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IHS MARKIT ASIA SECTOR PMI™

COVID-19 outbreaks leads to broad-based reductions in output across Asia

KEY FINDINGS

Consumer Services records largest drop in output as COVID-19 hits tourism

Supply chain disruption impacts auto sector production

Pharmaceuticals & Biotechnology keeps wider healthcare sector in growth territory

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.

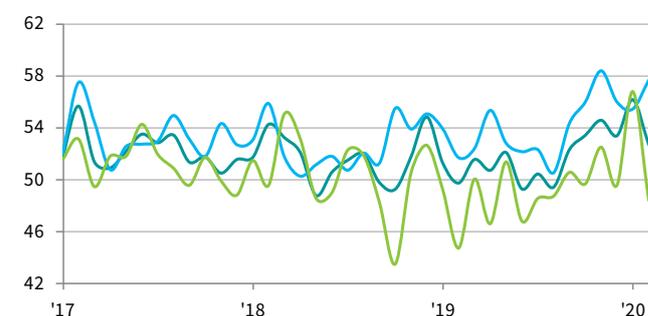
According to the latest IHS Markit Asia Sector PMI™, output declined across all but one monitored sub-sector amid the COVID-19 outbreak in February, with **Pharmaceuticals & Biotechnology** being the sole exception. The **Consumer Services** sector registered the largest decline in business activity as the spread of coronavirus impacted outbound tourism from China and many other Asian countries.

The broad sector growth rankings were topped by **Healthcare** once again in February, although trends within diverged as a decline in **Healthcare Services** activity contrasted with an accelerated expansion at **Pharmaceuticals & Biotechnology** firms.

However, the remaining monitored sectors all recorded reduced output volumes during February. The worst of which was at **Consumer Services** providers, which contracted at a substantial rate, followed by **Automobiles & Auto Parts**.

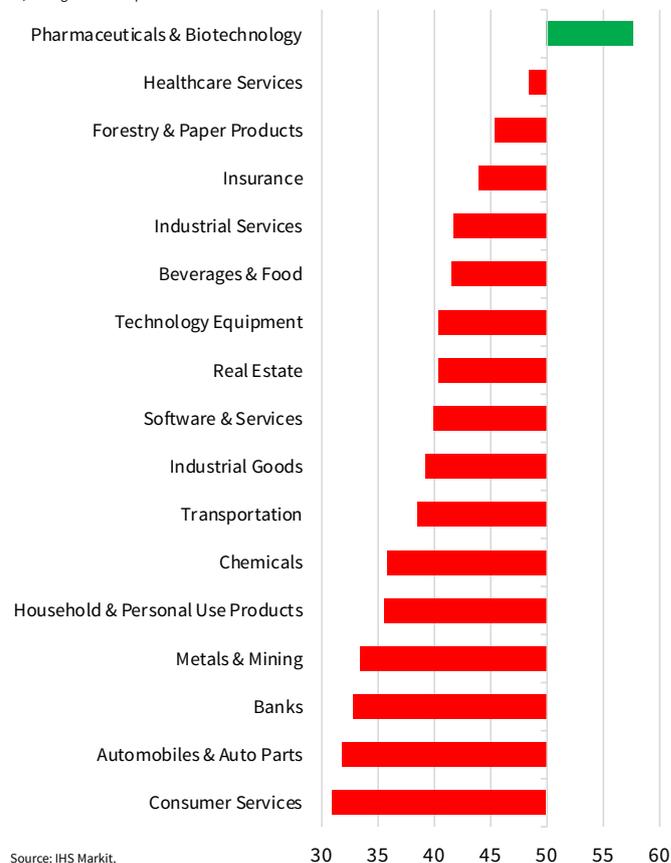
A broad-based decline in activity was also seen in **Financials**, although rates of decrease varied markedly. Banks led the downturn, while less marked, but still sharp, reductions were recorded for both **Real Estate** and **Insurance**. Elsewhere, amid the heavy supply chain disruptions, **Basic Materials** output fell substantially in February.

Asia Output Index
Healthcare / Pharmaceuticals & Biotechnology / Healthcare Services
sa, >50 = growth since previous month



Source: IHS Markit.

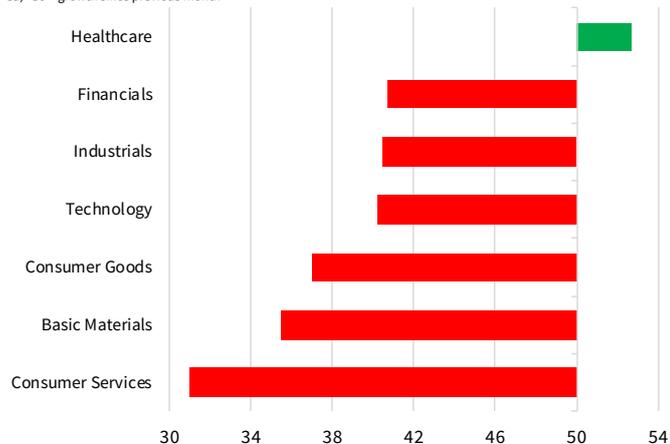
Output Index, Feb '20
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Feb '20

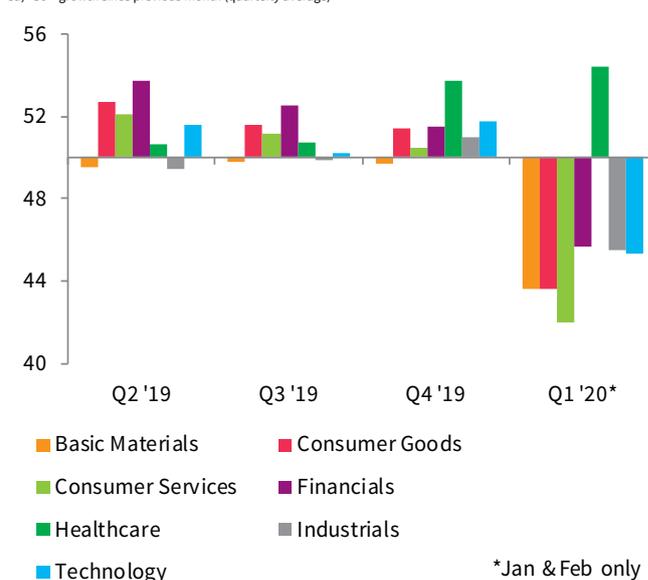
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

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



Source: IHS Markit.

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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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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. ihsmarkit.com/products/pmi.html

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