

# Global Sector PMI

## Non-bank finance and beverages lead global growth in September

- **Strong growth in real estate and insurance contrasts with weakness in banking**
- **Slump in auto output continues**
- **Metals & mining posts eighth straight monthly decline in output**

The latest detailed sector *PMI*<sup>TM</sup> data from Markit signalled that firms operating in non-bank financial services and producers of goods for which demand tends to be inelastic (i.e. typical defensive stocks) drove global economic growth in September.

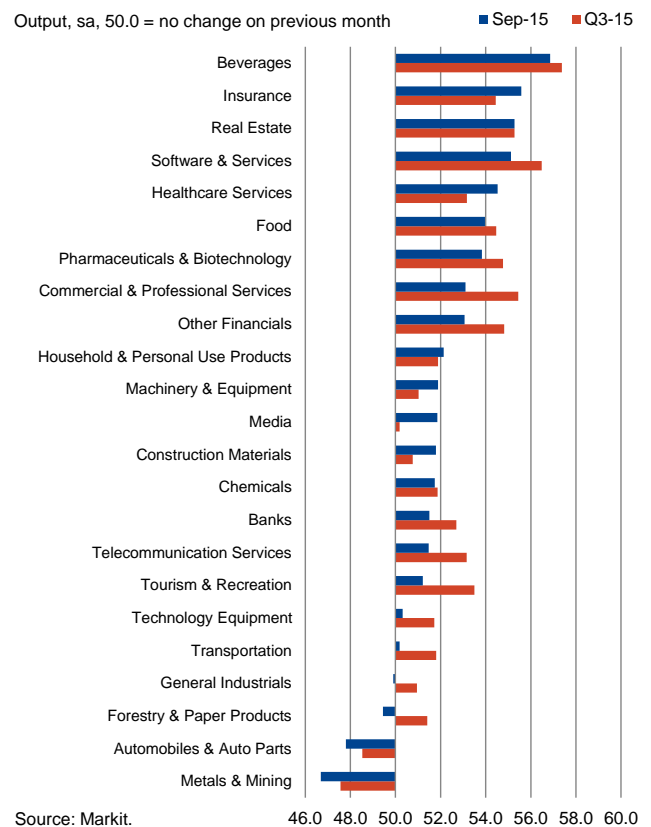
Beverage producers topped the global sector rankings for the second time in three months. Aside from food and drink producers and pharmaceutical companies, service sectors related to finance, technology, healthcare and business-to-business services again dominated the top half of the growth table, in line with the trend shown throughout the third quarter as a whole.

Data at the broad level picked out financials as the fastest-growing area in September. Correspondingly, insurance and real estate both occupied podium positions at the detailed level, with other financials ranked ninth. Banking weighed on the broad finance sector, however, with only a modest rise in activity.

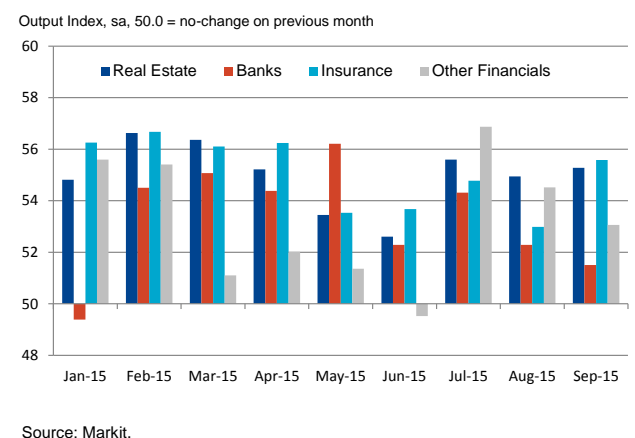
Three manufacturing sectors reported declining output in September. Metals & mining posted the sharpest rate of decline, extending the current downturn to eight months. Production in the autos & auto parts sector fell further, while paper & forest products registered a marginal contraction. Moreover, two further manufacturing sectors – general industrials and technology equipment – along with transportation, registered broadly no change in output.

The constituent consumer services sectors – media and tourism & recreation – moved in opposite directions in September. Media gained more places in the table than any other sector monitored, rising ten places to twelfth. Tourism & recreation meanwhile fell 12 places to seventeenth, more than any other sector.

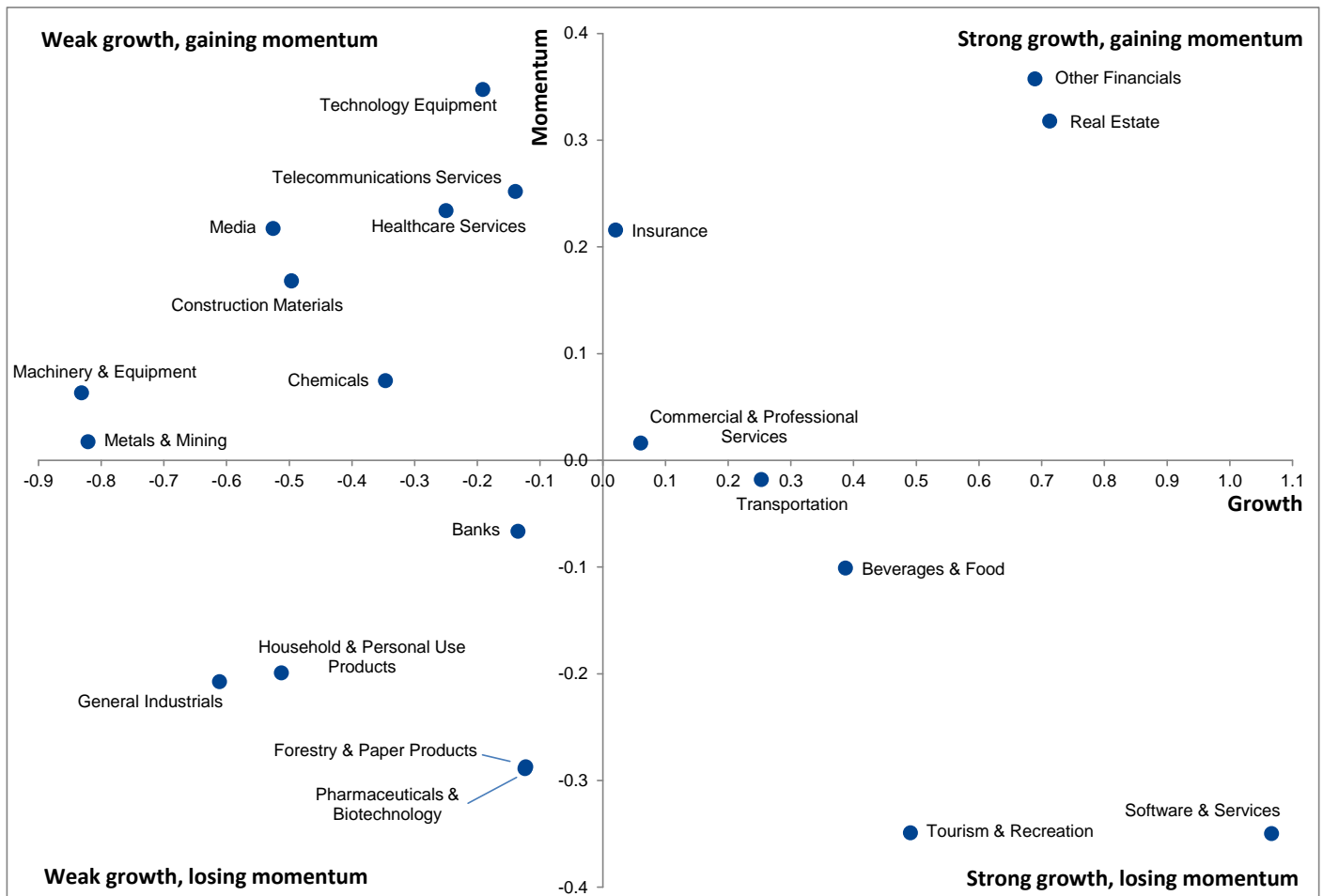
### Global Sector PMI: detailed sectors



### Global Financials PMI: constituent sectors



Relative growth and momentum by sector



Momentum and relative growth

Global Sector PMI data can be usefully 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 latest three-month period 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 latest three-month period and its long-run average (since October 2009), divided by the standard deviation from the mean.

Overall, during the third quarter more sectors gained momentum than lost it, although the majority still registered weak relative growth.

Four sectors registered both strong relative growth and positive momentum in the third quarter. Three of these were located in the broad financials group, namely real

estate, insurance and other financials, joined by commercial & professional services.

Besides the finance-related sectors named above, other notable performers in terms of momentum were technology equipment, telecommunication services, healthcare services and media.

Software & services, tourism & recreation, beverages & food and transportation all registered strong relative growth in the third quarter, but lost momentum.

Machinery & equipment and metals & mining registered the weakest relative growth scores in the latest period, but marginally positive momentum scores.

## 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](mailto: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