

# IHS Markit Asia Sector PMI™

## Chemicals, banks and automakers lead a broadening Asian sector recovery in September

### Key findings

Number of sectors reporting output growth rises to eleven, highest since January

Banking activity rises to greatest extent for three-and-a-half years

Chemicals and autos maintain solid output gains

Asia sector PMI™ data from IHS Markit indicated a broadening economic recovery from the coronavirus disease 2019 (COVID-19) downturn earlier in the year as more sectors returned to growth territory at the end of the third quarter. The number of sectors posting stronger output rose to eleven in September, up from ten in August, the highest total since January. That said, a couple of sectors fell back into decline.

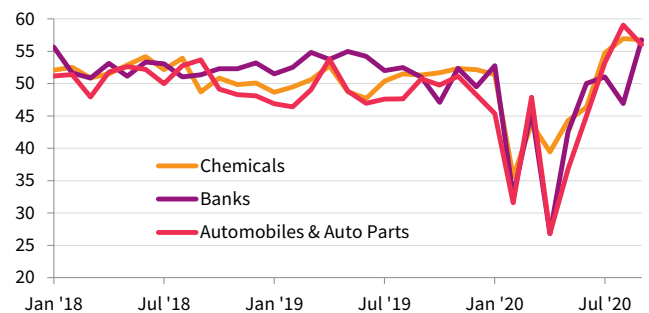
Asia Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's Asian PMI survey panels, covering over 6,000 private sector companies in 13 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services industry groups, and sub-sectors of these groups.

**Chemicals** moved up to lead the detailed sector rankings in September, followed by **banks** and **automobiles & auto parts** respectively. **Insurance** and **household & personal use products** recorded faster rates of expansion than in August, and were in fourth and fifth places respectively. **Technology equipment** and **industrial services** returned to growth.

Among the broad sectors, **financials** was the best performer, with banks, insurance and real estate all reporting rising business activity. **Consumer goods** also performed well, led by autos and household & personal use products.

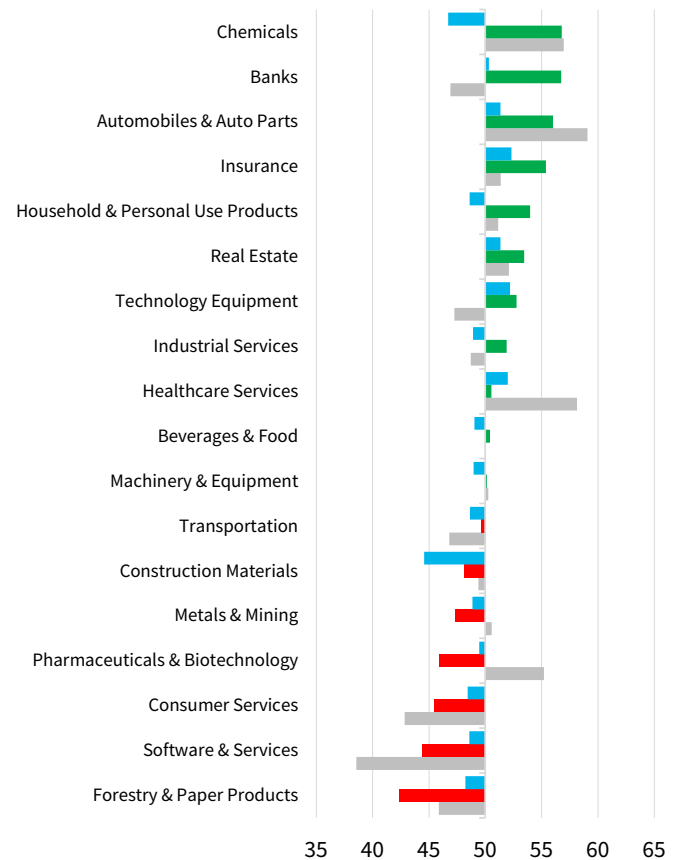
Meanwhile, **pharmaceuticals & biotechnology** fell back into negative territory, and was joined by **metals & mining**. **Consumer services** remained in decline but the rate of decrease softened from August. **Forestry & paper products** registered the strongest decline in activity of all sectors monitored, followed by **software & services**.

Asia Output Index  
sa, >50 = growth since previous month



Source: IHS Markit.

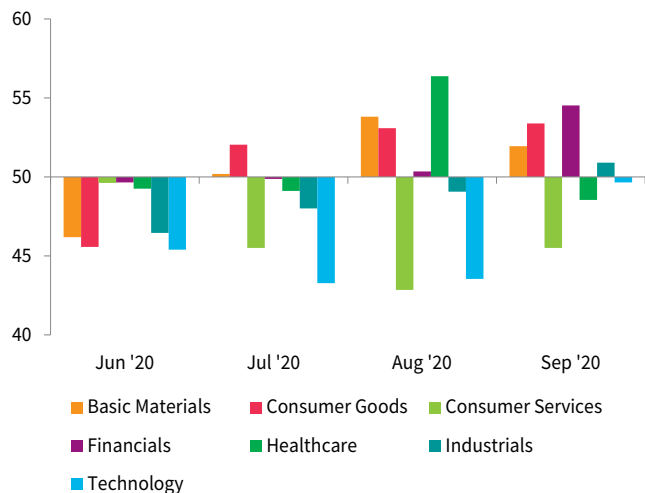
Output Index, Sep '20 ■ / Aug '20 ■  
Employment Index, Sep'20 ■  
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

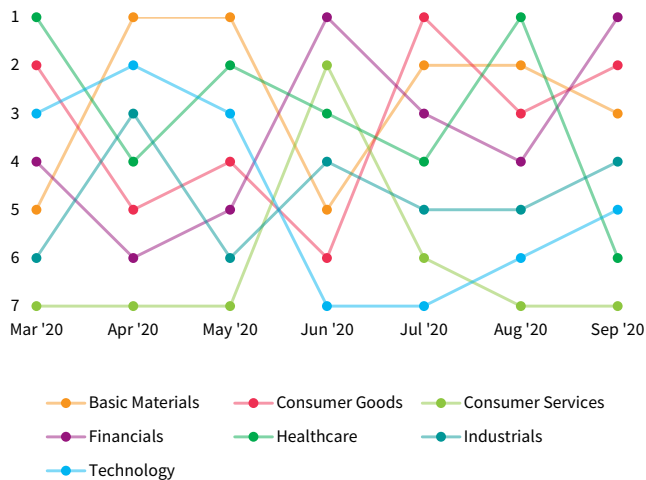
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

Rank



Source: IHS Markit.

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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 regions.

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](mailto:economics@ihsmarkit.com).

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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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.  
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