

Global Sector PMI

Non-bank financial services ends year in top spot

- **'Other financials'** post fastest activity growth of all sectors in December
- **Food & drink firms** lead manufacturing rankings
- **Tech firms** enjoy strongest trend growth over 2014 as a whole

The final batch of global sector PMI™ data from Markit for 2014 signalled that **other financials** led the growth rankings in December. The sector, which includes consumer financial services, investment services and speciality financials, also registered the strongest expansion over the fourth quarter as a whole – as it had also done in the third quarter.

Beverages and **food** producers occupied the other podium places in December, with the next best manufacturing sector being **construction materials** (ninth).

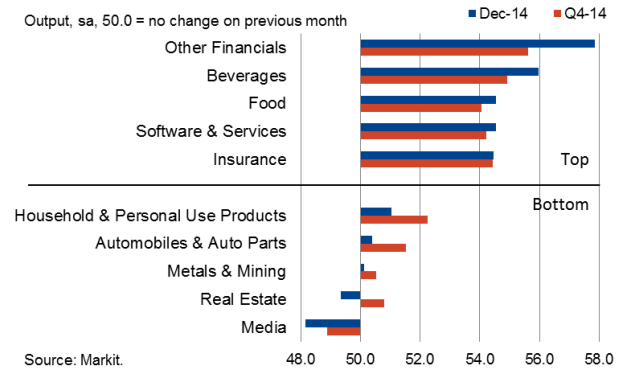
Only two sectors registered falling activity in December, namely **media** and **real estate**. The former has been among the bottom-ranked sectors throughout 2014, while real estate's latest position represents a stark turnaround from top spot back in July.

Commercial & professional services ranked tenth in December, its lowest position since March (having been among the top two rankings from July through to October).

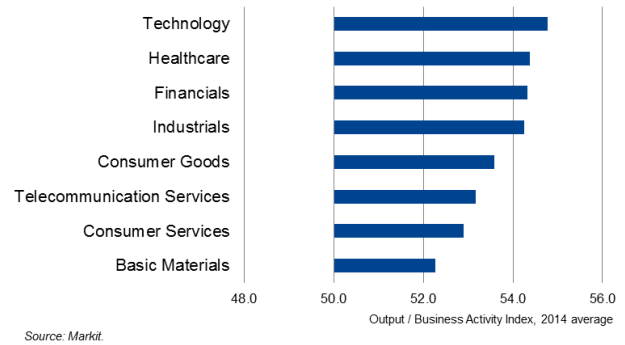
Group performance in 2014

When aggregating the detailed sectors into eight broad groups, **technology** registered the strongest trend rate of expansion in 2014, and ranked among the top two places in eight months of the year. In contrast, **basic materials** has been in the bottom two places since March, having been as high as third in January. **Healthcare** was the second-strongest growing sector over the year on average, despite a blip in September, just ahead of **financials** and **industrials**.

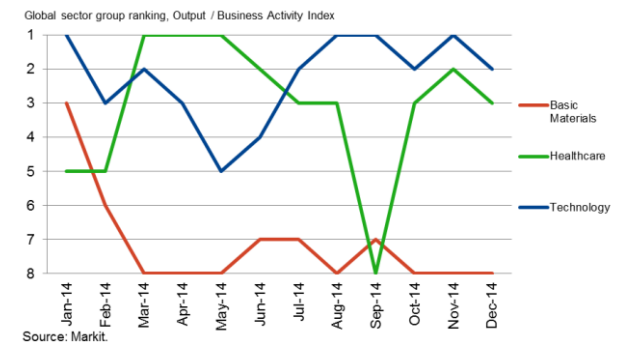
Winners and losers



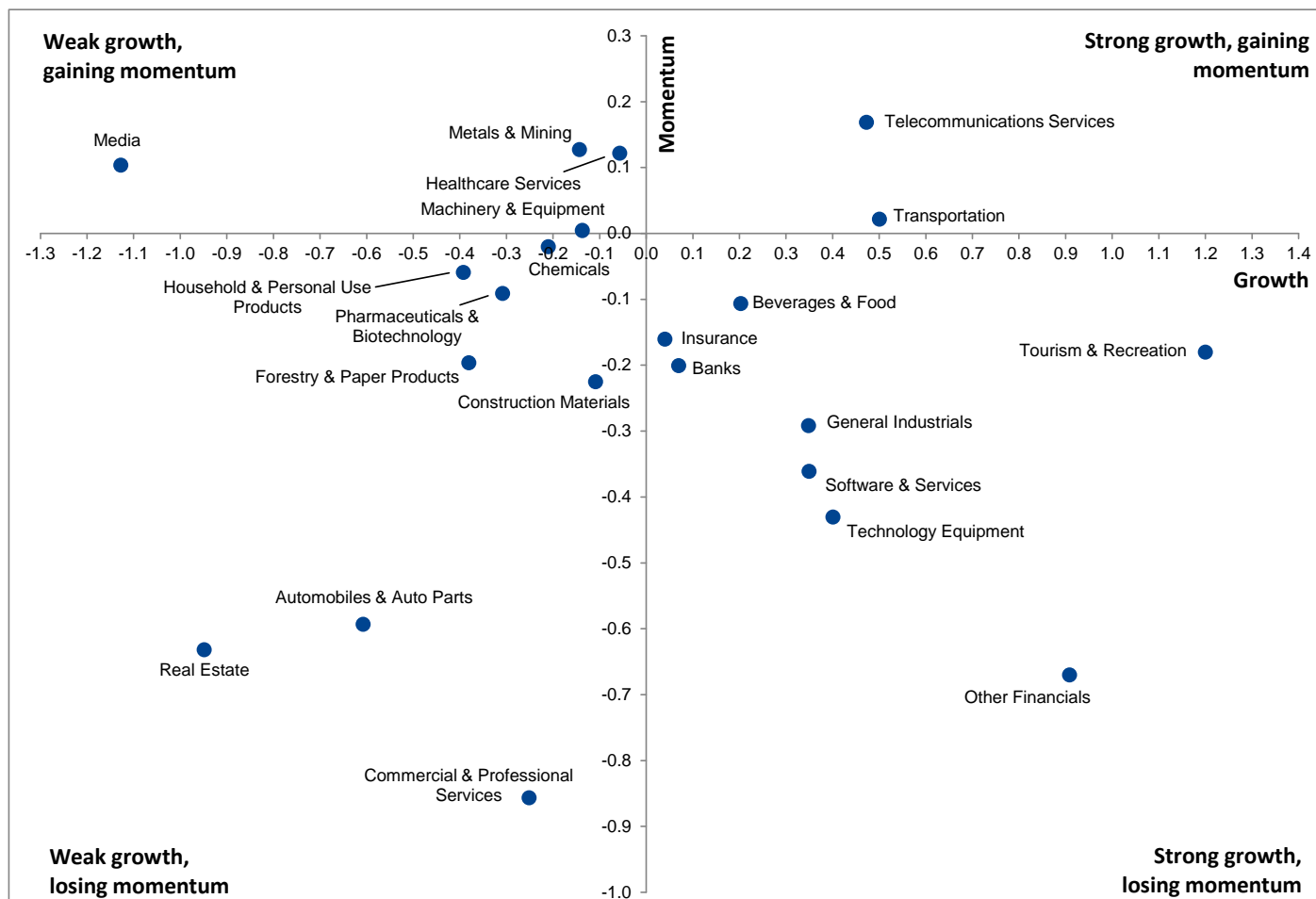
Sector groups in 2014



Sector group rankings by month in 2014



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.

Over the fourth quarter as a whole, ten sectors registered relatively strong output growth. Of these, however, eight lost momentum. The only sectors to record both strong growth and positive momentum during the last three months of 2014 were **telecommunication services** and **transportation**.

Three sectors registered relatively weak growth but gained momentum, namely **healthcare services**, **metals & mining** and **media**.

Eight sectors registered relatively weak growth and lost momentum during the fourth quarter. **Commercial & professional services** lost more momentum than any other sector.

Over 2014 as a whole, **tourism & recreation** posted the highest relative growth score (0.81), followed by **other financials** (0.77), **software & services** (0.66) and **beverages** (0.61). The weakest relative growth scores were registered by **media** (-0.42), **pharmaceuticals & biotechnology** (-0.36) and **automobiles & auto parts** (-0.20).

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