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IHS MARKIT EUROPE SECTOR PMI®

Output, new orders and jobs in European autos sector continue to fall sharply in April

KEY FINDINGS

PMI for European Automobiles & Auto Parts sector at 76-month low of 43.2

Strongest decline in metals output since November 2012

Technology records solid growth, led by software & services

European Sector PMI® indices are compiled from responses to IHS Markit's European PMI surveys, covering over 8,000 private sector companies in 11 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.

The European **automobiles & auto parts** sector remained in a strong downturn in April. Output, new orders and employment all fell sharply since March, and negative contributions from indicators for suppliers' delivery times and stocks of purchases drove the headline PMI figure for the sector to a 76-month low of 43.2. Moreover, output expectations at autos and parts firms were the most pessimistic since November 2012.

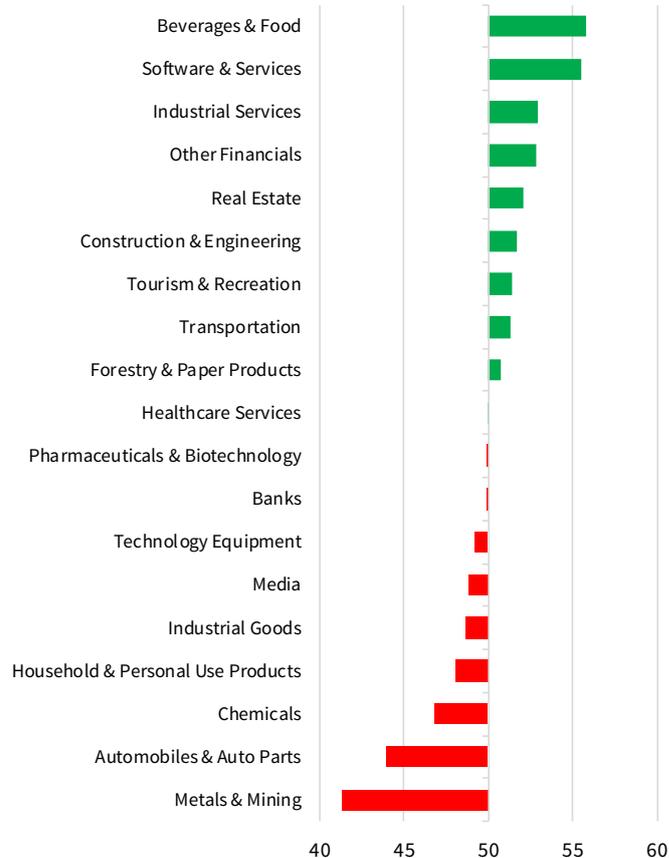
Other sectors to record falling output in April were primarily in manufacturing, notably **metals & mining** and **chemicals**. The former posted the strongest decline since November 2012. **Media** was the only services sector to post an outright drop in business activity, while **banks** and the two **healthcare**-related sectors registered broadly no change since March.

At the other end of the growth spectrum, **beverages & food** posted another strong increase in output in April, while **software & services** posted the sharpest expansion in three months. This took the wider **technology** group to the top of the broad sector rankings, despite a slight drop in **technology equipment** production.

Europe Automobiles & Parts Output Index
sa, >50 = growth since previous month

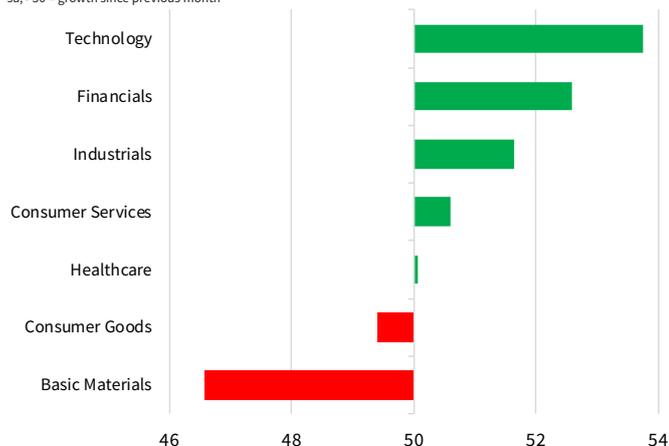


Output Index, Apr '19
sa, >50 = growth since previous month



Output Index, Apr '19

sa, >50 = growth since previous month



Europe Software & Services Employment Index

sa, >50 = growth since previous month



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Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe 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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