

Global Financials PMI

Financial services activity rises solidly at start of 2014

- Growth in broad financials group driven by insurance and real estate
- Banks stagnates and is worst-performing sub-category

January Global Sector PMI data from Markit showed a solid rise in the level of business activity across the broad **financials** group, stretching the current sequence of expansion to 19 months. That said, the latest increase was slower than in December, with the group placing only sixth among the eight covered by PMI data in terms of output growth.

The financials group covers a broad range of sectors, including banks, insurance and real estate. The PMI data are based on responses of around 1,400 firms surveyed globally.

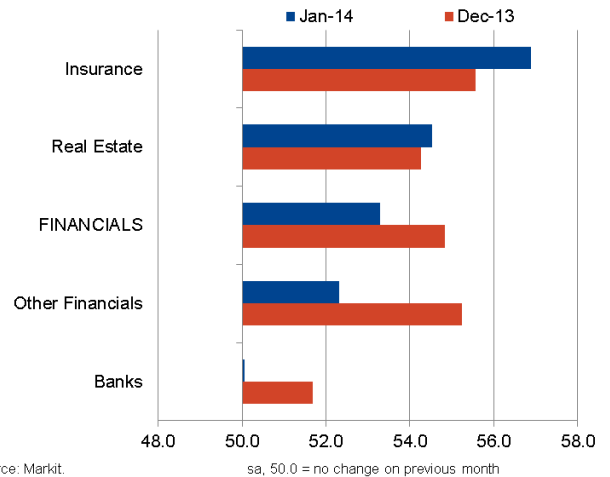
Divergence in growth at sector level

Data at a more detailed level revealed contrasting growth trends within the broad financials group. **Insurance** recorded a sharp and accelerated increase in business activity, partly reflecting the fastest rise in new business for a year. In fact, insurance posted the sharpest overall expansion of new work of any of the 23 most detailed global sectors monitored.

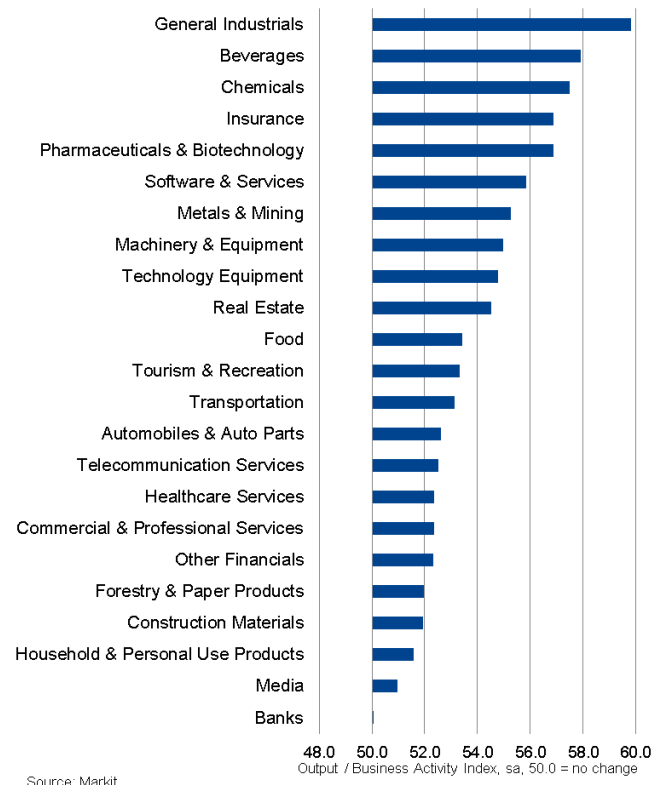
Real estate also recorded an uptick in growth in business activity, to the fastest since August. This in turn helped spark a further round of job creation in the sector, with the net rise in employment the third-fastest among all sectors monitored globally.

Weighing on growth at the group level were a slower increase in business activity at **'other financials'** firms and a virtual stagnation in activity at **banks**. The pace of expansion in 'other financials' eased from a solid pace in December, to one that was the slowest for 13 months during latest survey period. Other indicators were consistent with a loss of momentum, with new orders and employment both rising at reduced rates compared with December. Backlogs of work meanwhile fell for the first time in three months.

Global Financials PMI: sector breakdown



Global Sector PMI growth league table



Banks was the worst overall performer within the financials group, posting broadly no change in business activity for the second time in the past three months following modest growth in December.

Moreover, this meant banks was bottom of the PMI growth league table in January, 19 places below insurance.

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.

Phil Smith

Economist

Markit

Tel: +44 1491 461009

Email: phil.smith@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