

IHS Markit Asia Sector PMI™

Automotive sector returns to top of Asian growth rankings in January

Key findings

Growth of autos output strengthens from December's five-month low

Consumer services replaces construction materials at bottom of output rankings

Software & services registers higher activity for first time since December 2019

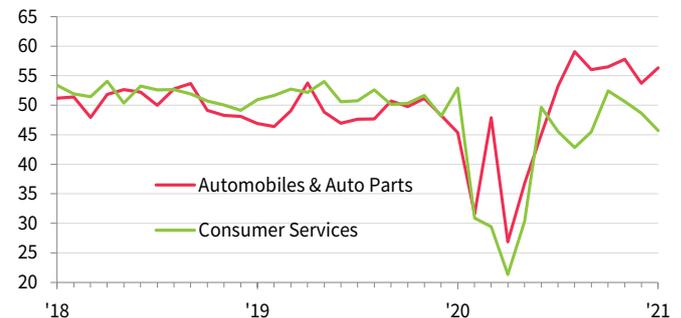
The automobiles & auto parts sector topped the Asia PMI™ sector output rankings in January. It registered the fastest rate of growth of all categories for the third time in the past six months, following a blip in December when it fell to seventh in the rankings. Less positively, new order growth eased to a six-month low, influenced by a decline in exports (including intra-Asia trade), and input price inflation was the strongest since October 2017.

Manufacturing dominated the January rankings, occupying the top five places. Household & personal use products and machinery & equipment registered faster growth in second and third respectively, followed by metals & mining and chemicals. Real estate was the best-performing service sectors in sixth place, with the rate of expansion remaining close to the highest for almost nine years. Consumer services registered the sharpest decline in activity at the start of 2021, followed by banks. Meanwhile, the two strongest-growing sectors in December – technology equipment and healthcare services – fell to eleventh and seventh respectively in January.

Although 11 sectors registered higher activity in January, only seven posted rising employment. This was the lowest total since last September. The strongest rise in jobs was in technology equipment, followed by healthcare services.

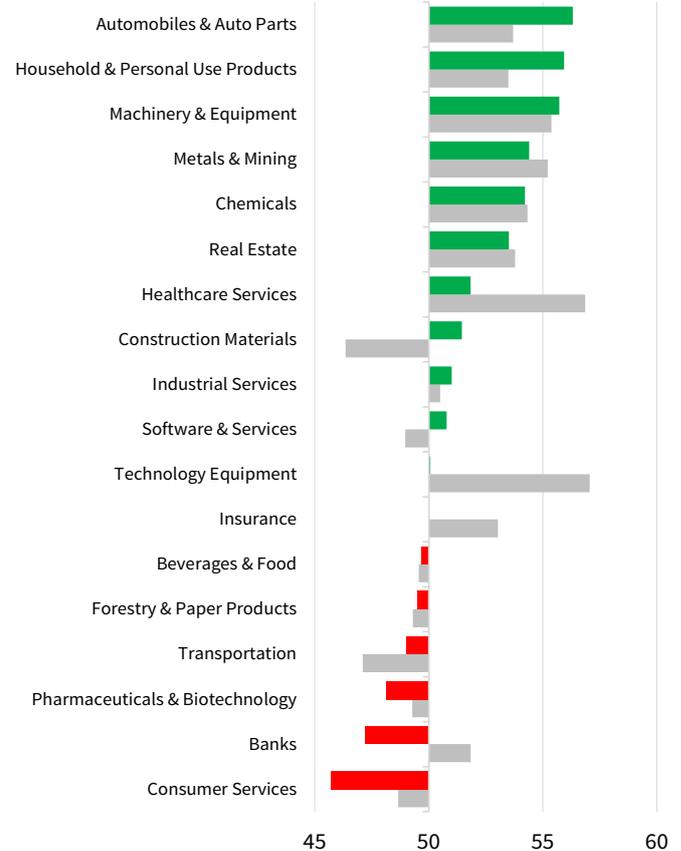
All 18 sectors at the most detailed level registered positive expectations for activity over the next 12 months. The strongest outlooks were in forestry & paper products, healthcare services and beverages & food. Confidence was weakest in insurance, industrial services and banks.

Asia Output Index
sa, >50 = growth since previous month



Source: IHS Markit.

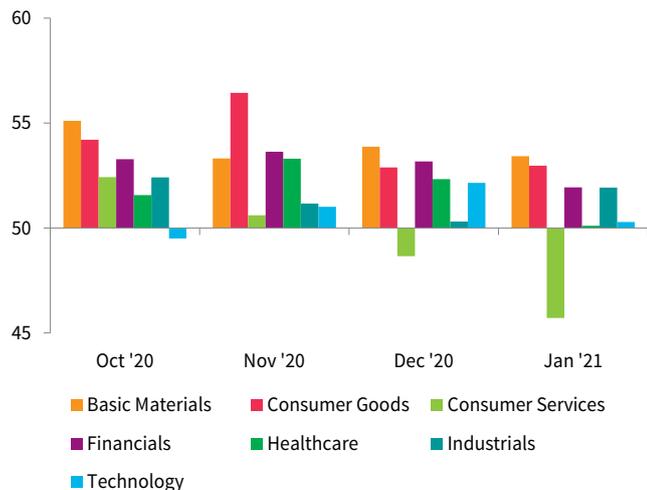
Output Index, Jan '21 / Dec '20
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

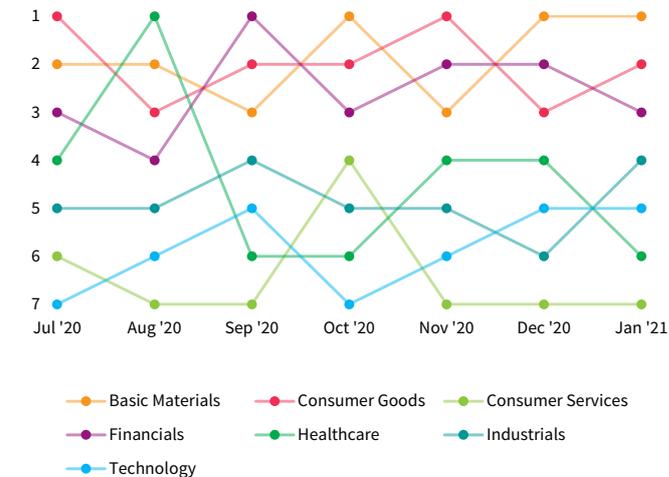
sa, >50 = growth since previous month



Source: IHS Markit.

Asia 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 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.

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.