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IHS Markit Global Sector PMI™

Global output growth increasingly broad-based by sector in March

Key findings

Output rises in 19 out of 21 sectors in March, highest total in two-and-a-half years

Fastest rates of expansion in Technology Equipment, Banks and Machinery & Equipment

Tourism & recreation shows signs of stabilising

The latest Global Sector PMI™ data from IHS Markit revealed growth in output across 19 of the 21 detailed sectors monitored in March. The fastest growth was registered in Technology Equipment, which posted a steep acceleration and the second-fastest expansion in four years. Growth also quickened to a near-three year high in Software & Services, which rose five places in the table to fifth overall. These trends led the combined Technology sector to top the eight broad sector growth rankings for the first time since October 2019.

Finance-related sectors continued to perform strongly in March. Banks ranked second overall, with the rate of growth little-changed from February's record high (since October 2009). Insurance was in fourth place, while solid growth was also indicated in Other Financials and Real Estate. At the broad level, Financials ranked second in March, having held the top spot in both January and February.

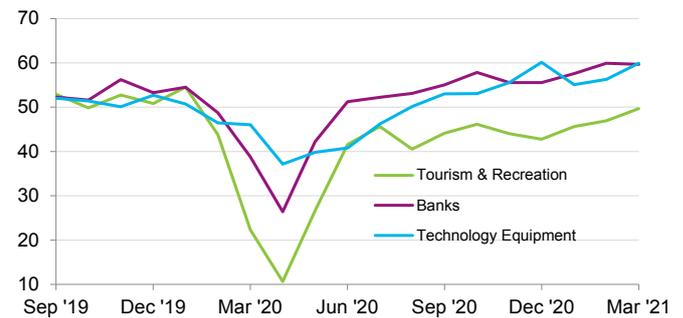
The top six rankings were completed by Machinery & Equipment (3rd) and Automobiles & Auto Parts (6th), which both registered stronger growth in March.

Notably, Transportation registered higher activity in March for the first time since July 2020, and the rate of growth was the strongest since January 2020.

Marked growth in new orders in Pharmaceuticals & Biotechnology led to the strongest rise in backlogs in the sector in nearly ten years in March, despite a sharper rise in output.

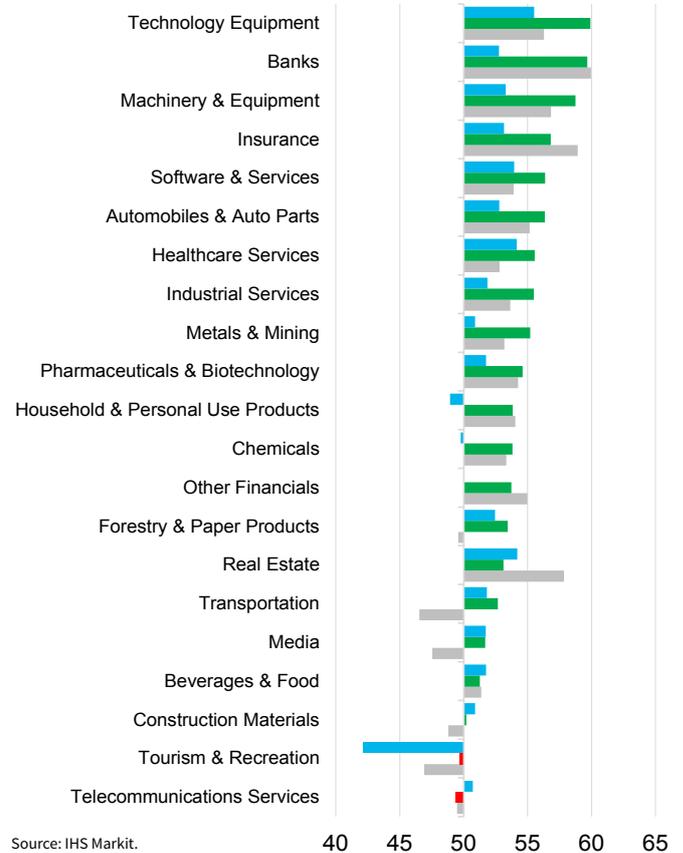
The only sectors still in decline – Tourism & Recreation and Telecommunication Services – registered only marginal rates of contraction in March.

Global Business Activity Index
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Mar '21 / Feb '21
Employment Index, Mar '21
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

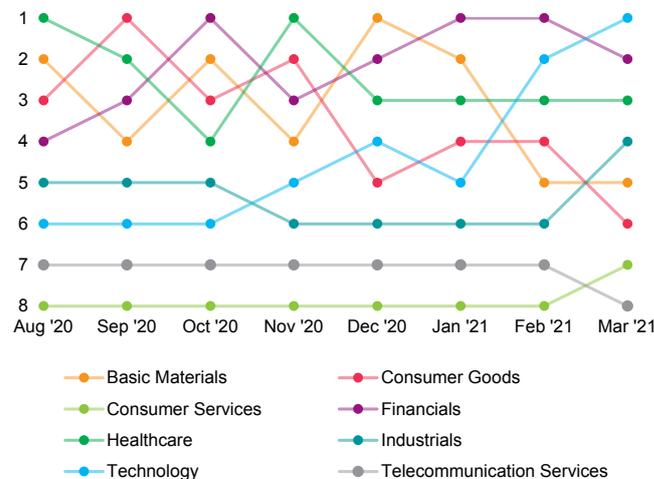
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

Rank



Source: IHS Markit.

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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. ihsmarkit.com/products/pmi.html

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