

IHS Markit Global Sector PMI™

Global autos production rises in December

Key findings

First expansion of output in Automobiles & Auto Parts since last July

Real Estate is fastest-growing global sector for first time since May 2021

Tourism & Recreation sector hit as Omicron cases rise

The latest Global Sector PMI™ data from IHS Markit revealed rising business activity in 18 out of 21 detailed sectors monitored in December. The four fastest-growing sectors were all located in the services economy, namely Real Estate, Other Financials*, Healthcare Services and Industrial Services**. Real Estate topped the growth rankings for the first time since May, having been mid-table during much of the second half of 2021. Growth in Other Financials eased to a three-month low, but it was the top-ranked sector over the fourth quarter as a whole. Healthcare Services registered an acceleration in growth from November's nine-month low, and was the top-ranked global sector in December in terms of new business.

Automobiles & Auto Parts registered growth in output for the first time in five months in December. The rate of expansion was moderate, but the sector still rose six places in the rankings to 14th overall, from 20th in November. New orders rose for the second month running, albeit modestly, and exports stabilised.

The three sectors that registered falls in activity in December were Media, Telecommunications Services and Tourism & Recreation, with business in the latter sector disrupted by rising cases of the Omicron variant. That said, in all three cases the rates of decline were marginal.

Inflationary pressures remained elevated in December. Technology Equipment registered the fastest rate of input price inflation, and a new series record high. Four other sectors registered record rates of cost inflation: Insurance, Real Estate, Healthcare Services and Pharmaceuticals & Biotechnology.

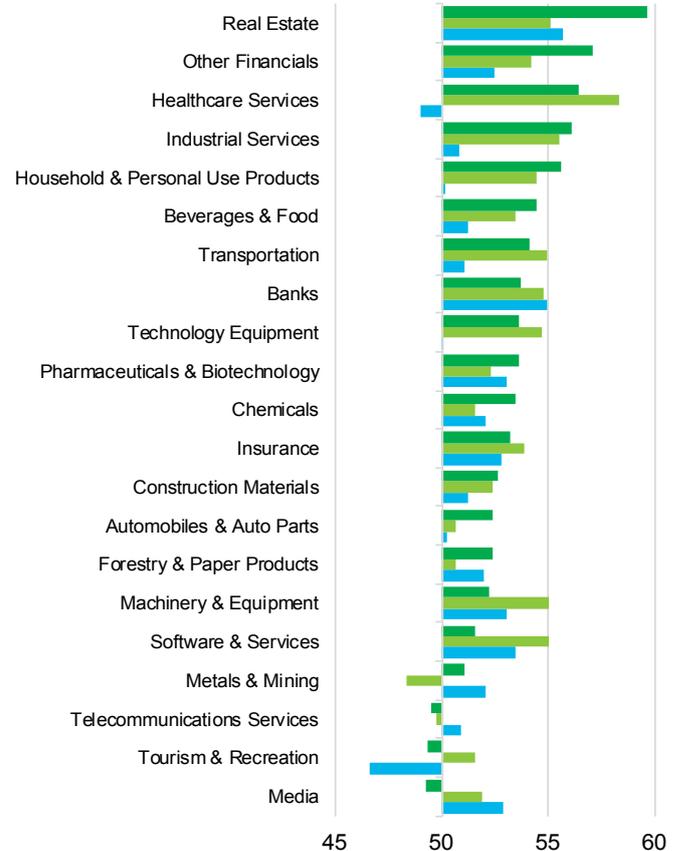
*Includes consumer financials, investment services and specialty financials. **Includes commercial and professional services.

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



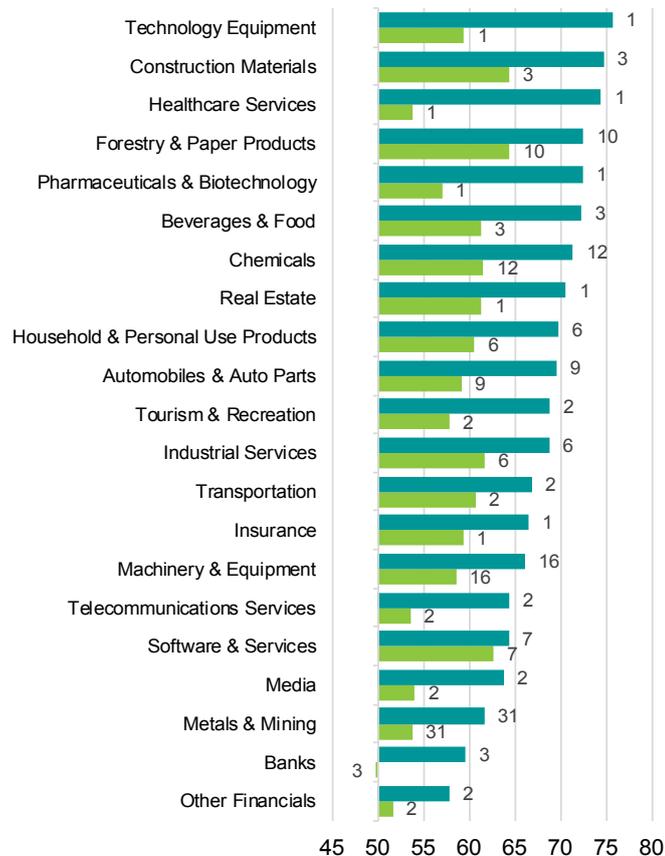
Source: IHS Markit.

Output Index ■ / New Orders Index ■ / Employment Index ■, Dec '21
sa, >50 = growth since previous month



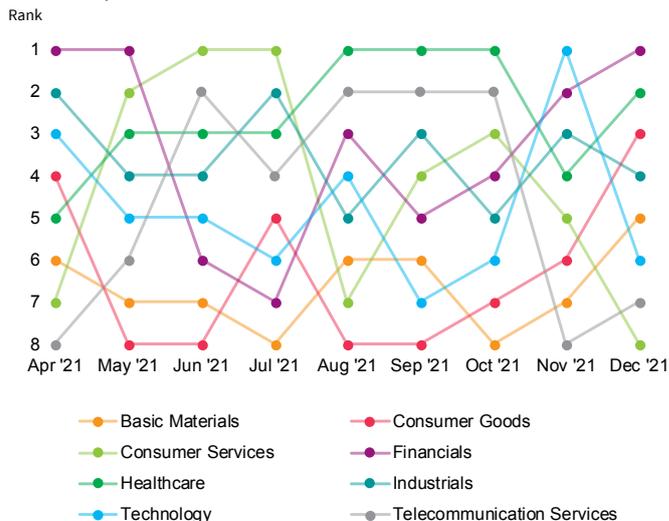
Source: IHS Markit.

Input Prices Index / Output Prices Index, Dec '21
 sa, >50 = inflation since previous month. Number shows series historical rank since Oct '09.



Source: IHS Markit.

Global Output Index



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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