PMI

The world’s leading economic indicator
The Purchasing Managers’ Index™ (PMI™) is based on monthly surveys of carefully selected companies representing major and developing economies worldwide.

**KEY STATS**

- 26,000+ companies surveyed monthly
- 4,000+ economic indicators
The PMI provides an advance signal of what is really happening in private sector economies, by tracking variables such as output, new orders, employment and prices.

One of the most recognized economic indicators in the world, the PMI is widely used by governments, central banks, financial institutions, investors and corporates.

Why is the PMI data better than other sources?

— Often the first economic data released each month
— Internationally comparable across geographies and industries
— Proven methodology
— Not subject to revision
Proven methodology and reliable results

The PMI is released monthly for developed and emerging economies worldwide.

The numbers provide insight into economic conditions across the manufacturing and service sectors, with national PMI readings for the respective sectors based on responses from panels of senior purchasing executives (or similar) at more than 400 companies for each survey.

KEY STATS

40+ countries covered 86% global GDP
Each survey panel is carefully formed to accurately represent the true structure of that country and sector.

Respondents are asked to state whether business conditions across a number of variables have improved, deteriorated or stayed the same compared with the previous month.

Reasons for any changes are also collected, providing additional insight into trends.

PMI global coverage
Because the surveys are based on fact, not opinion, they produce highly reliable economic indicators.

PMI subscribers benefit from many years (in some cases more than 20 years) of historical manufacturing, services and construction data.

The “headline index”

The monthly index readings provide a valuable snapshot of economic performance and growth (GDP) over a given month and are among the most heavily-traded and closely-watched indicators in the world.

The PMI can also accurately predict economic growth or contraction in advance of official data, as shown in this example, where the Eurozone PMI predicted the severity of the global financial crisis:

21 November 2008: Flash Eurozone PMI for November signals unprecedented downturn

13 February 2009: First estimate of Eurozone GDP for Q4 2008 becomes available

Detailed data

A considerable breadth of sub-index data covers variables such as new orders, exports, prices, inventories, employment and supplier delivery times.

These detailed data sets are used by governments, financial institutions and corporates for forecasting, analysis and planning, helping to monitor key economic variables:

- Headline PMI data as a guide to GDP
- Manufacturing output / service sector output
- CPI/inflation indicators
- Producer input prices
- Exports and trade flow indices
- Employment/non-farm payrolls
- Productivity
- Profitability
- Factory/durable goods orders
- Backlogs of works/capacity indicators
- Supplier delivery times
- Inventory indicators
- Purchasing activity
PMI data comprise two distinct data sets – the monthly “headline” data, as well as the detailed sub-index data.

The data are collected using an identical methodology in all countries and sectors, so that international comparisons can easily be made between, for example, growth rates in China, the United States, United Kingdom and India. Industry and sector comparisons can also be made.

In addition to providing national macroeconomic indicators, PMI data are also available for detailed sectors of the economy, allowing specific industry trends to be monitored on a global (and regional) basis.

The whole breadth of PMI data, including sub-indices, are available for up to 26 sectors on a global, EU, Asian and US basis.
Unique economic insight for better planning and analysis

**Asset management firms**

By tracking relative national and sector growth, productivity, profit margin and price trends, PMI data are used in asset allocation models and strategies, and in portfolio performance analysis.

**Equity and fixed income desks**

National PMI data are indicative of changing macroeconomic conditions, with detailed sector data providing further guidance for equity and bond price trends, earnings analysis, dividend forecasting and default probability.

**Commodity and FX desks**

With advance signals of interest rate, economic growth and inflation trends, as well as commodity supply and demand patterns and resulting price changes, foreign exchange and commodity traders are able to seek out new opportunities.
Delivered directly from IHS Markit or through distribution partners, the PMI data are used as a critical input to everything from supply chain analysis to forecasting interest rate trends to developing stock market classification-based investment models.

Our customers include the world’s leading banks, buy sides, corporates and government institutions.

**Corporate business planners**

Financial planners and strategists benefit from a better understanding of how the economic environment is changing by country and sector, and what this means for key markets, industries and competitors, as well as their own company’s performance.

**Supply chain managers**

The PMI is an essential tool for benchmarking and forecasting sales, inventory and price trends, monitoring supply and demand, and tracking supplier performance.

**Central banks**

PMI data provide the most up to date assessment of current economic conditions, are highly correlated with central bank policy decisions and have frequently been instrumental in changes to monetary policy.
Corporate case study

Chemical industry

A global chemical manufacturer’s team of analysts needed the most up-to-date data on economic conditions to better understand and plan for potential adverse effects on supply, demand and revenue growth.
Solution
IHS Markit provided a custom PMI dataset, which supported analysis of the firms’ key geographic markets and industry sectors.

The data helped the global team of analysts identify major economic developments that had the potential to affect demand for their products.

Results
By performing a cross-country analysis, as well as measuring relative performance between sectors, the analysts were better able to anticipate a change in demand in advance.

With insights gained using the PMI, the firm was able to anticipate risks and put a strategy in place to mitigate those risks. This resulted in more accurate forecasts and less disruption to manufacturing plans.
About IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world’s leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.