

IHS Markit Asia Sector PMI™

Autos sector returns to top of Asian growth rankings in April

Key findings

Fastest rise in automobiles & auto parts output since November 2020

16 sectors record output growth, highest total in over two-and-a-half years

Insurance is strongest-growing services sector, in sixth place

The latest Asia PMI™ sector data from IHS Markit indicated higher output in 16 out of 18 monitored sectors in April, the most broad-based expansion in over two-and-a-half years. Moreover, 13 sectors registered rising employment, the highest total since September 2019.

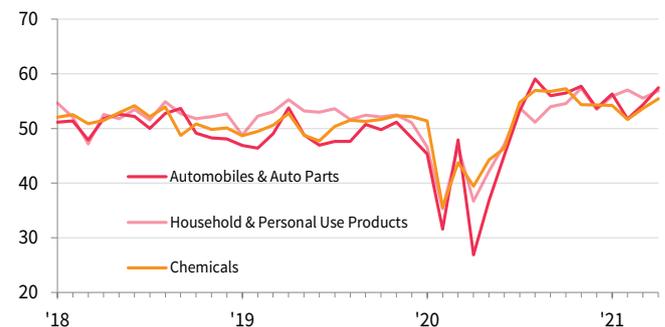
The strongest rate of output growth was indicated in Automobiles & Auto Parts, where expansion was the fastest since November 2020. The sector has topped the Asian growth rankings four times in the past nine months. The next four-fastest growing sectors were all located in manufacturing – Household & Personal Use Products, Chemicals, Technology Equipment and Machinery & Equipment – with all posting faster rates of expansion than in March.

The next-five highest ranked sectors were all services-related, led by Insurance, where growth accelerated since March but remained weaker than February's seven-year peak. Healthcare Services, Transportation and Industrial Services also registered faster rates of growth in April, while Real Estate posted a slower gain in activity in tenth place, down from fifth in March.

At the other end of the output rankings, Construction Materials and Forestry & Paper Products were the only sectors to record lower output in April.

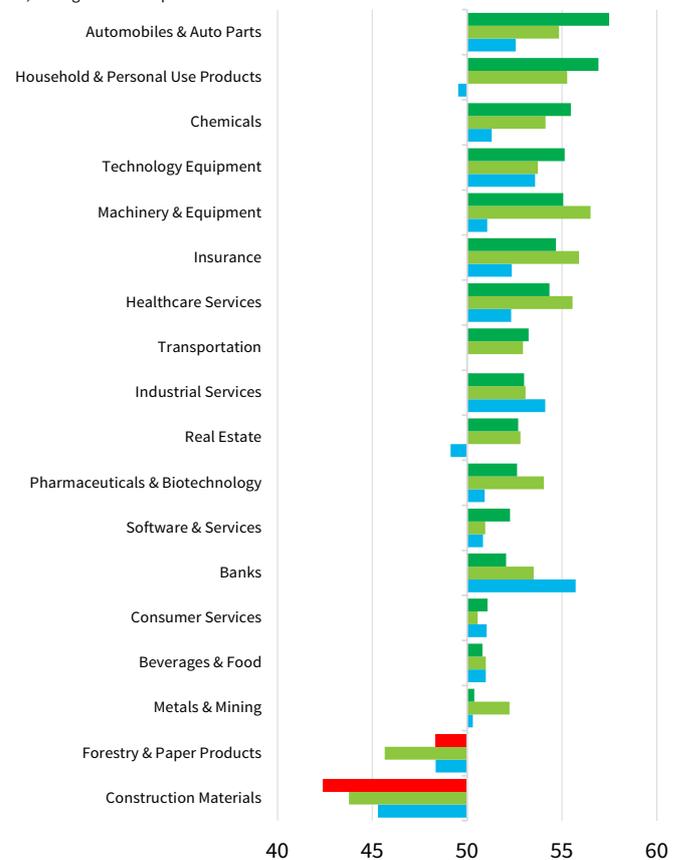
Employment rose in 13 sectors in April, led by Banks, Industrial Services and Technology Equipment. Job losses were recorded in Construction Materials, Forestry & Paper Products, Real Estate and Household & Personal Use Products, with no change in staffing registered in Transportation.

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



Source: IHS Markit.

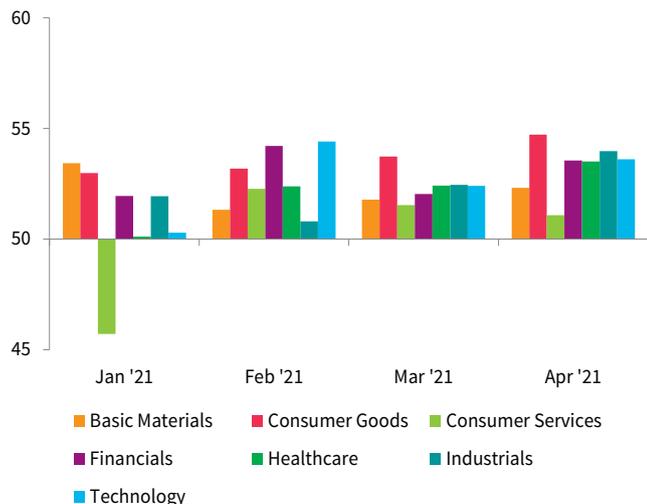
Output Index ■ / New Orders Index ■ / Employment Index ■, Apr '21
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

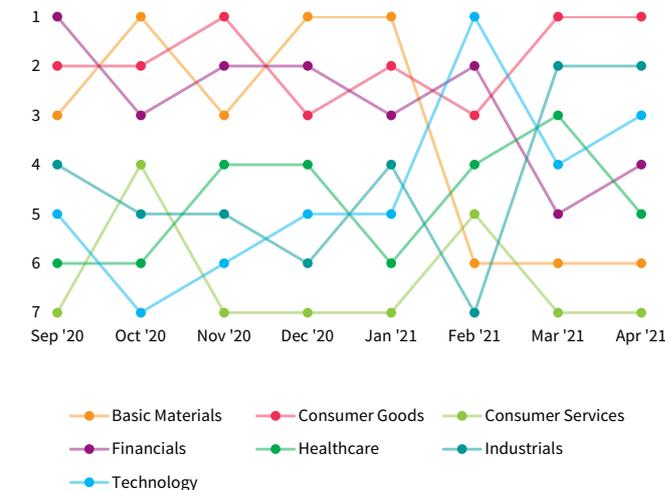
sa, >50 = growth since previous month



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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