

Global Sector PMI

Healthcare services leads sector growth rankings in April

- Healthcare services activity increases at fastest rate since September 2012
- Pharmaceuticals & Biotechnology also sees strong output growth
- Chemicals and forestry sectors stagnate

The latest batch of detailed Global Sector PMI data from Markit showed that providers of private healthcare registered the strongest activity growth of all 23 sectors in April. Software, commercial and professional services firms also registered solid rates of expansion during the month, while banks were also notable in posting the fastest activity growth in over two years.

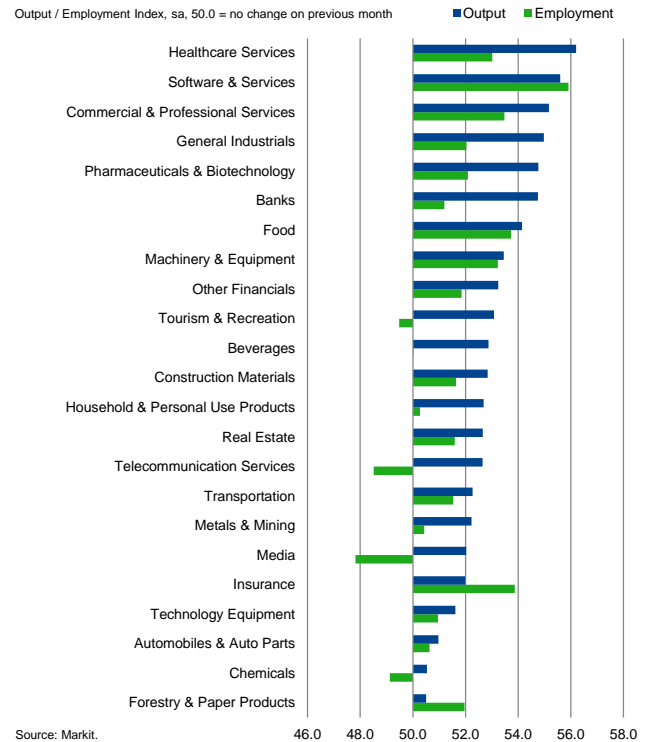
Healthcare services activity rose in April at the fastest rate since September 2012. Moreover, new business increased at the strongest rate in 2014 so far, suggesting that activity growth would remain robust in May. The other component sector of the broad **healthcare** group – **pharmaceuticals & biotechnology** – also posed a strong rise in output in April, ranked fifth overall.

Software & services remained in second place in April, and has been the strongest-performing sector on average over the past three months. In contrast, **technology equipment** – the manufacturing component of the broad **technology** group – was towards the bottom of the sector league table in April.

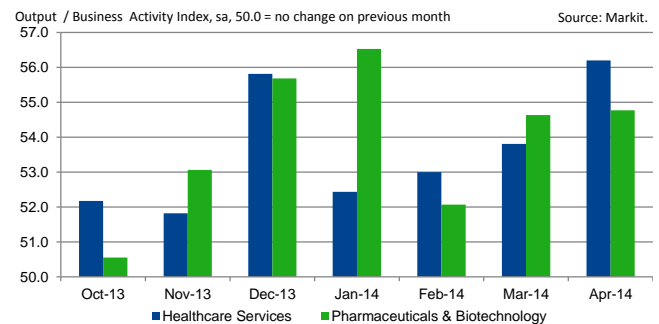
Industrial services completed the top six sectors in April. **Commercial & professional services** rose 17 places in the rankings since March, while **general industrials** has been the strongest overall performer over 2014 so far.

Forestry & paper products and **chemicals** sat at the foot of the table in April. Growth of **metals & mining** output picked up slightly since March but new orders in the sector fell further, signalling a weak second quarter. **Basic materials** was consequently bottom of the broad sector group rankings in April.

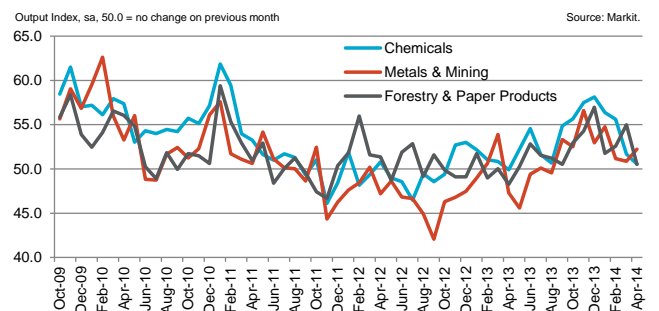
Global Sector PMI: detailed sectors



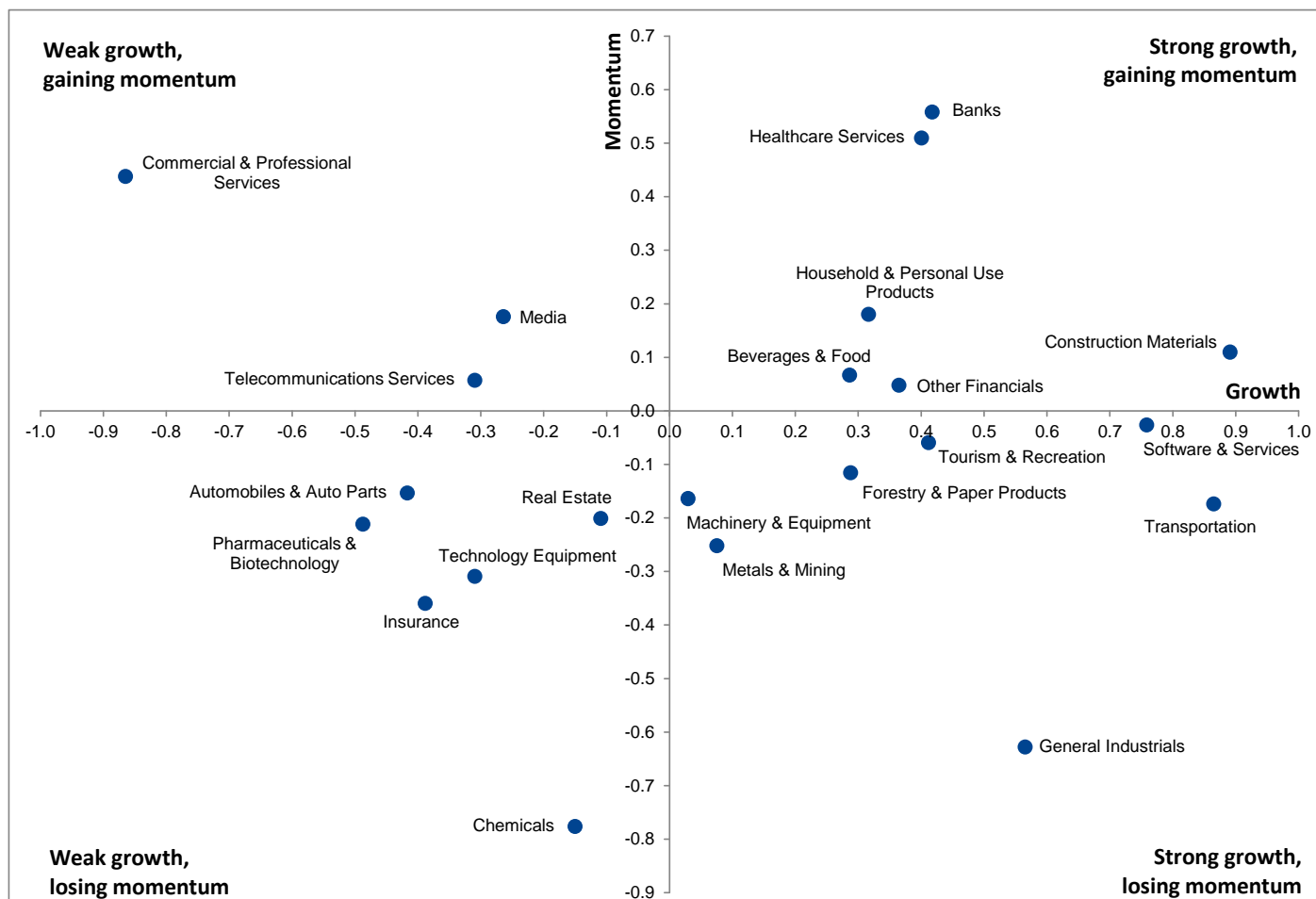
Global Healthcare PMI: detailed sectors



Global Basic Materials PMI: detailed sectors



Relative growth and momentum by sector



Momentum and relative growth

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

Banks showed the strongest momentum of any sector in the three months to April, following a weak spell of growth at the end of 2013 that lasted until January. The sector is also scoring well in terms of relative growth, with its Business Activity Index trending at 53.9 over the three months to April, above its long-run average of 52.8.

In contrast, **insurance** lost momentum over the latest three-month period, following a strong start to the year.

The insurance sector is also scoring negatively for relative growth with an Activity Index average of 53.1 over the last three months, compared with a long-run trend of 54.1. Among the remaining financials component sectors, growth of **other financials** activity has stabilised at an above-trend pace, while **real estate** is losing momentum, albeit to a lesser extent than insurance.

The three basic materials sectors all lost momentum in the latest three months, most notably **chemicals**. It was also the only materials component to record a negative relative growth score.

The two components of industrial services showed contrasting trends in the three months to April. **General industrials** posted a marked loss of momentum, reflecting a moderation following a record high Output Index reading in January. But it is still seeing strong relative growth. On the other hand, **commercial & professional services** registered very weak relative growth (reflecting a near-record low Activity Index reading in March), but is gaining momentum overall.

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.

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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