

IHS MARKIT ASIA SECTOR PMI™

Consumer Services remains worst-performing sector in May

KEY FINDINGS

All sectors register falling during May

Consumer Services activity continues to fall sharply, although contraction eases since April

Basic Materials remains top of the broad sector rankings, but still signals marked decline in output

Asia Sector PMI indices are compiled 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 countries.

According to the IHS Markit Asia Sector PMI™, output continued to decline across all monitored sectors during May despite rates of decline easing in the majority of cases. **Consumer Services** remained the worst-performing segment of Asia's private sector during May for the fourth successive month, while **Forestry & Paper Products**, which saw the second-sharpest downturn, recorded a further severe reduction in output.

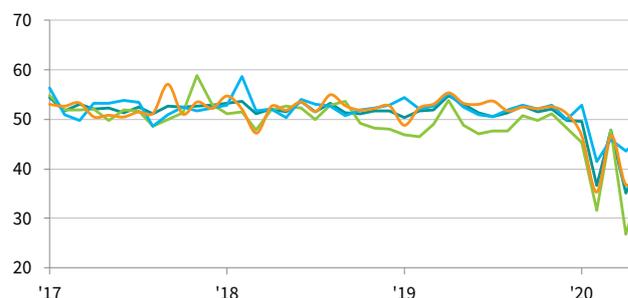
While in most cases, the rates of contraction in business activity were weaker than in April, some sectors recorded faster decreases. **Metals & Mining** output fell at a stronger rate during May, as did **Machinery & Equipment** and **Technology Equipment** production.

The broad sector rankings revealed that the weakest downturn was across the **Basic Materials** sector, although the decline in output was marked nonetheless. The more detailed sector breakdown indicated that the slowest decline in output was at **Beverages & Food** companies, although sharp contractions at **Automobiles & Auto Parts** makers and **Household & Personal Use Products** weighed on the wider **Consumer Goods** category.

Asia Output Index

Consumer Goods / Beverages & Food / Autos / Household & Personal Use Products

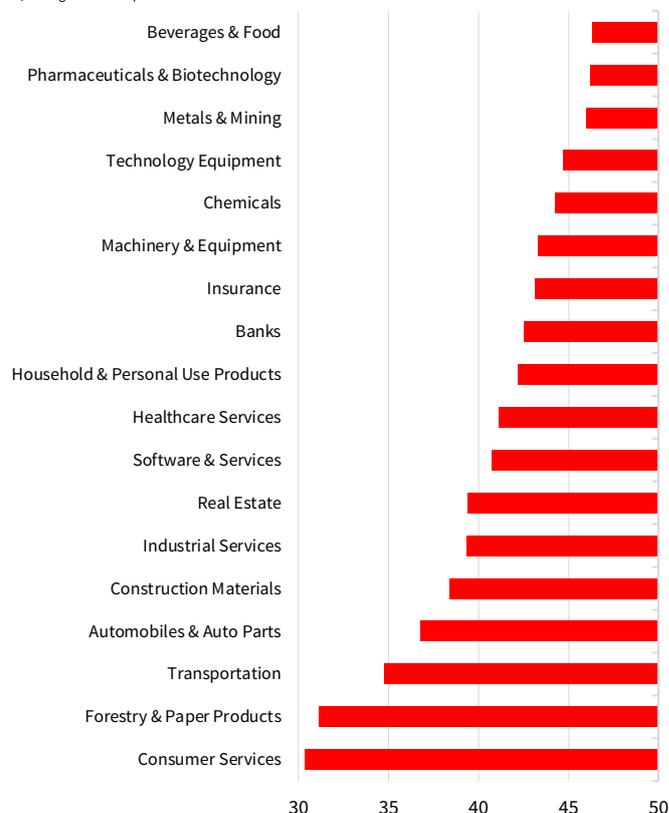
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, May '20

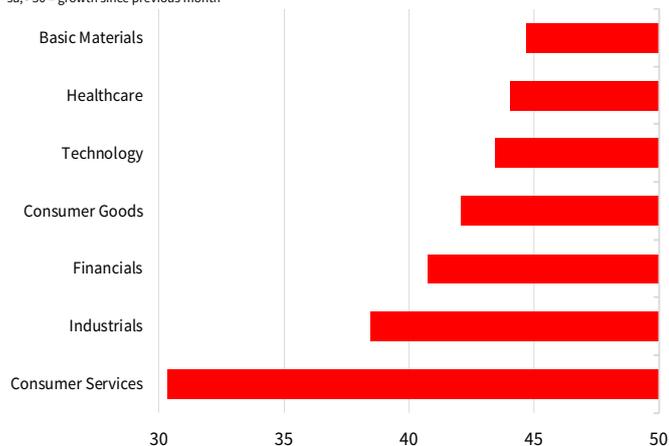
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, May '20

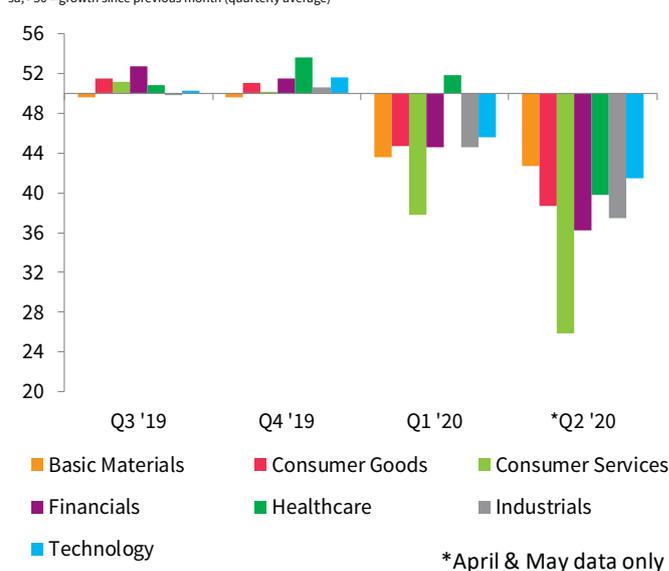
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

sa, >50 = growth since previous month (quarterly average)



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 countries.

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. ihsmarkit.com/products/pmi.html

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