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## IHS MARKIT ASIA SECTOR PMI™

### Metals & Mining output declines at fastest rate in almost four years

#### KEY FINDINGS

Downturn in Metals & Mining sector worsens during October

Pharmaceuticals & Biotechnology drives strong growth in Healthcare activity

Financials sector loses momentum following strong performance during third quarter

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.

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

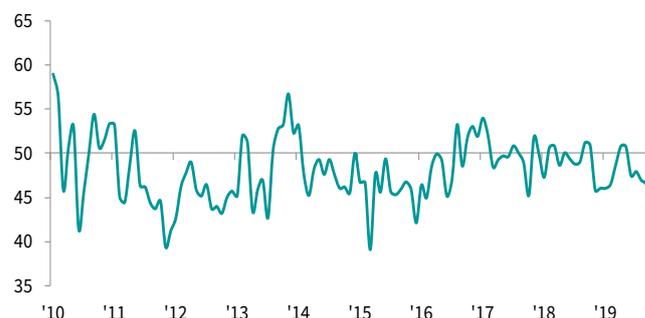
According to October survey data, **Metals & Mining** was the worst-performing sector across Asia at the start of the fourth quarter, with output falling sharply and at the fastest rate since December 2015. **Forestry & Paper Products**, the other part of the wider **Basic Materials** sector, also registered reduced output during October.

There was also a notable turnaround in the broad **Financials** sector, which had been the top-performer for most of the third quarter, with growth here easing amid a decline in activity at Asian **Banks**. Meanwhile, **Insurance**, which had topped the growth rankings in July, saw its expansion sequence abruptly end in October.

The fastest-growing sector across Asia at the start of the fourth quarter was **Pharmaceuticals & Biotechnology**, driving the overall **Healthcare** grouping to the top of a the broad sector growth rankings. In second place in the detailed rankings was **Technology Equipment**, where the expansion in output was the strongest in 16 months.

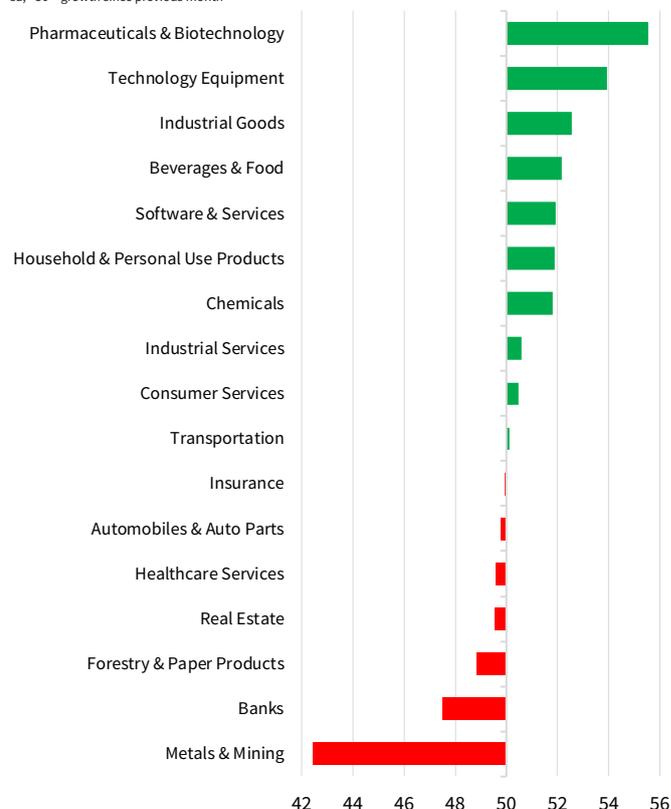
Asia Metals & Mining Output Index

sa, >50 = growth since previous month



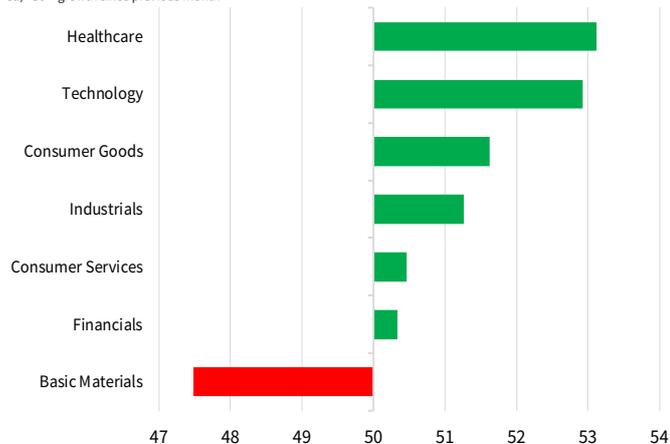
Output Index, Oct '19

sa, >50 = growth since previous month



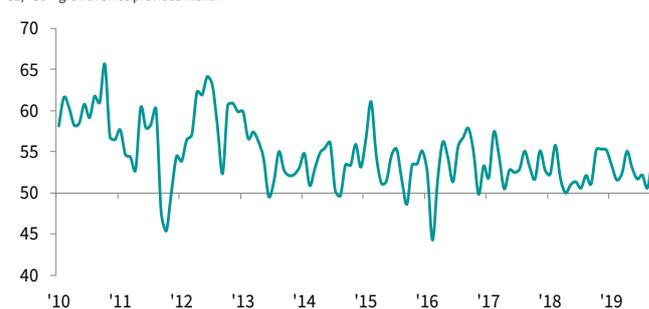
Output Index, Oct '19

sa, >50 = growth since previous month



Asia Pharmaceuticals & Biotechnology Output Index

sa, >50 = growth since previous month



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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](mailto: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](http://ihsmarkit.com/products/pmi.html).

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