

Global Sector PMI

New sector PMI data highlight global growth drivers and laggards

- **Financials group leads in May**
- **Industrials also registers solid increase in output**
- **Metals & Mining shows strongest decline of all sectors**

Markit's newly released sector PMI data signalled that finance-related sectors and industrial goods and services drove global economic expansion in May, while producers of basic materials and telecommunication services acted as a drag on the pace of worldwide economic growth.

Sector data broken down into eight broad industry categories showed activity in **finance-related** companies rising at the fastest pace since March 2012. Meanwhile, **industrial** companies reported the sharpest increase in output for nearly two years. At the other end of the spectrum, **telecommunication services** providers registered a decline in activity for the first time since September 2012 and production of **basic materials** also fell, albeit marginally.

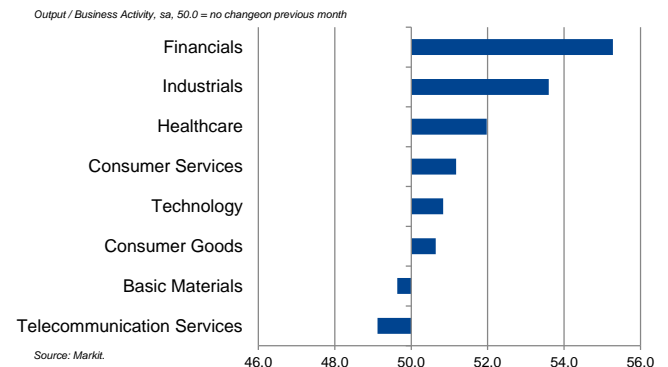
Detailed sector breakdown

Within the broad financials group, **'other financials'** (including consumer financial services, speciality financial services and investment services) posted the strongest expansion, enjoying the fastest rate of growth since data were first available in late-2009 and outperforming all other 22 sectors. **Real estate** and **insurance** companies also reported robust growth, though **banks** saw only a modest increase in business activity in May.

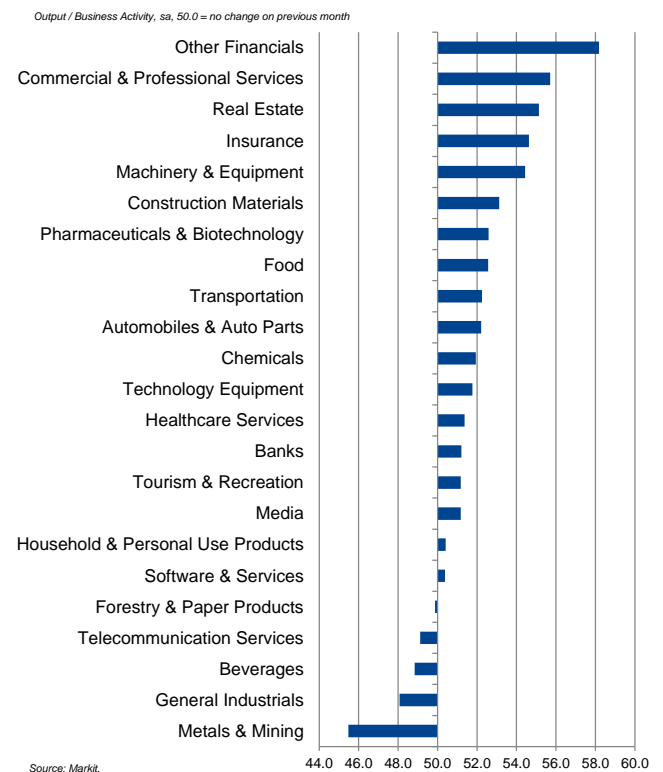
Commercial & professional services was the second-fastest growing sector in May, while the next-fastest growing industrial sectors were **machinery & equipment** and **construction materials**.

The overall decline in basic materials output mainly reflected the **metals & mining** sector, which suffered the strongest fall in output of all sectors covered in May.

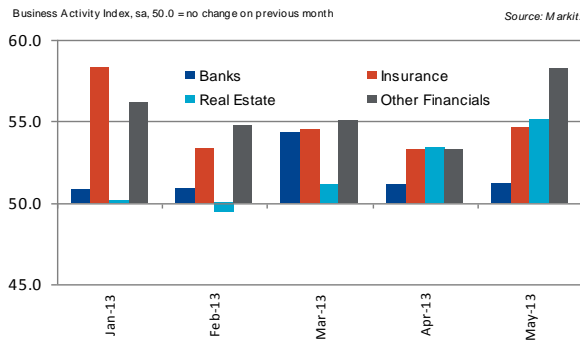
Global Sector PMI: May 2013



Detailed sector breakdown



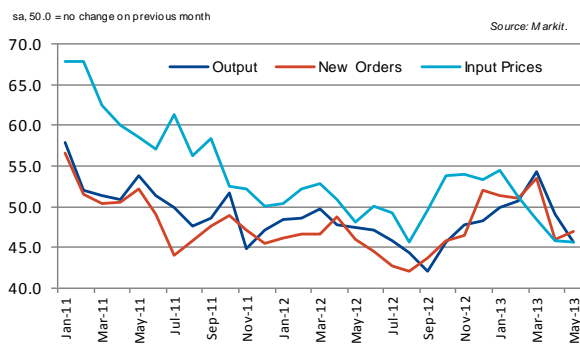
Global Financials



Commenting on the data, Chris Williamson, chief economist at Markit, said:

“The new global sector data reveal some fascinating insights into what’s really happening in the global economy. The non-banking financial sector has seen the strongest growth of all sectors in May – as it has in fact done over the first five months of 2013 as a whole – notably outperforming the banking sector by a considerable margin. Commercial & professional services, real estate and insurance were following not far behind in enjoying strong growth in May.”

Global Metals & Mining

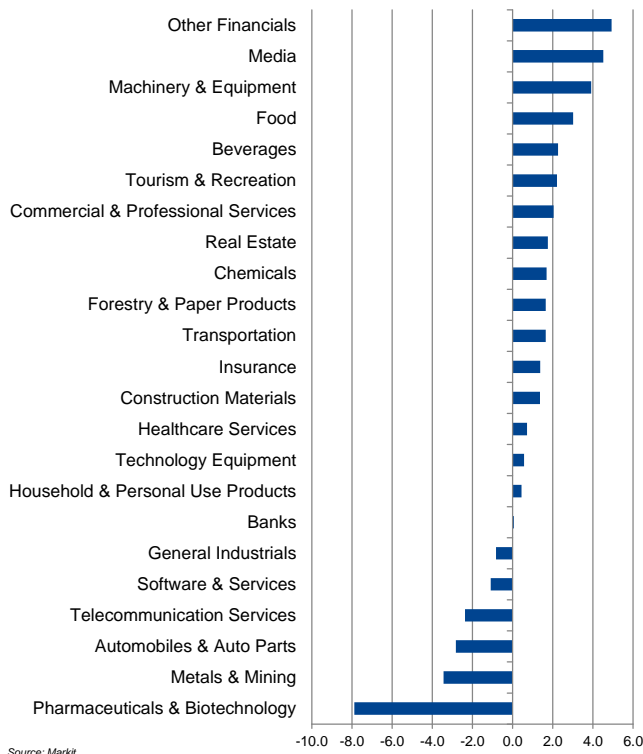


“This is clearly a services-led upturn that we’ve seen so far in 2013, but that’s not to say all service providers are enjoying robust growth. Media companies have seen the strongest downturn in business activity of all sectors so far this year, and tourism & recreational service providers have also seen a modest downturn.”

“The main manufacturing sectors to perform well so far this year are food and drink and pharmaceutical companies, reflecting perhaps how demand has remained stable for essentials but slumped for other more cyclical products, notably technology equipment, metals and mining-related products and other basic materials, including construction industry supplies.”

Biggest gainers and losers

Output / Business Activity Index, change over month, May vs April



“Prices charged for basic materials and industrial goods have come under intense pressure so far this year as producers cut prices in an attempt to boost demand and prevent unwanted build-ups of stock.”

“Food & drink producers, on the other hand, have seen the strongest price rises, though this in part reflects steep cost increases, which are squeezing margins.”

Notes on data

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.

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- 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