

Global Sector PMI

Real estate activity surges in June

- Real estate is top-ranked global sector, closely followed by healthcare services
- All detailed sectors report rising activity
- Service sectors dominate growth rankings

Global Sector PMI data from Markit showed that **real estate** activity increased markedly in June. The sector rose to the top of the global rankings, just ahead of **healthcare services**, and also recorded a bigger month-on-month increase in its Business Activity Index than any other sector. Moreover, the rate of expansion signalled was the fastest since global sector data were first compiled in October 2009.

June data signalled broad-based expansion across all 23 detailed global sectors monitored, the seventh time in the past eight months that this has been the case. Services-related sectors dominated the growth table, occupying the top four places and seven in the top nine. The highest-ranked manufacturing sectors were **food** (5th) and **automobiles & auto parts** (8th).

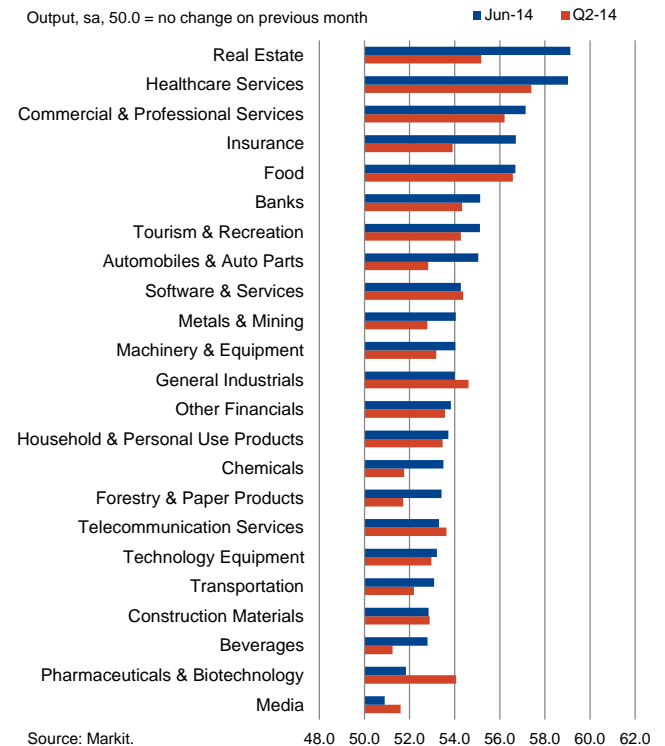
The weakest sectors in June were **media**, **pharmaceuticals & biotechnology**, **beverages** and **construction materials**. These all registered growth of new business, however, with a sharp expansion seen in pharmaceuticals & biotechnology.

Second quarter winners and losers

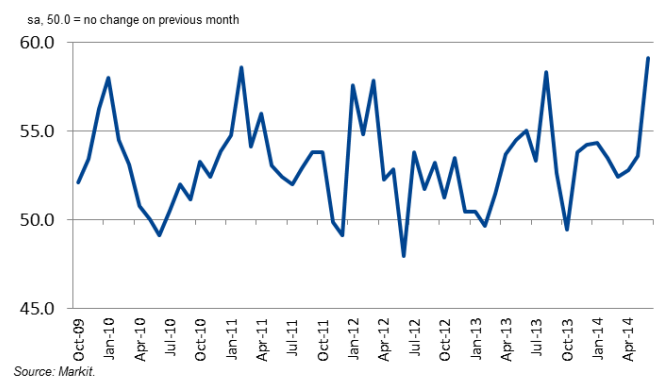
Over the second quarter as a whole, healthcare services registered the strongest rate of growth, followed by food and **commercial & professional services** respectively. These three sectors also saw the biggest improvements in the Business Activity Index compared with the first quarter of 2014.

The weakest rates of growth in the second quarter were registered for **beverages**, **media**, **forestry & paper products** and **chemicals**. The former also saw a bigger drop in its Business Activity Index than any other sector compared with the first quarter, followed by chemicals, **general industrials** and **construction materials**.

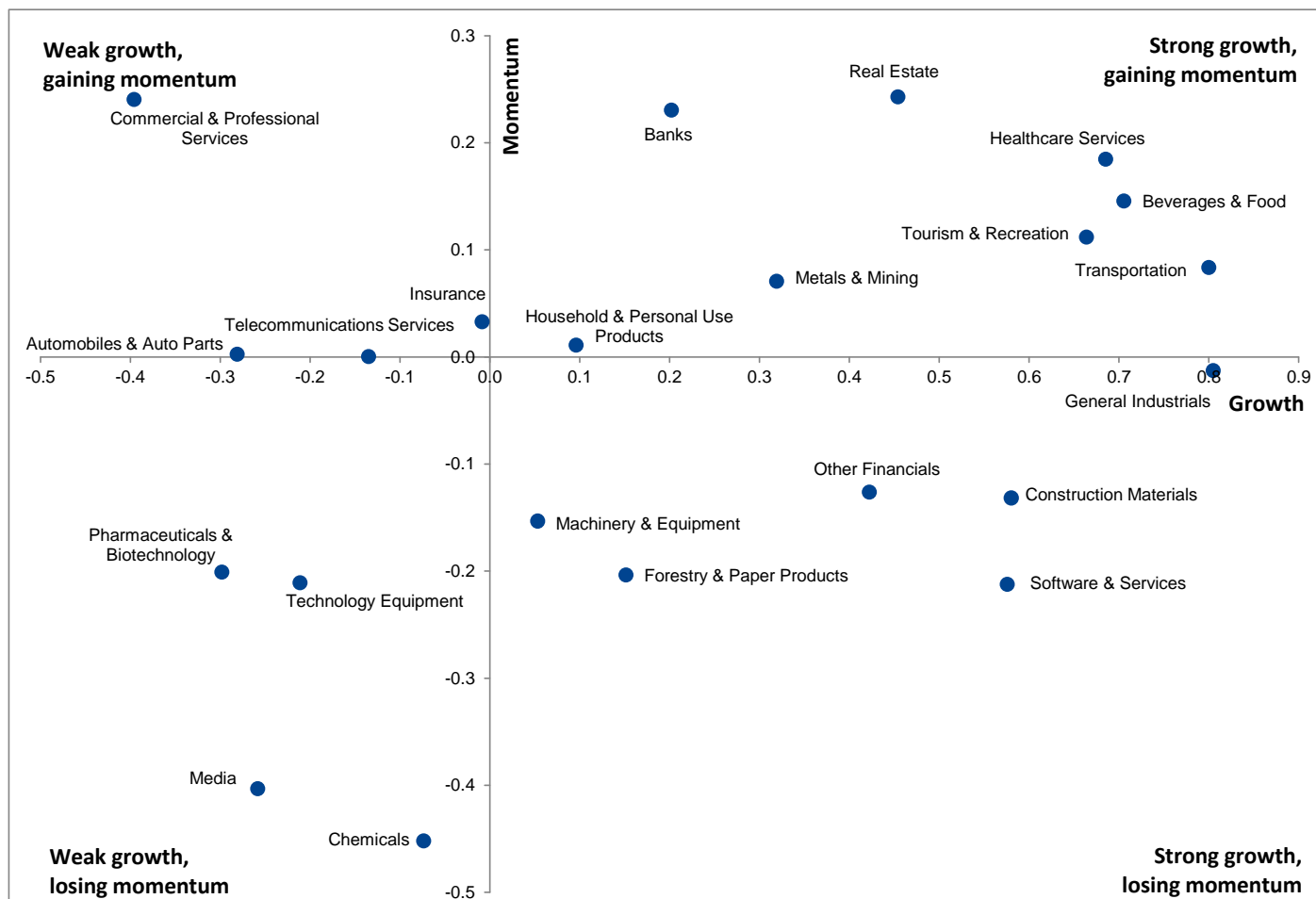
Global Sector PMI: detailed sectors



Global Real Estate



Relative growth and momentum by sector: 2014



Momentum and relative growth

Global Sector PMI data for the first half of 2014 can be analysed according to *momentum* and *relative growth*. *Momentum* is calculated as the difference between the average of the Business Activity Index's *month-on-month movement* over the first six months of the year 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 average over the first six months of the year and its long-run average (since October 2009), divided by the standard deviation from the mean.

Data for the first half of the year highlighted eight sectors that were exhibiting strong relative growth and gaining momentum. Among this group, **real estate** and **banks** showed the greatest momentum, and **transportation** and **beverages & food** showed the best relative growth. **Healthcare services** was the best all-round performer, in third place on both scores.

Six other sectors were showing strong relative growth, but were losing momentum. These included **general industrials**, **software & services**, **construction materials**, **other financials**, **machinery & equipment** and **forestry & paper products**.

Eight sectors showed weak relative growth in the first six months of the year. **Commercial & professional services** had the worst relative growth score, but had the joint-highest momentum score with **real estate**. Meanwhile, **automobiles & parts** and **telecommunication services** registered neutral momentum scores.

Four sectors registered weak relative growth and lost momentum in the first half of 2014. These were **chemicals**, **media**, **technology equipment** and **pharmaceuticals & biotechnology**.

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.

Trevor Balchin

Senior Economist

Markit

Tel: +44 1491 461065

Email: trevor.balchin@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