

News Release

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IHS MARKIT GLOBAL SECTOR PMI™

Hi-tech manufacturers revive output in August as new orders grow further

KEY FINDINGS

Rebound in technology equipment output as new business increases for second month running

Downturn in autos & parts sector eases

Weaker activity trends in three out of four finance-related 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.

Technology equipment registered a rebound in output in August, the first expansion in four months. Moreover, the rate of growth was the strongest since July 2018, driven by a second successive monthly increase in new orders.

The **automobiles & auto parts** sector continued to record the sharpest decline in output of all sectors monitored in August. That said, production fell by less than in July, which had seen the steepest drop in the ten-year history of the global sector data. New orders and exports also declined at slower rates than July's records. Backlogs of work continued to drop, but at the weakest pace in 2019 so far.

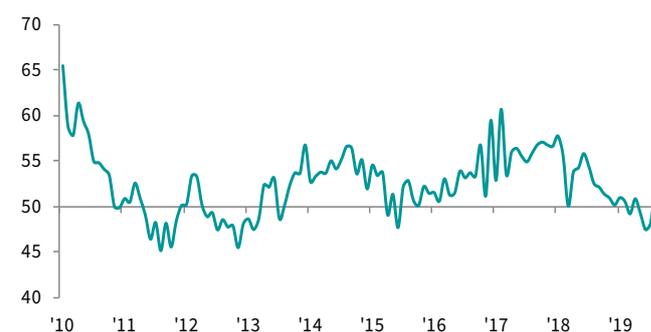
Five other global sectors registered lower output in August – **metals & mining, industrial goods, forestry & paper products, chemicals** and **healthcare services**.

The global **financials** industry registered slower growth in August. **Banks** and **insurance** both saw weaker increases in activity, while **other financials** business stagnated.

Real estate was the sole exception to the overall trend, registering the fastest growth in four months – albeit a modest pace overall.

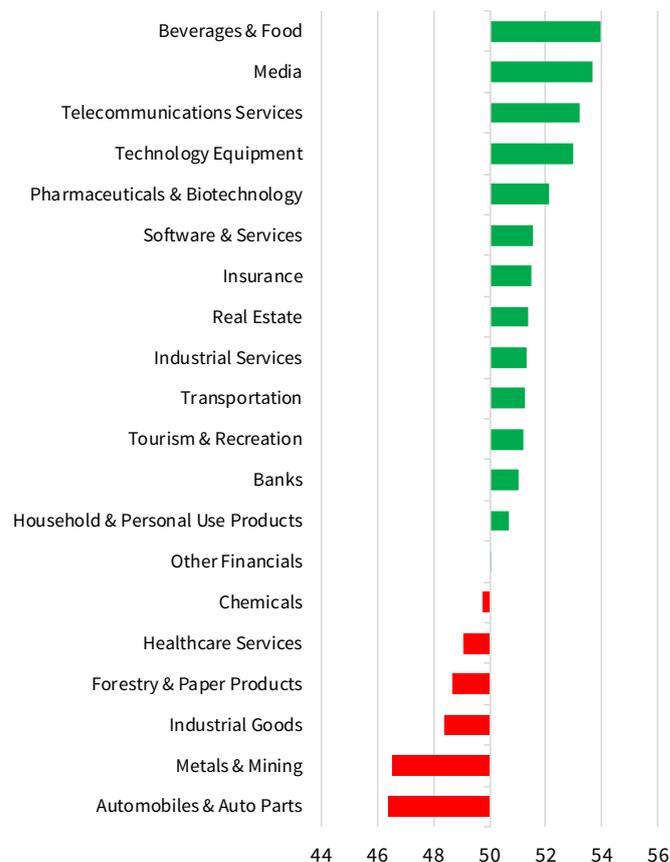
Global Technology Equipment Output Index

sa, >50 = growth since previous month



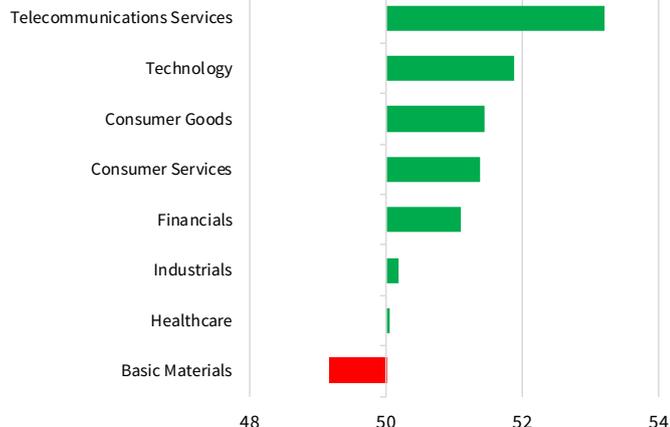
Output Index, Aug '19

sa, >50 = growth since previous month



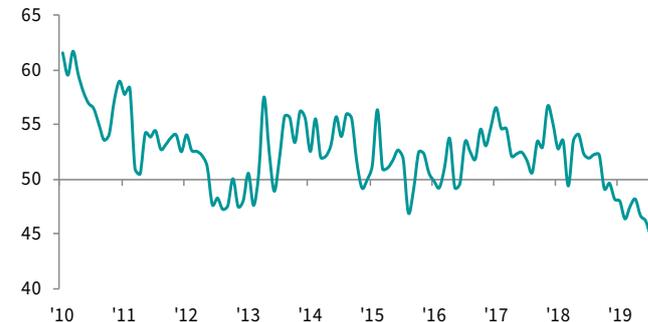
Output Index, Aug '19

sa, >50 = growth since previous month



Global Automobiles & Auto Parts 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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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. To learn more go to ihsmarkit.com/products/pmi.html.

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