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IHS Markit Asia Sector PMI™

Sharp decline in autos output in September, but rebound in hi-tech equipment

Key findings

Automobiles & Auto Parts is bottom-ranked sector with sharpest drop in output since May 2020

Technology Equipment sees rebound in growth, but Software & Services contracts further

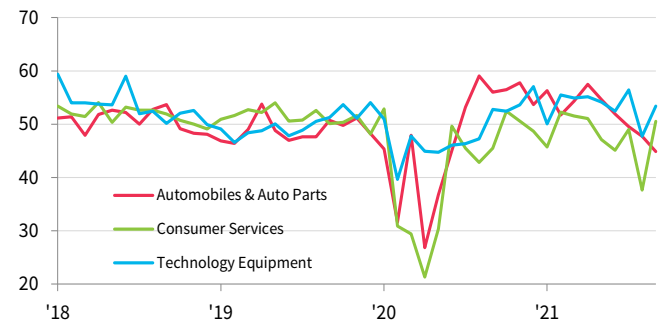
Consumer Services activity increases for first time in five months

The latest Asia PMI™ sector data from IHS Markit indicated growth of output in eight out of 18 sectors monitored in September, three more than in August but still down on April's recent peak. Four sectors registered a growth rebound following declines in August: Technology Equipment, Healthcare Services, Transportation and Consumer Services.

Technology Equipment was the strongest-growing sector in September, topping the Asian sector rankings for the second time in three months. Machinery & Equipment was a close second, followed by Banks, Healthcare Services, Insurance and Pharmaceuticals & Biotechnology. Notably, Consumer Services registered the first expansion in activity in five months in September, albeit at only a modest pace. Activity in the Industrial Services sector stabilised, having declined in August.

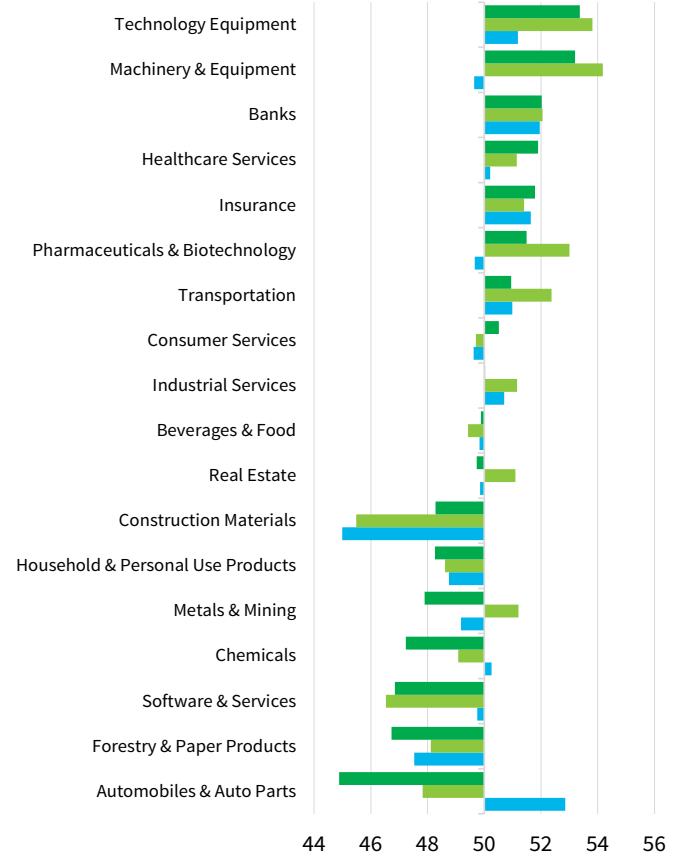
Of the nine sectors to record lower output in September, seven were located in manufacturing. The strongest overall rate of decline was registered in Automobiles & Auto Parts, which posted the fastest drop in output since May 2020. More positively, new orders in the sector fell at a comparatively slower pace than output, and employment rose solidly. The other two Consumer Goods sub-sectors – Beverages & Food and Household & Personal Goods – and all three constituents of the Basic Materials group – Chemicals, Metals & Mining and Forestry & Paper Products – all recorded further declines, while production fell modestly in Construction Materials. The two services sectors to record falling activity were Software & Services and Real Estate.

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



Source: IHS Markit.

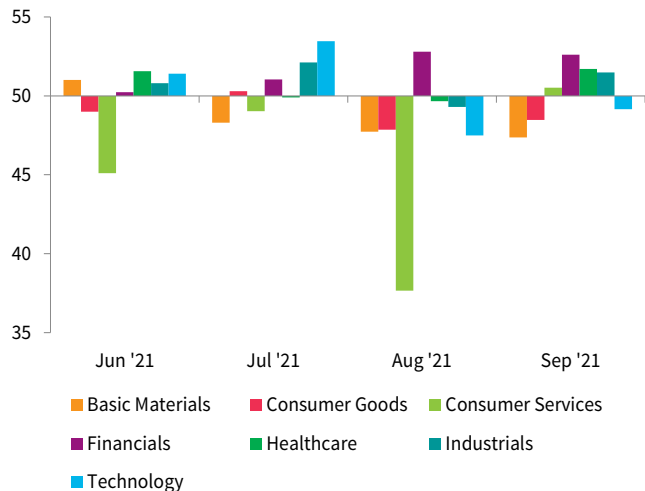
Output Index ■ / New Orders Index ■ / Employment Index ■, Sep '21
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

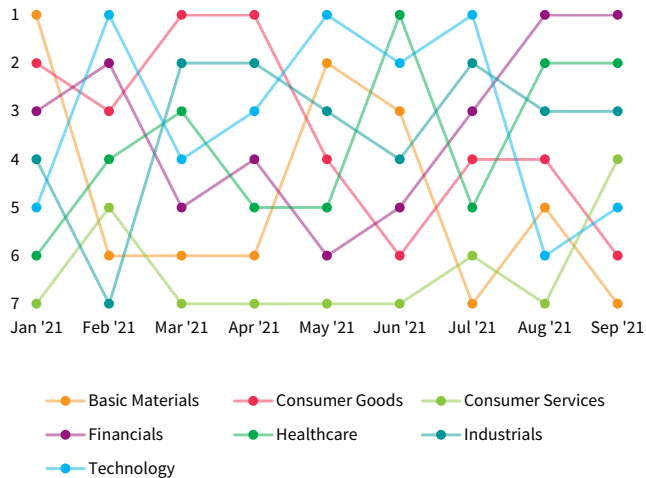
sa, >50 = growth since previous month



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.

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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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