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IHS MARKIT ASIA SECTOR PMI™

Downturns ease further at the broad sector level in June

KEY FINDINGS

Banking and insurance firms see activity levels stabilise, supporting the wider financials sector

Signs of recovery seen in worst-hit consumer services sector

Downturns remain strong at technology and consumer goods firms

Asia Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's Asian PMI survey panels, covering over 6,000 private sector companies in 13 countries.

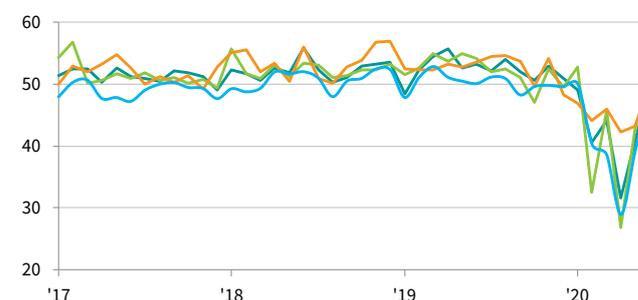
According to the IHS Markit Asia Sector PMI™, the economic downturn as a result of the coronavirus disease 2019 (COVID-19) pandemic continued to impact all broad sectors across Asia in June, although rates of decline continued to ease amid the loosening of lockdown restrictions.

Financials topped the broad rankings in June as both banks and insurance saw activity stabilise. Meanwhile, real estate recorded a moderate, albeit considerably softer, decrease in output. The sector which was the worst-hit by the initial COVID-19-induced economic shock, consumer services, also closed in on stabilisation in June.

Healthcare followed financials and consumer services in the broad rankings, which also neared the neutral 50.0 mark in June. Beneath this lied industrials, basic materials, consumer goods and technology, which all recorded moderate-to-strong declines in output during the latest survey period.

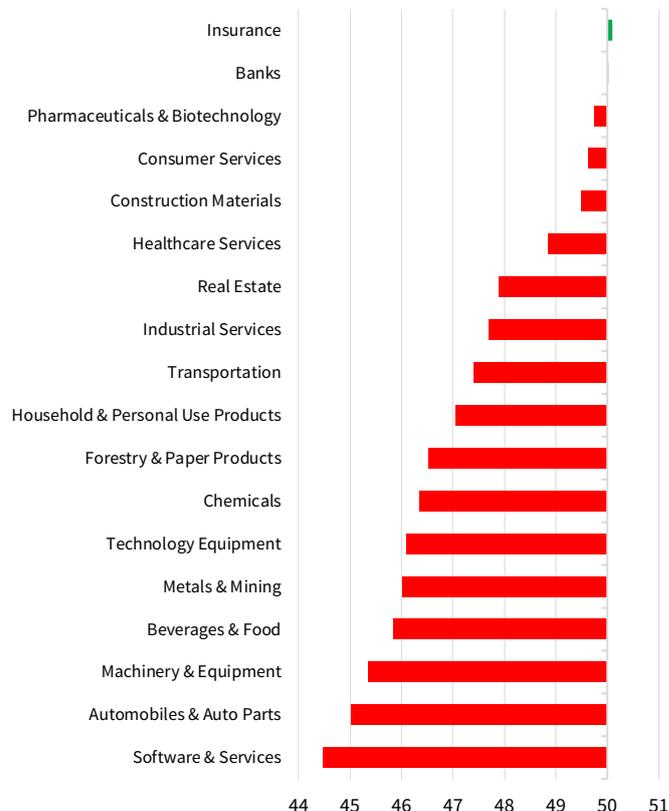
The more detailed splits showed particular weakness in software & services companies, while automobile & auto parts recorded a strong drop in output in June amid challenging global trade conditions.

Asia Output Index
Financials / Real Estate / Banks / Insurance
sa, >50 = growth since previous month



Source: IHS Markit.

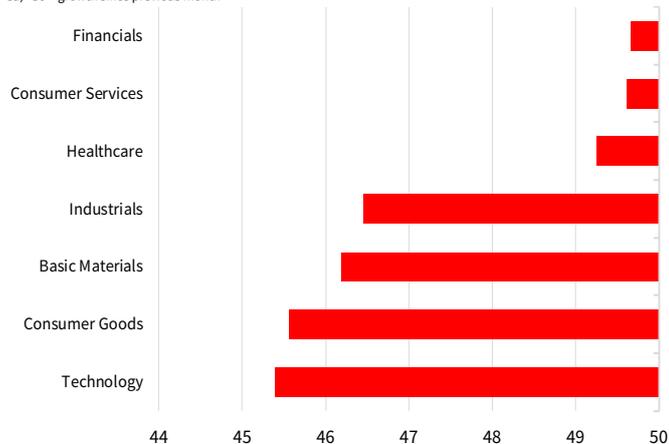
Output Index, Jun '20
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Jun '20

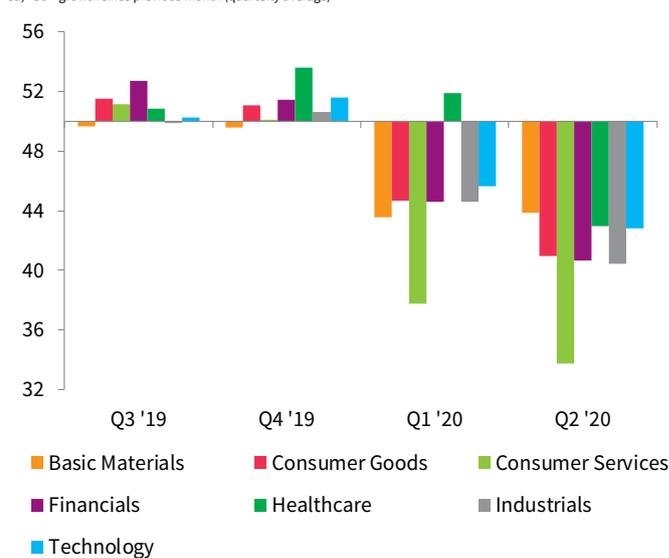
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

sa, >50 = growth since previous month (quarterly average)



Source: IHS Markit.

CONTACT

Bernard Aw
Principal Economist
IHS Markit
T: +65 6922 4226
bernard.aw@ihsmarkit.com

Joe Hayes
Economist
IHS Markit
T: +44 1491 461 006
joseph.hayes@ihsmarkit.com

Katherine Smith
Corporate Communications
IHS Markit
+1 781 301 9311
katherine.smith@ihsmarkit.com

Methodology

The IHS Markit Asia Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's Asian PMI survey panels, covering over 6,000 private sector companies in 13 countries.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Asia Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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About IHS Markit

IHS Markit (NYSE: 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.
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