Global financial industry grows at fastest pace since March 2012

- **Strong increases in both activity and new business**
- **Slight increase in employment**
- **Banks main drag on the wider financial industry**

Activity growth in the global financial industry accelerated to the fastest pace for almost a year-and-a-half in August. This was according to Markit's global financials PMI data that are derived from surveys of over 1,400 companies in the banking, insurance, real estate and other financial services sectors.

Financial firms reported a further increase in business activity during August, taking the current sequence of growth to 14 months. Moreover, the latest rise in activity levels was strong and alongside the fastest increase in new business since the series began in October 2009.

Despite the strong rates of activity and new business growth, companies were reluctant to hire additional staff in August, with employment rising only marginally since July. The slight increase in headcount was the weakest in the current 14-month sequence and slower than the global average.

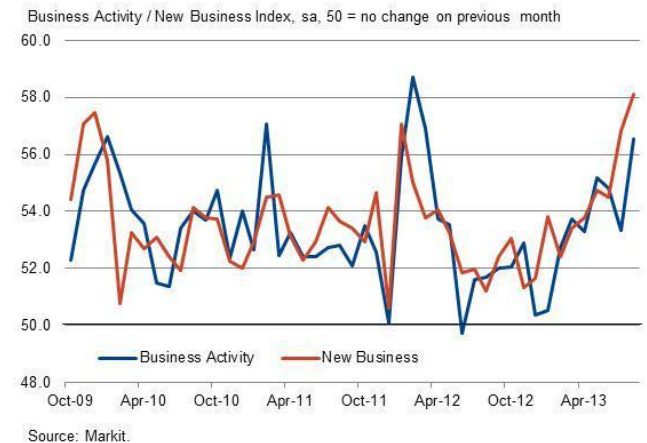
Concurrently, input price pressures faced by finance firms picked up in August, with the latest rise in costs the strongest in eight months.

Detailed sector breakdown

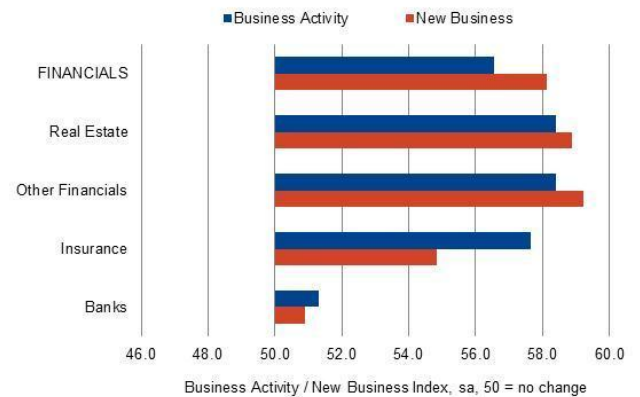
The acceleration in activity growth at the broad industry level generally reflected sharp expansions in the real estate, insurance and 'other financials' sectors in August. (The latter includes consumer financial services, speciality financials and investment services.) In fact, these sectors posted three out of the fastest four rates of growth among 23 detailed sectors monitored by global PMI data.

The banks sector was the main drag on wider financial growth, seeing activity rise at a slower rate than in July. Incoming new work also rose at a weaker, marginal pace, while the latest reduction in outstanding

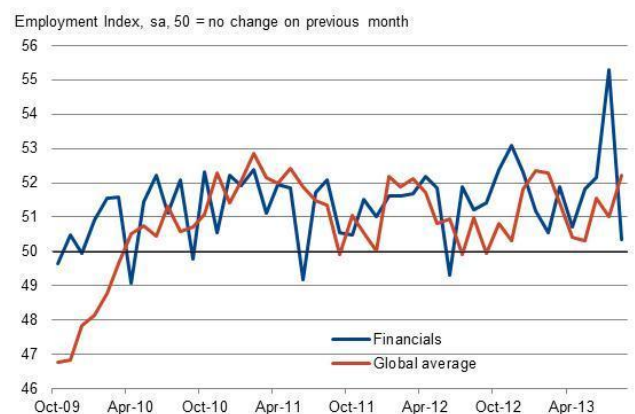
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Financials breakdown



Finance jobs broadly unchanged in August



business was the strongest since last November.

Interestingly, marked increases in both activity and new business were recorded in the real estate sector during August. Notably, the rate of activity growth was the strongest since the series started almost four years ago. However, the rate of job creation eased sharply over the month to the weakest since March.

Notes on data

Markit Global Financials PMI data are derived from Markit’s worldwide services and whole economy PMI surveys, covering over 1,400 companies in banking, insurance, real estate and other financial services.

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.

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.

Markit 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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