

News Release

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IHS MARKIT GLOBAL SECTOR PMI™

Downturn in global auto sector worsens in July

KEY FINDINGS

Record declines in autos output, new orders and jobs

Four other manufacturing sectors see falling production

Strongest expansions in finance, pharmaceuticals and tourism & recreation

Global Sector PMI indices are compiled 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.

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.

Latest PMI data signalled a deepening downturn in the global **automobiles & auto parts** sector at the start of the second half of 2019. Output, new orders and employment all contracted at the fastest rates since the global series began in late-2009. Moreover, indices for new export orders and purchasing activity also hit record lows in July. Overall growth of **consumer goods** output – also including **beverages & food** and **household & personal use products** – was the weakest in over three years in July.

Other areas of global manufacturing remained weak in July. **Industrial goods, metals & mining, forestry & paper products** and **technology equipment** all recorded further declines in output, and all except the latter posted lower new orders.

Finance-related sectors performed comparatively well in July, occupying three of the top five spots in the growth table, joined by **pharmaceuticals & biotechnology** and **tourism & recreation**. The exception was **real estate**, which posted only a marginal rise in business activity.

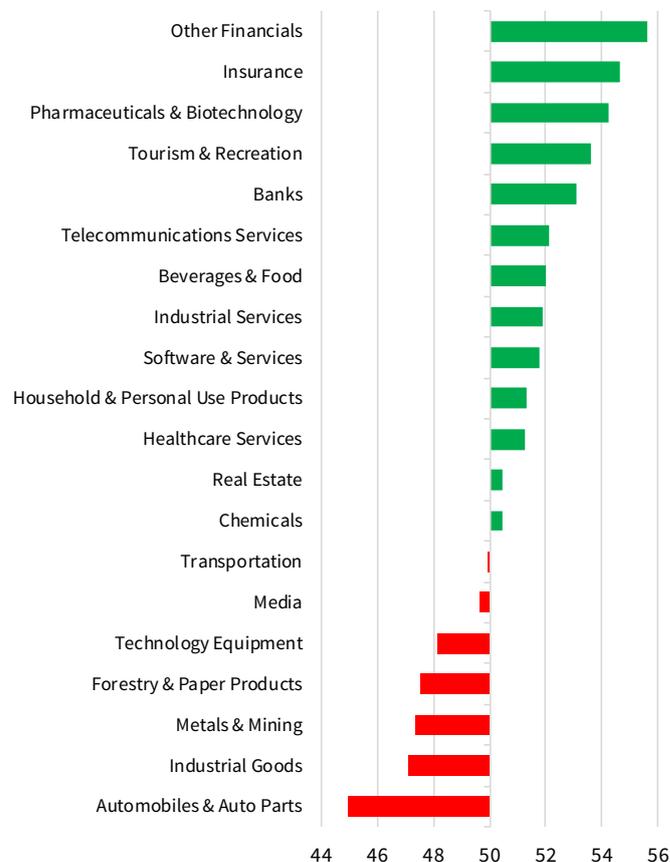
Global Automobiles & Auto Parts Output Index

sa, >50 = growth since previous month



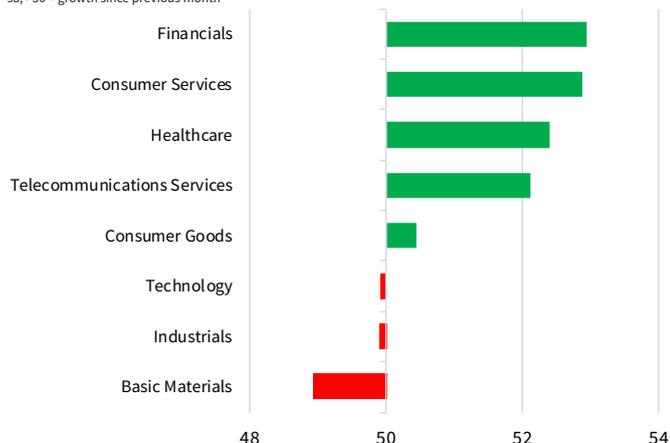
Output Index, Jul '19

sa, >50 = growth since previous month



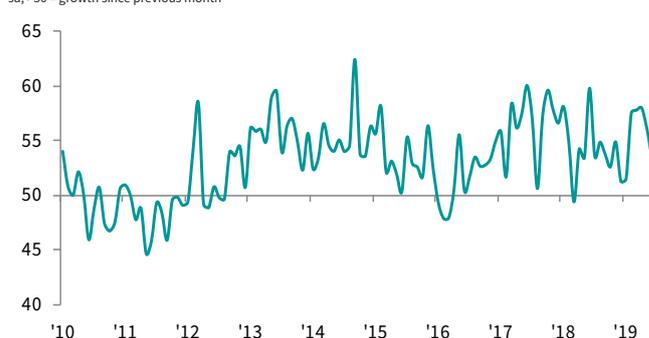
Output Index, Jul '19

sa, >50 = growth since previous month



Global Other Financials Business Activity Index

sa, >50 = growth since previous month



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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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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. To learn more go to ihsmarkit.com/products/pmi.html.

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