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IHS MARKIT ASIA SECTOR PMI™

Industrial goods output falls at fastest rate since October 2012

KEY FINDINGS

Industrial goods production declines at quickest pace in nearly seven years

Metals & Mining output falls at sharpest rate since January

Financials continue to outperform in Asia

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.

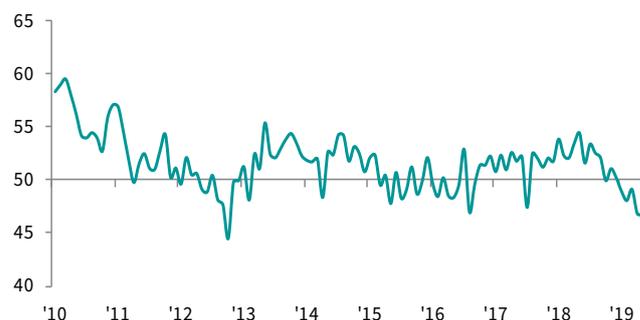
June survey data indicated a sharper downturn in production at **Industrial Goods** manufacturers, with output falling at the fastest rate since October 2012. A marked reduction in output was also witnessed in the **Metals & Mining** industry, following expansions in the preceding two months. The fall in production was the quickest since January.

Elsewhere, production at **Automobiles & Auto Parts** manufacturers continued to decline, quickening since May. **Chemicals** output decreased for a second successive month and to the sharpest extent in three-and-a-half years.

At the other end of the spectrum, it was **Financials** that remained the top-performing broad sector in Asia. Within this grouping, **Banks** observed a solid expansion in business activity during June, while output at **Insurance** firms also improved. Meanwhile, the **Transportation** sector registered a strong upturn, with growth quickening notably since May.

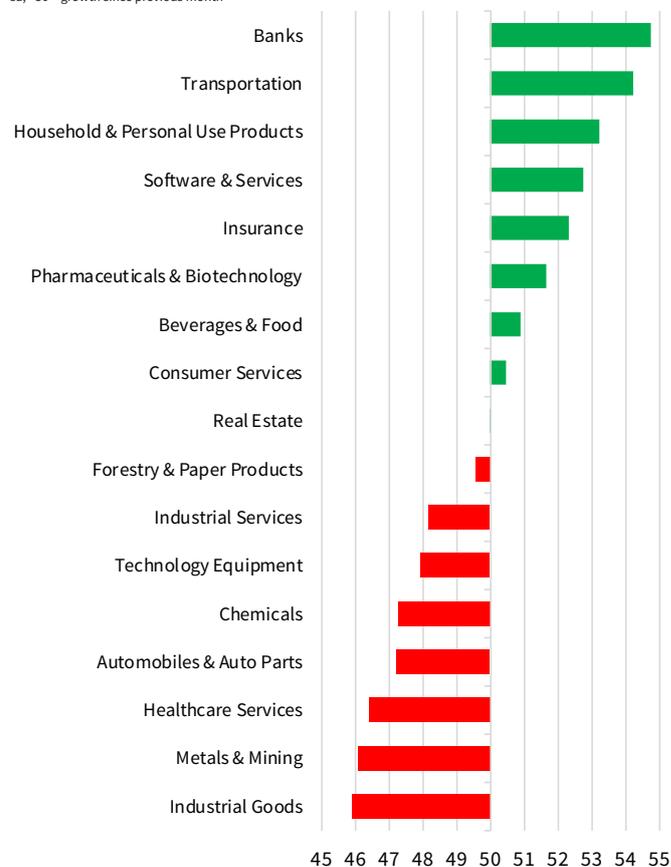
Asia Industrial Goods Output Index

sa, >50 = growth since previous month



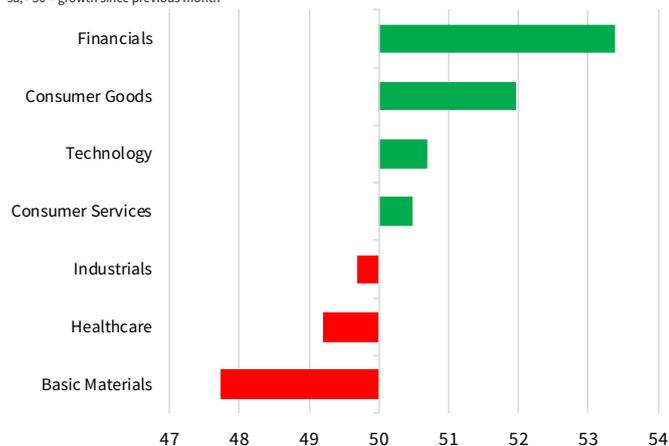
Output Index, Jun '19

sa, >50 = growth since previous month



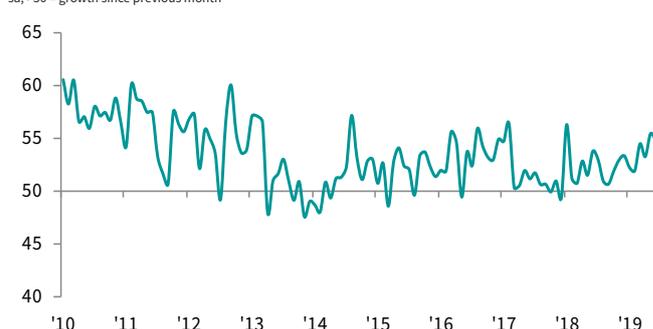
Output Index, Jun'19

sa, >50 = growth since previous month



Asia Banks Business Activity 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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