

News Release

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IHS MARKIT GLOBAL SECTOR PMI™

Global auto sector downturn continues in May

KEY FINDINGS

Global autos output declines for eighth month running

Technology growth driven by software & services

Drop in real estate activity weighs on overall financials growth

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.

May survey data signalled a sustained downturn in the global **automobiles & auto parts** sector. Output fell for the eighth month running, as did new orders. Purchases of inputs by makers of autos and auto parts contracted at the fastest rate in nearly seven years.

Five other sectors registered lower output in May, all manufacturing-related except for **real estate**. The most notable in this group were **industrial goods** and **metals & mining**, where production declined for the fifth and eighth successive months respectively.

A further three sectors posted broadly no change in activity since April: **transportation**, **tourism & recreation** and **media**.

Other financials, **software & services** and **banks** registered the fastest rates of expansion in May. Of these, however, only the latter posted faster growth than in April.

Among the eight broad sectors monitored, **technology** posted the strongest expansion in May despite falling output in the **technology equipment** sector.

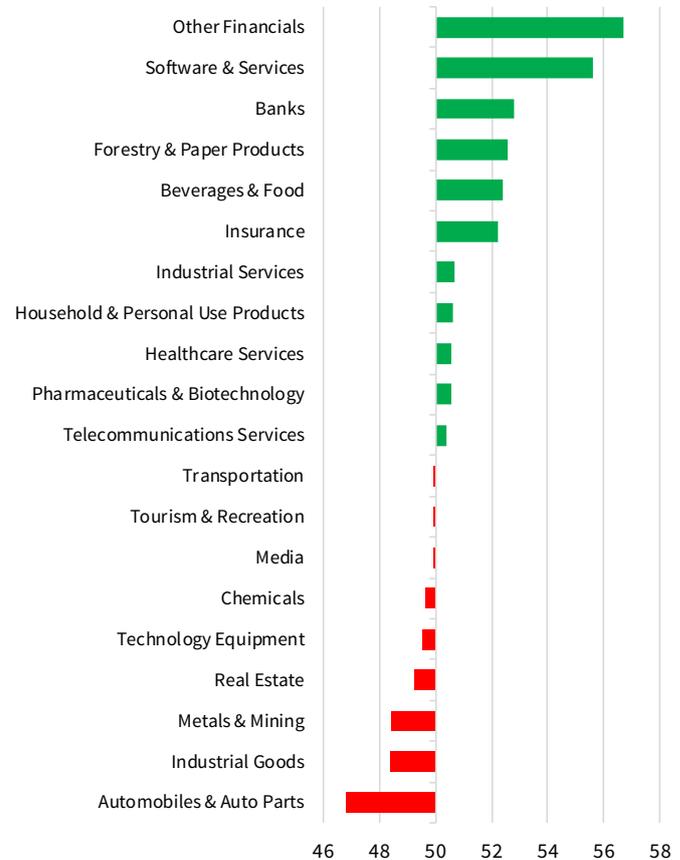
Global Automobiles & Auto Parts Output Index

sa, >50 = growth since previous month



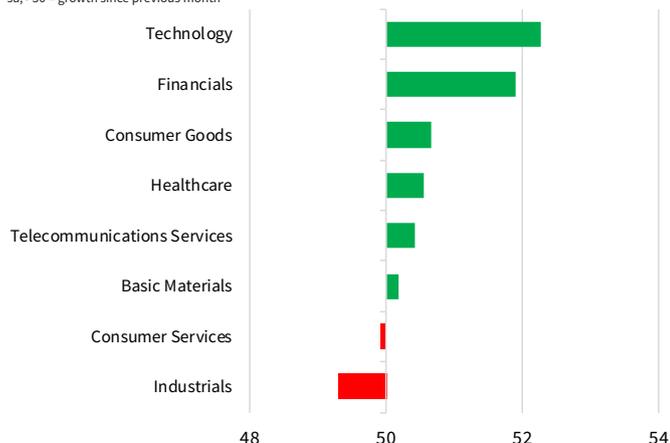
Output Index, May '19

sa, >50 = growth since previous month



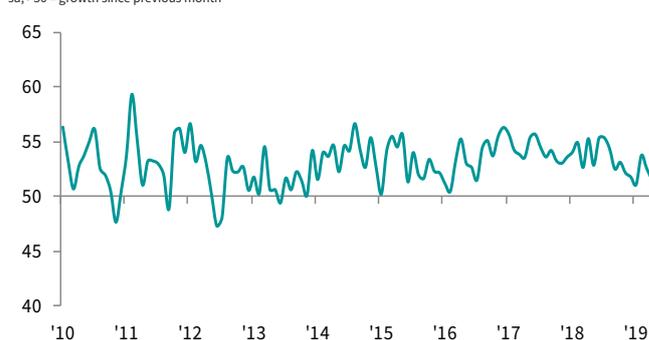
Output Index, May '19

sa, >50 = growth since previous month



Global Banks Business Activity Index

sa, >50 = growth since previous month



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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.

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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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