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## IHS MARKIT GLOBAL SECTOR PMI™

### Global metals output rises for first time since September 2018

#### KEY FINDINGS

Metals & mining drives overall increase in basic materials output in January

Strongest rise in global real estate activity in over two years

Pharmaceuticals & biotechnology output growth accelerates to 13-month high

Global Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's global PMI survey panels, covering over 27,000 private sector companies in more than 40 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services industry groups, and sub-sectors of these groups.

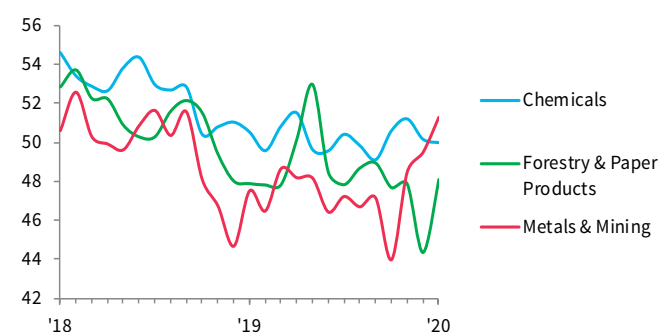
Global **metals & mining** output rose for the first time in 16 months in January. The increase in metals output drove overall growth of the broad **basic materials** sector. This segment also includes **chemicals**, where output was stable in January, and **forestry & paper products**, where a slower decline was registered.

Finance-related sectors dominated the top of the growth rankings again in January, with **real estate**, **banks** and **other financials** placed first, third and fourth respectively. Global real estate activity rose at the strongest rate since October 2017. **Insurance** remained an outlier, posting only a marginal increase in activity in January.

**Automobiles & auto parts** registered the steepest drop in output of all sectors in January. The rate of decline was unchanged from December and continued the reversal evident since a stabilisation in production last November. Other **consumer goods** sectors also saw weaker trends, with **beverages & food** posting the slowest growth since February 2017, while output of **household & personal use products** fell for the first time in nearly two years.

Output Index: Basic Materials sub-sectors

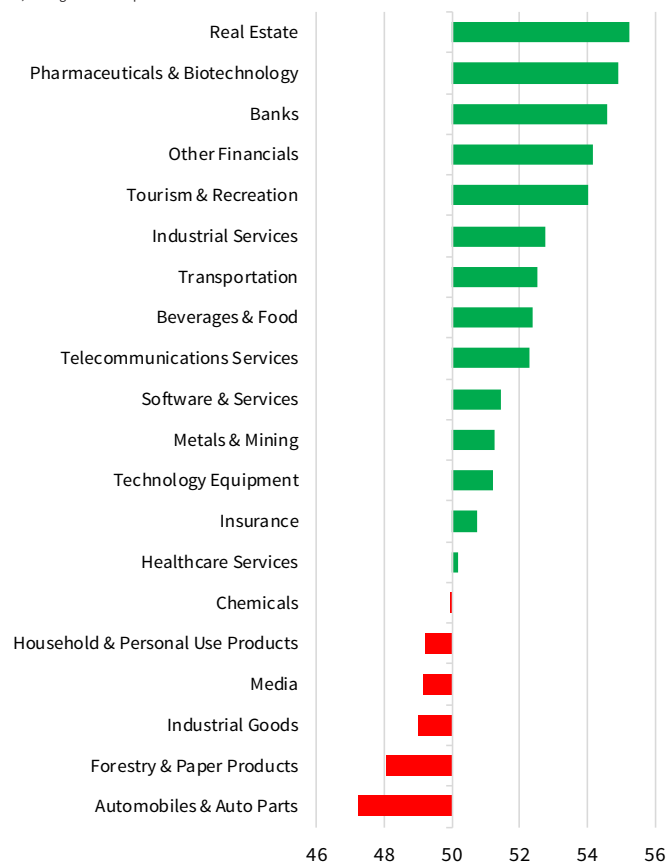
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Jan '20

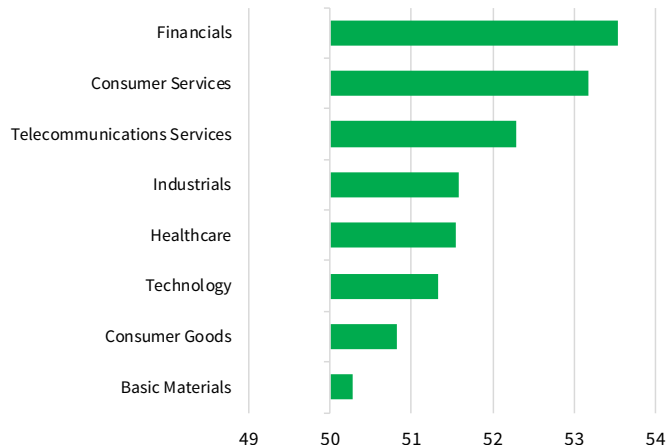
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Jan '20

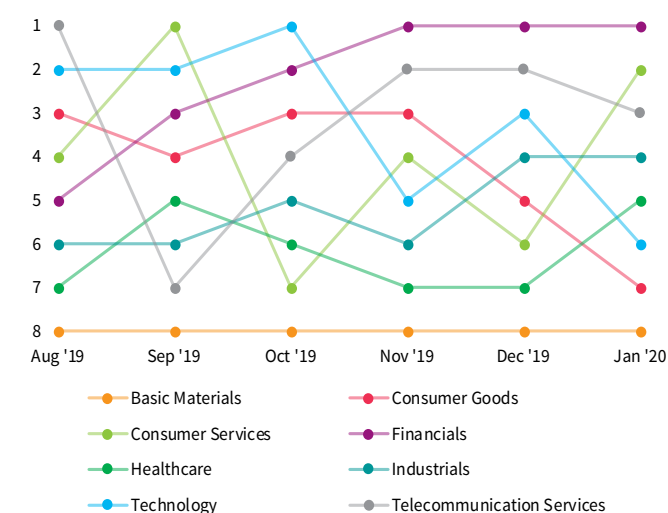
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

Rank



Source: IHS Markit.

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Methodology

The IHS Markit Global Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's global PMI survey panels, covering over 27,000 private sector companies in more than 40 countries.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Global Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services 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](mailto:economics@ihsmarkit.com).

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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. To learn more go to [ihsmarkit.com/products/pmi.html](http://ihsmarkit.com/products/pmi.html).

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