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IHS Markit Asia Sector PMI™

More Asian sectors return to growth in August, led by Auto makers and Healthcare services

Key findings

Ten sectors record output growth in August, highest total since January

Healthcare activity rises for first time since February

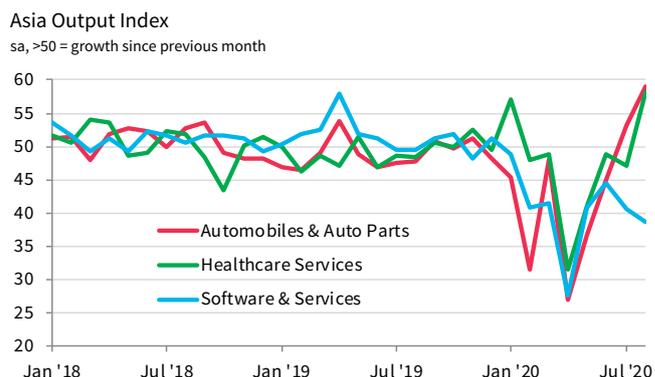
Substantial decline in software & services activity

The August Asia sector PMI™ data from IHS Markit showed signs of further economic recovery from the coronavirus disease 2019 (COVID-19) downturn earlier in the year as more sectors returned to growth territory midway through the third quarter. The number of sectors posting rising output rose from seven in July to ten in August, the highest total since January. That said, a number of sectors recorded faster rates of decline than in July.

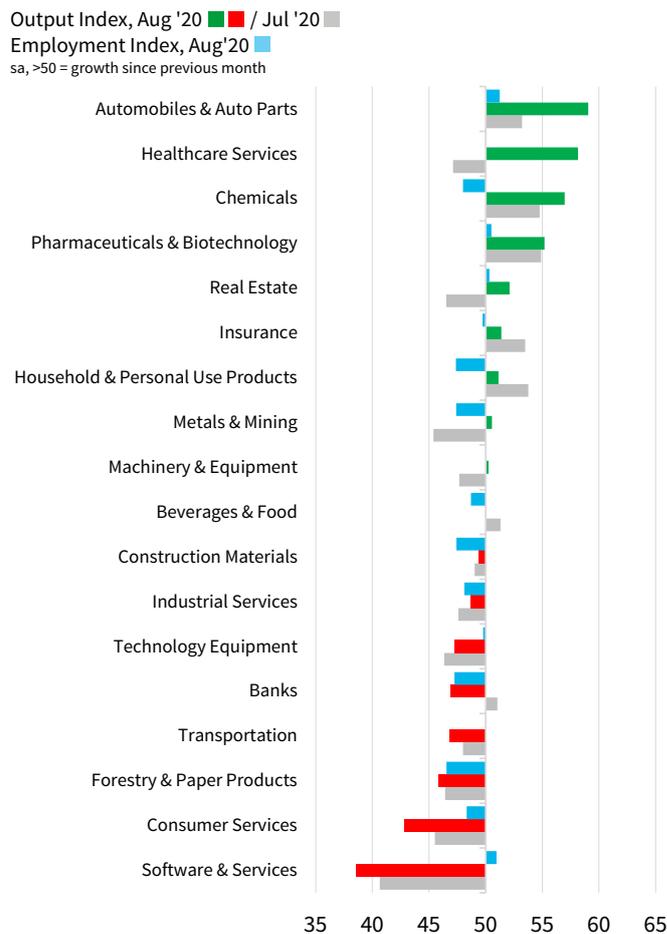
Asia Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's Asian PMI survey panels, covering over 6,000 private sector companies in 13 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services industry groups, and sub-sectors of these groups.

Automobiles & auto parts led the detailed sector rankings in August, followed by **healthcare services** and **chemicals** respectively. Another solid rate of output growth was recorded in **Pharmaceuticals & biotechnology**, which was in fourth place overall. **Metals & mining** and **machinery & equipment** returned to growth. **Financials** saw a mixed performance, with **real estate** registering growth for the first time since January, while **banks** fell back into a decline. **Insurance** meanwhile posted a weaker rate of expansion.

Software & services registered again the strongest decline in activity of all sectors monitored, with the Business Activity Index falling at the second-fastest rate over 11 years, surpassed only by April's record contraction. Other sectors to record faster declines since July included **consumer services**, **real forestry & paper products** and **transportation**.



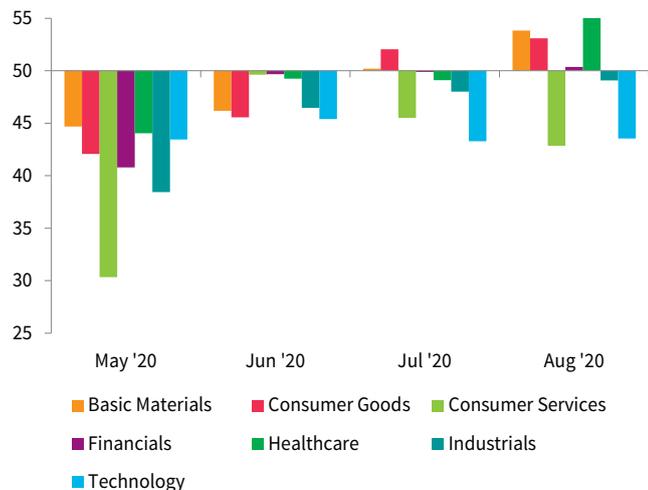
Source: IHS Markit.



Source: IHS Markit.

Asia Output Index

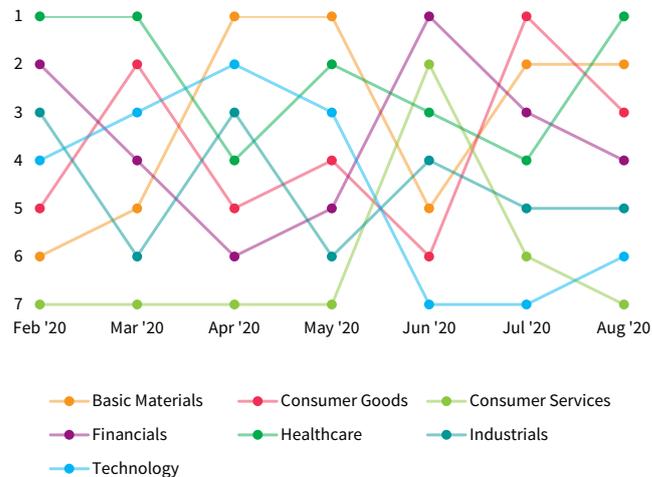
sa, >50 = growth since previous month



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 IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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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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