

News Release

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IHS MARKIT GLOBAL SECTOR PMI™

Global mining and basic metals output falls at strongest pace in over six years

KEY FINDINGS

Sharp drop in global exports of basic materials

Fastest decline in global autos output in over three years

Pharmaceuticals and insurance are fastest-growing global sectors

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.

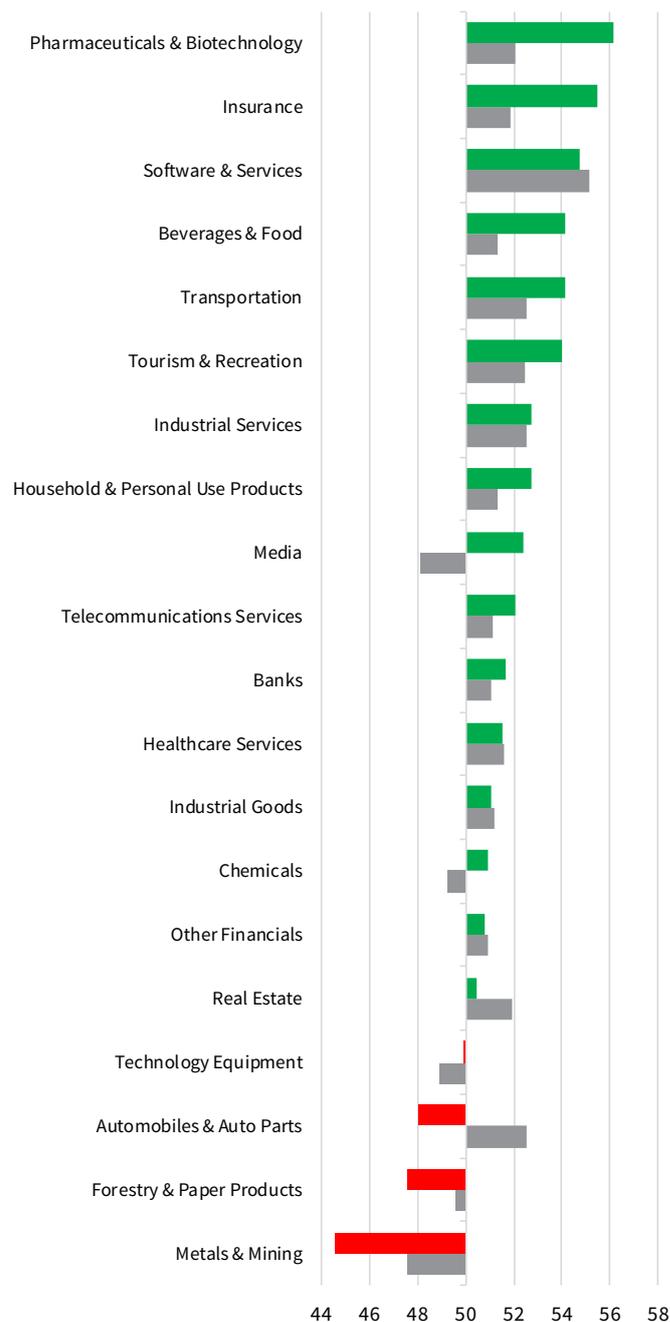
Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services industry groups, and sub-sectors of these groups.

December completed a full quarter of declining global **metals & mining** output. Moreover, the rate of contraction accelerated to the fastest since September 2012. Global new export orders in the sector continued to fall, a trend repeated across other basic materials constituents including **chemicals** and **forestry & paper products**. The latter sector saw the steepest drop in output in over four years, while chemicals production rose only marginally.

Other weak sectors at the end of 2018 included **automobiles & parts**, which posted the fastest decline in production in over three years, and **real estate**, where activity rose only fractionally. In both cases, Europe was the main source of weakness. Meanwhile, global **technology equipment** output was broadly flat over the month.

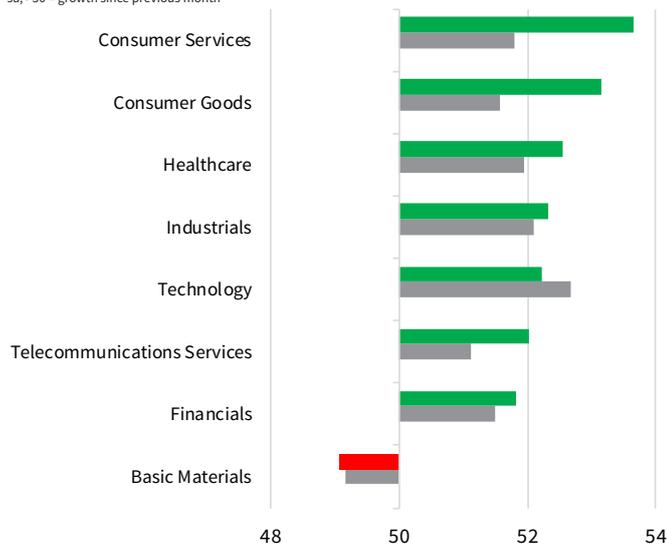
The fastest-growing global sectors at the end of 2018 were **pharmaceuticals & biotechnology**, **insurance** and **software & services**. The latter also registered the fastest rate of job creation of any sector.

Output Index / Employment Index, Dec '18
sa, >50 = growth since previous month



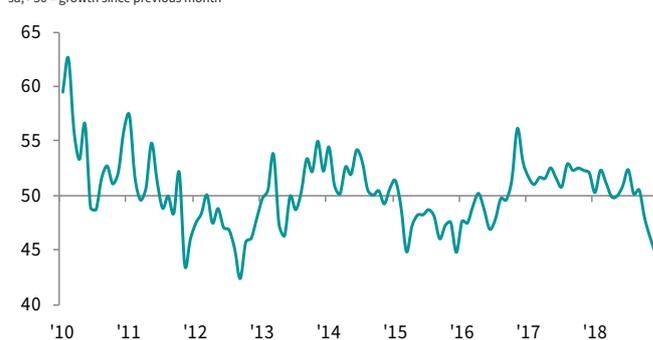
Output Index / Employment Index, Dec '18

sa, >50 = growth since previous month



Global Metals & Mining Output 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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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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