

# IHS Markit Asia Sector PMI™

## Asian growth increasingly broad-based by sector in October

### Key findings

Total of 14 sectors register growth in activity, highest number since May

Machinery & Equipment posts fastest growth, followed by Banks

Autos production shows signs of stabilising in October

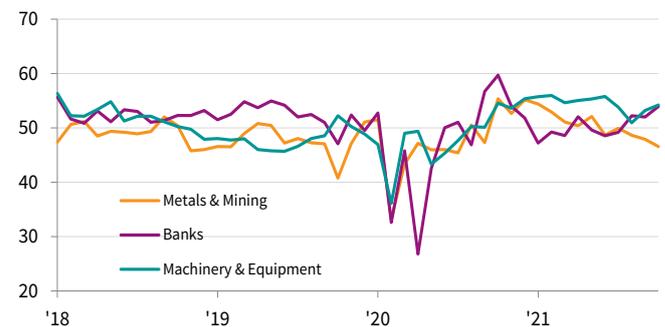
The latest Asia PMI™ sector data revealed higher output in 14 out of 18 detailed sectors monitored in October, the highest total since May. The fastest expansion was seen in Machinery & Equipment, which has ranked consistently high during 2021 so far, closely followed by Banks. Activity growth in the latter in October was the fastest since November 2020. Other comparatively strong sectors in the latest period were Industrial Services (including commercial and professional services), Insurance, Pharmaceuticals & Biotechnology and Transportation. Notably, Transportation registered the sharpest rise in activity since June 2019, and the fastest expansion in new business since April 2018.

Four sectors registered lower output in October. These included Metals & Mining, Forestry & Paper Products, Software & Services and Automobiles & Auto Parts. The autos sector posted a fourth successive decline in production, but the rate of contraction slowed to a marginal pace. New orders also fell only fractionally. Automakers continued to raise employment, having previously cut staff in July and August.

At the broad level, Industrials was the fastest-growing category in October, the first time it has topped the rankings since September 2018. Financials slipped to second having been the strongest group in both August and September. Basic Materials was the bottom-ranked broad sector for the third time in four months.

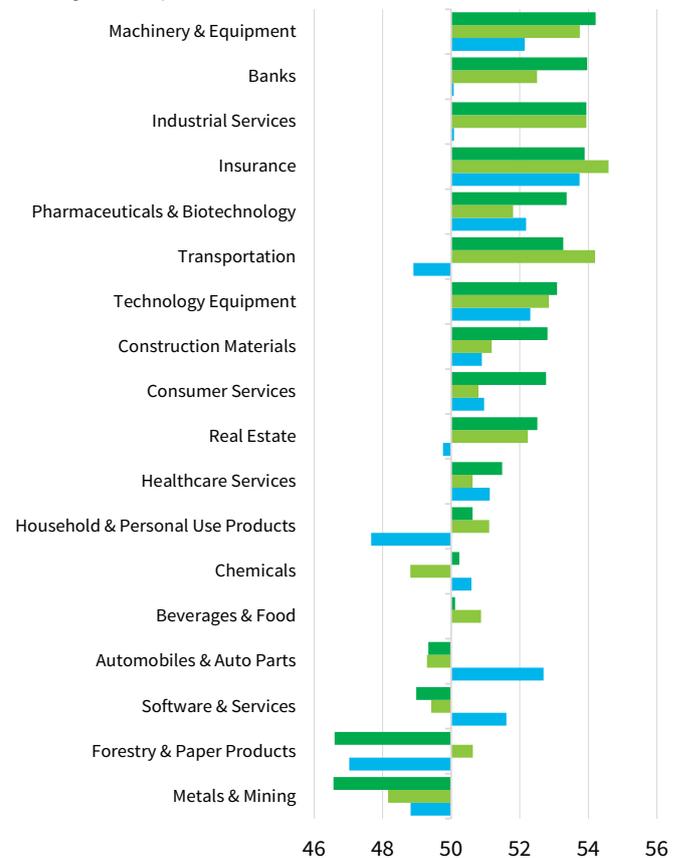
October data on input prices showed that Chemicals faced the strongest cost inflation, followed by Construction Materials, Machinery & Equipment and Metals & Mining, respectively.

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



Source: IHS Markit.

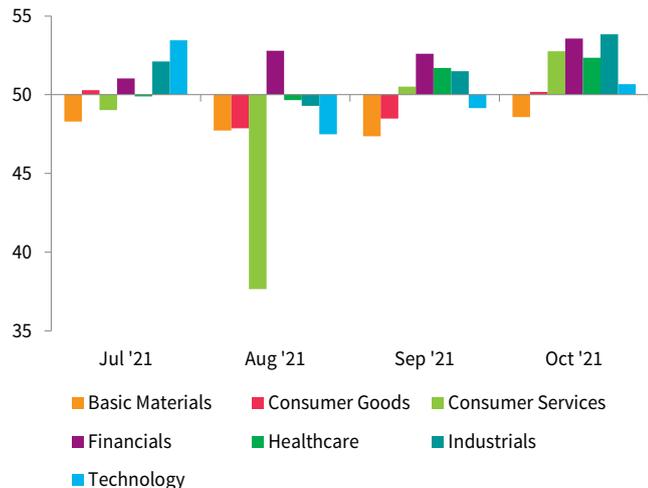
Output Index ■ / New Orders Index ■ / Employment Index ■, Oct '21  
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

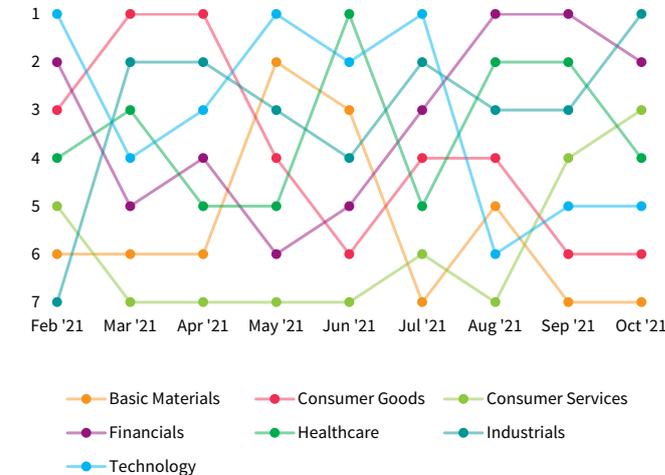
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

Rank



Source: IHS Markit.

Contact

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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](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.  
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