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IHS MARKIT ASIA SECTOR PMI™

Healthcare sector remains top performer, but technology climbs the rankings

KEY FINDINGS

Healthcare growth driven by Pharmaceuticals & Biotechnology

Technology Equipment production picks up to solid pace

Metals & Mining swaps bottom spot with Forestry & Paper Products

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.

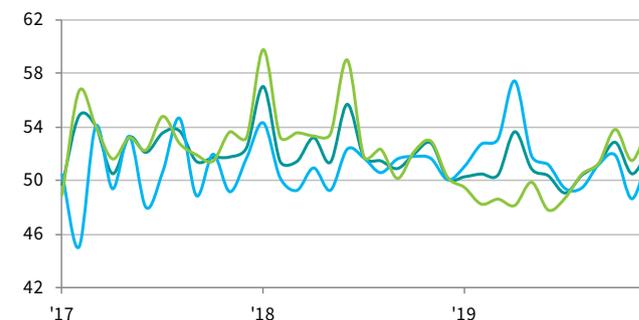
Latest survey data showed a fairly positive breakdown by sector across the Asian private economy at the end of 2019, with all but one of the broad segments of the economy expanding. Growth was led by the **Healthcare** sector, as had been the case throughout the fourth quarter, with **Pharmaceuticals & Biotechnology** a key factor supporting this. **Healthcare Services** activity contracted during December, albeit only slightly.

Elsewhere, the **Technology** sector moved up to second in the wider sector rankings, with survey data signalling a moderate expansion in output during December. Both the segments sitting beneath **Technology**, **Software & Services** and **Technology Equipment**, grew at relatively strong rates, with the latter leading the upturn.

Meanwhile, **Basic Materials**, which endured a challenging second half of the year, posted its strongest expansion in production for a year-and-a-half. While the **Resources** segment was weighed down by a stronger decline in **Forestry & Paper Products** output, the **Chemicals** sector registered a robust improvement in production volumes.

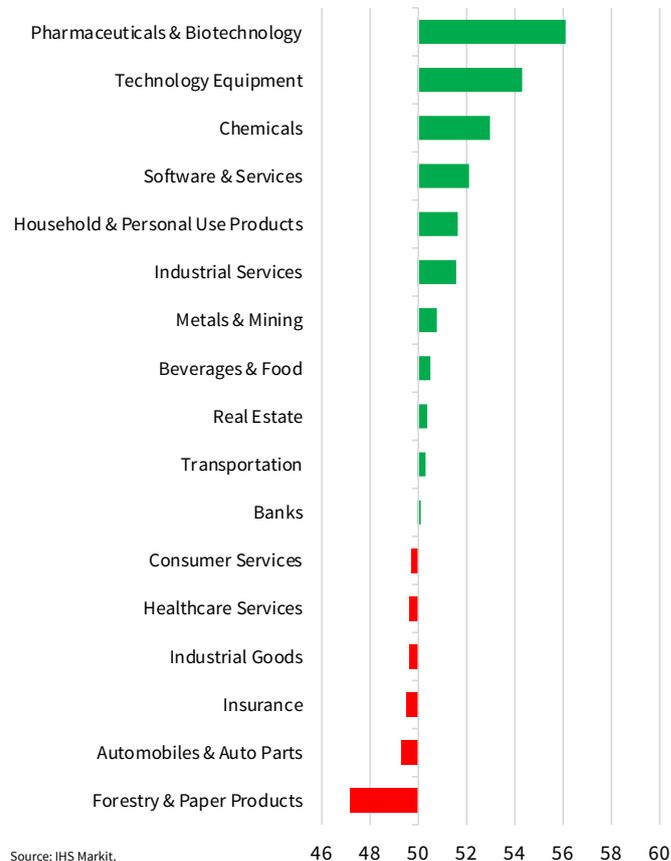
Lastly, **Automobile & Auto Parts** output fell into decline for the first time since August, although the contraction was only mild overall.

Asia Output Index
Technology / Software & Services / Technology Equipment
sa, >50 = growth since previous month



Source: IHS Markit.

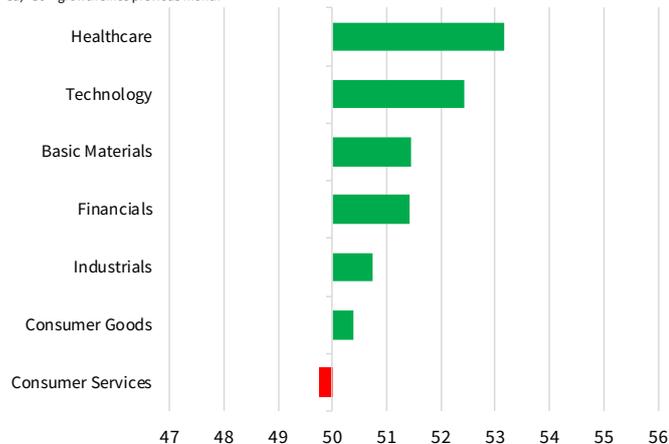
Output Index, Dec '19
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Dec '19

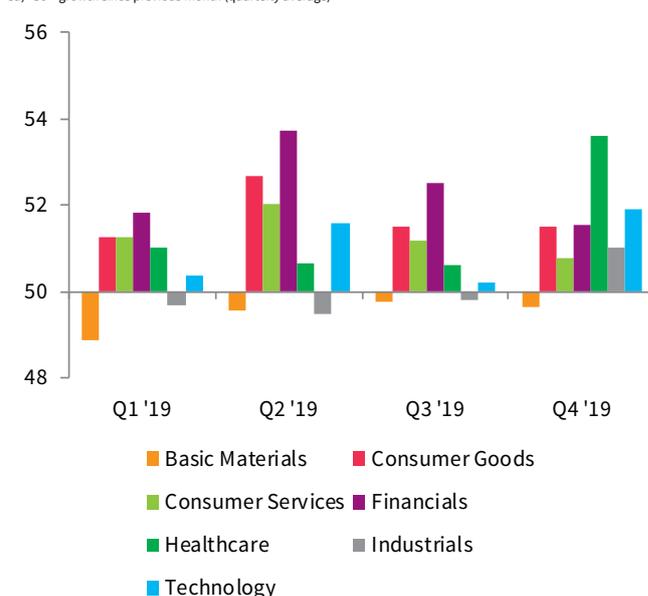
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

sa, >50 = growth since previous month (quarterly average)



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 countries.

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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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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