

IHS Markit Global Sector PMI™

Fastest rise in global financial services activity since August 2014 in January

Key findings

Banking, real estate and insurance activity all speed up in January

Machinery, autos and technology equipment are fastest growing areas of manufacturing

Tourism & recreation remains rooted to bottom of global sector league table

The latest Global Sector PMI™ data from IHS Markit signalled a notable pick-up in financial services activity in January. Overall activity in Financials rose at the fastest rate since August 2014, moving it top of the eight broad categories monitored. At the detailed level, Banks registered the second-fastest rate of growth in nearly ten years, closely followed by Real Estate where activity rose the most since January 2016. Meanwhile, Insurance was the third-fastest expanding services sector, and fifth overall. The fourth component of the Financials group of sectors, Other Financials (including consumer finance, investment services and specialised financial services) weighed on overall growth, however, with a slight reduction in activity.

Service sectors also topped the rankings for output expectations in January. The strongest sentiment was in Real Estate, followed by Banks, Software & Services, Industrial Services and Insurance, respectively.

The strongest-growing manufacturing sectors in January were Machinery & Equipment (ranked third overall), Automobiles & Auto Parts (fourth) and Technology Equipment (sixth). Highlighting the general out-performance of manufacturing globally relative to services, only one out of seven sectors to record lower output was located in manufacturing, namely construction materials.

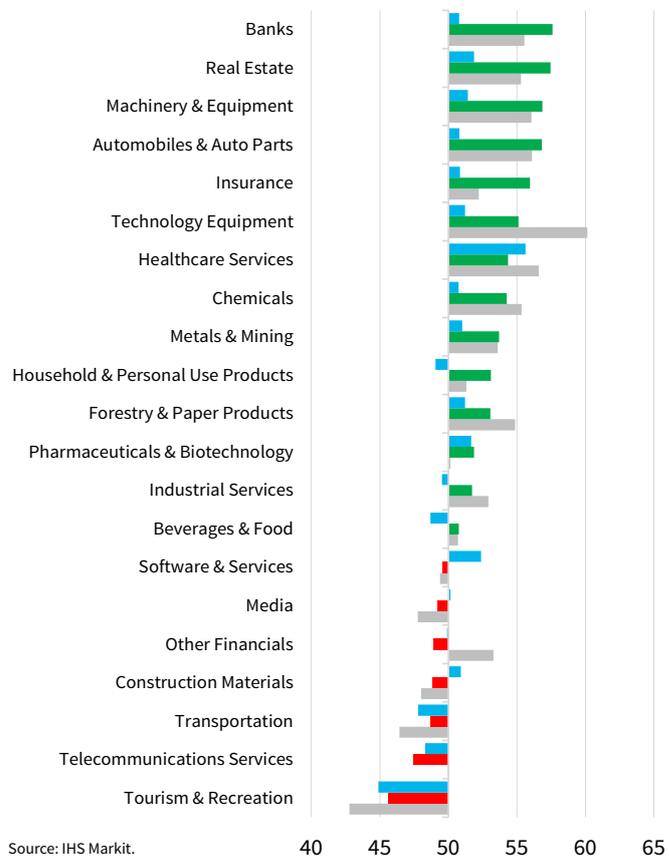
Tourism & recreation remained the worst-performing sector in January, although the rate of decline was the slowest since last October. Tourism & Recreation has been the bottom- or second-bottom ranked global sector every month since March 2020.

Global Business Activity Index
sa, >50 = growth since previous month



Source: IHS Markit.

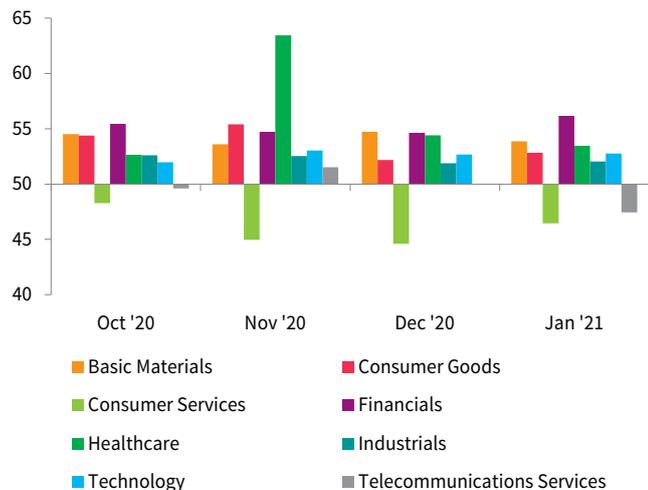
Output Index, Jan '21 ■ / Dec '20 ■
Employment Index, Jan '21 ■
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

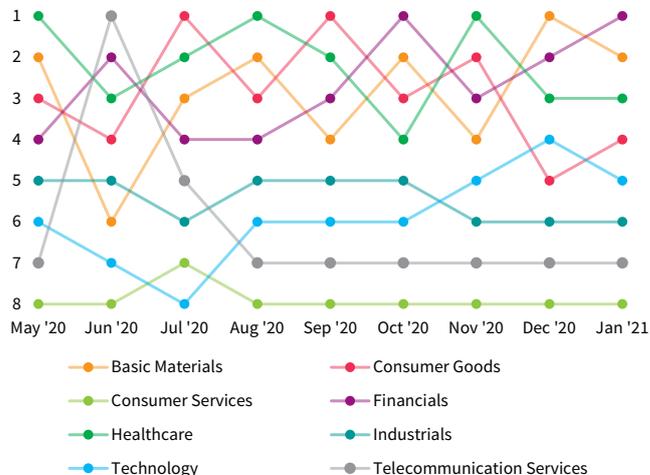
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

Rank



Source: IHS Markit.

Contact

Chris Williamson
 Chief Business Economist
 IHS Markit
 T: ++44-20-7260-2329
chris.williamson@ihsmarkit.com

Trevor Balchin
 Economics Director
 IHS Markit
 T: +44-1491-461-065
trevor.balchin@ihsmarkit.com

Katherine Smith
 Public Relations
 IHS Markit
 T: +1 781 301 9311
katherine.smith@ihsmarkit.com

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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.

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.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2021 IHS Markit Ltd. All rights reserved.

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

If you prefer not to receive news releases from IHS Markit, please email katherine.smith@ihsmarkit.com. To read our privacy policy, click here.