

IHS MARKIT ASIA SECTOR PMI™

Insurance maintains pole position amid broad-based growth across Financials

KEY FINDINGS

Insurance tops growth rankings for second successive month as Financials leads the broader sectors

Technology Equipment production rises for first time in 2019 so far, albeit only fractionally

Downturns in Metals & Mining, Automobiles & Auto Parts and Forestry & Paper Products worsen

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.

Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

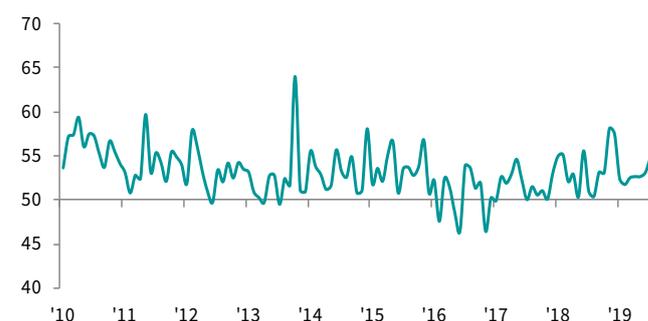
Survey data for August highlighted the continued out-performance by the broad **Financials** sector, with **Insurance** leading the sub-sector growth rankings for the second month in a row. Growth was also recorded in **Banks** (in fourth place overall) and **Real Estate**.

Transportation activity also expanded in August. The rate of increase was marked and accelerated the second fastest in 2019 so far. Sharper growth was also recorded in the **Consumer Services** and **Beverages & Food** sectors. Meanwhile, **Technology Equipment** production rose for the first time in eight months, although the expansion was only fractional.

At the bottom of the scale, declines in output gathered pace at **Forestry & Paper Products**, **Automobiles & Auto Parts** and **Metals & Mining** and **Software & Services** businesses. A renewed downturn was observed in the **Industrial Services** sector.

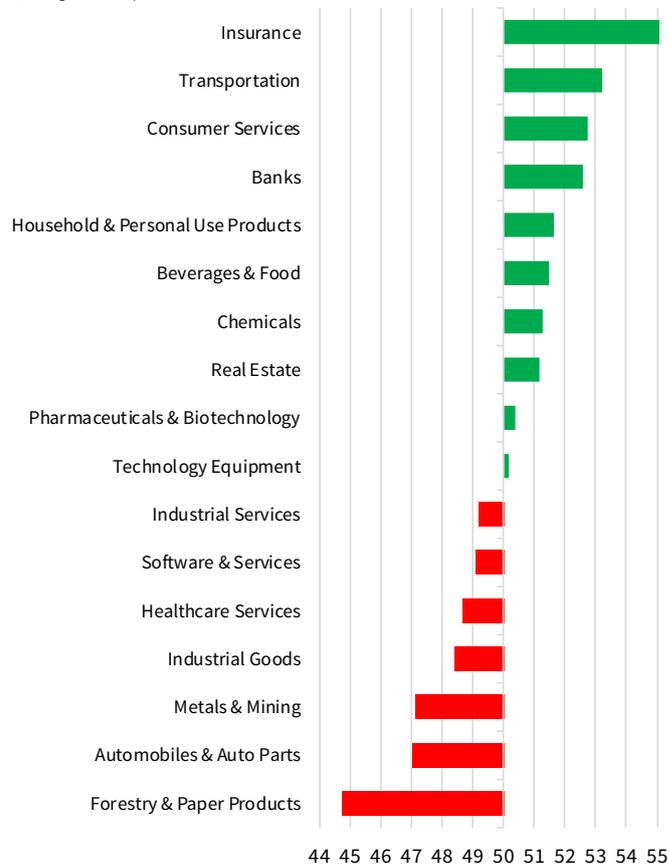
Asia Insurance Output Index

sa, >50 = growth since previous month



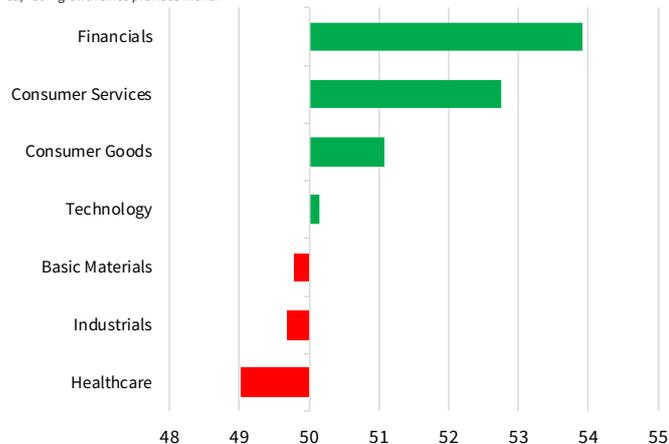
Output Index, Aug '19

sa, >50 = growth since previous month



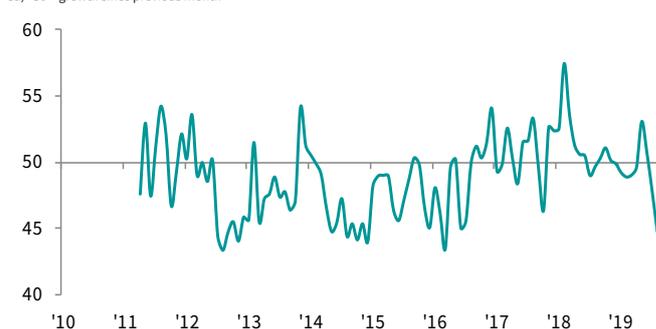
Output Index, Aug '19

sa, >50 = growth since previous month



Asia Forestry & Paper Products Output Index

sa, >50 = growth since previous month



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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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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.

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