

Nikkei Asia Sector PMI™

Pharmaceuticals & Biotechnology output growth accelerates in October

Key points:

- **Pharmaceuticals & Biotechnology** output growth quickens to eight-month high
- **Forestry & Paper Products** producers observe marked expansion in output
- Sharp drop in **Healthcare Services** output in October

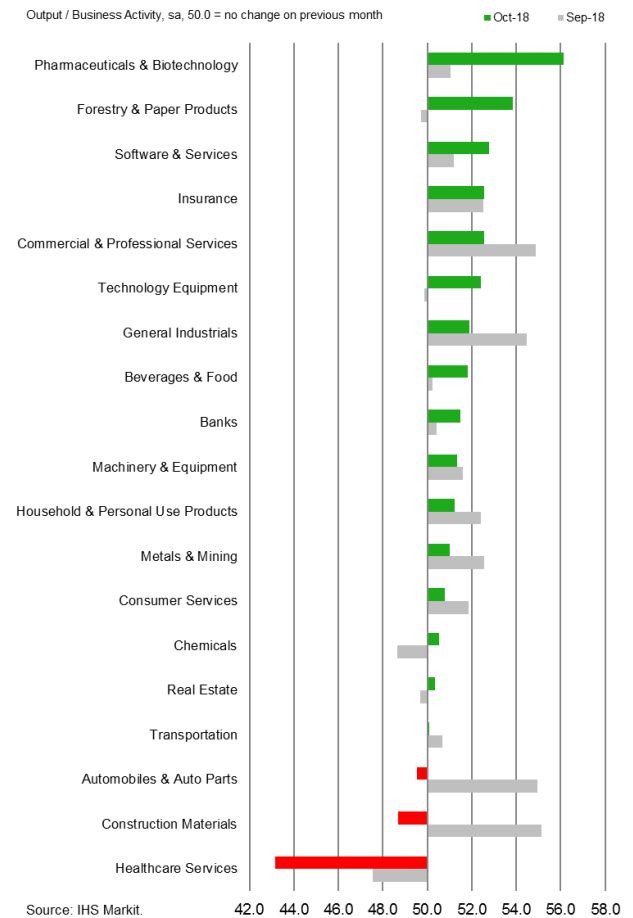
Summary:

According to the latest Asia Sector PMI™ data, compiled by IHS Markit and sponsored by Nikkei, business activity increased across the majority of monitored sectors in Asia at the beginning of the final quarter of 2018. The **Pharmaceuticals & Biotechnology** industry observed the sharpest expansion in output, where the rate of growth hit an eight-month high. At the other end of the spectrum, **Healthcare Services** providers recorded the joint-sharpest contraction in business activity since data collection began over 11 years ago.

Meanwhile, **Forestry & Paper Products** ranked second in the output growth table for October, where the rate of expansion accelerated to a seven-month high and was solid overall. This was a stark contrast to a mild reduction seen in the previous survey period.

Expansionary trends in the **Automobiles & Parts** and **Construction Materials** sectors ended during October, with production falling following strong increases in September. Elsewhere, growth momentum slowed across several monitored sectors including **Metals & Mining**, **Consumer Services**, **General Industrials** and **Commercial & Professional Services**.

Asia Sector PMI



Asia Pharmaceuticals & Biotechnology PMI

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



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Notes to Editors:

Nikkei Asia Sector PMI™ data are derived from surveys of over 6,700 companies operating in 13 economies, including China, Japan, India, South Korea, Indonesia, Taiwan, Malaysia, Hong Kong, Singapore, Vietnam, Myanmar, Thailand and the Philippines. The data are typically released on the fifth working day of each month, two days' after the Global Composite PMI, at 0030 UTC time (0830 Hong Kong).

The Asia Sector PMI data provide corporate decision makers, economic analysts, policy makers and investors with a powerful database with which to monitor business cycles by industry. Sector trends over time can be tracked – with historic data to September 2007 – as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for seven major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology; and a further 21 sectors and subsectors of those groups.

Sector PMI data are generated from the same questionnaire responses as national PMI data, and mapped to IHS Markit's sector classification structure using Standard Industry Classification (SIC) codes. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month. Diffusion indexes are calculated for each variable (the percentage of positive responses plus half the percentage of neutral responses). These indexes vary between 0 and 100 with levels of 50.0 signalling no change on the previous month. Readings above 50.0 signal an improvement or increase on the previous month. Readings below 50.0 signal a deterioration or decrease on the previous month. The greater the divergence from 50.0 the greater the rate of change signalled.

Individual company responses will be weighted on the basis of that company's country of origin. Country weights for each sector are derived from a combination of GDP data and detailed industry gross value added.

The PMI diffusion indexes are then adjusted for seasonality using the X-12 ARIMA program.

Detailed historical Asia sector data are available via a subscription from IHS Markit, and datasets are also available for Global, Europe and the US sectors. For further information please contact economics@ihsmarkit.com.

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