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IHS MARKIT GLOBAL SECTOR PMI™

Finance-related sectors perform strongly in December

KEY FINDINGS

Other financials, banks and real estate among fastest-growing global sectors at end of 2019

Food & drink and pharmaceuticals complete top five rankings

Other financials is fastest-growing sector over 2019 as a whole

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.

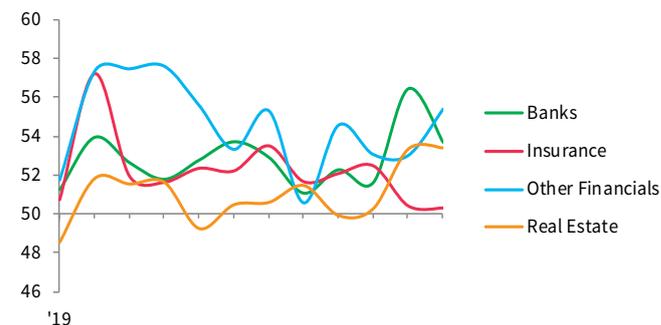
The final batch of data for 2019 revealed that **other financials** was the fastest-growing global sector in December, continuing its leading performance during the year. Two other finance-related sectors – **banks** and **real estate** – ranked fourth and fifth, with the top five positions completed by **pharmaceuticals & biotechnology** and **beverages & food**.

Four of the five sectors to record falling output in December were located in manufacturing, the exception being **media**. **Forestry & paper products** registered the fastest decline, followed by **automobiles & auto parts** and **industrial goods** respectively. Encouragingly, **metals & mining** posted the slowest drop in production of the current 15-month sequence.

Other financials was also the fastest-growing sector during 2019 as a whole, followed by beverages & food, **software & services**, banks and pharmaceuticals & biotechnology respectively. At the broad level, **financials** was the fastest-growing category while **basic materials** was the weakest-performing, mainly reflecting metals & mining.

Global Business Activity Index

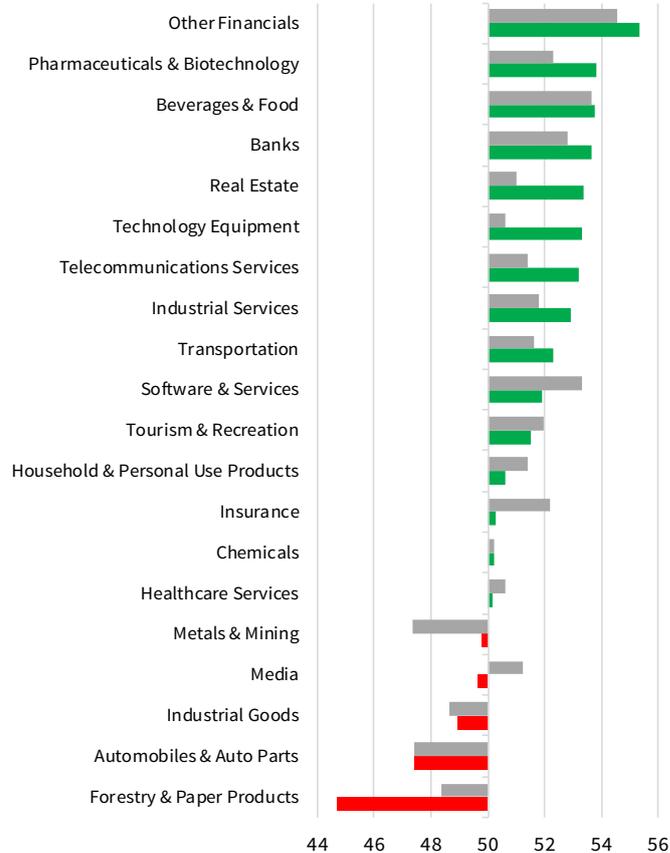
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Dec '19 (■) / 2019 (■)

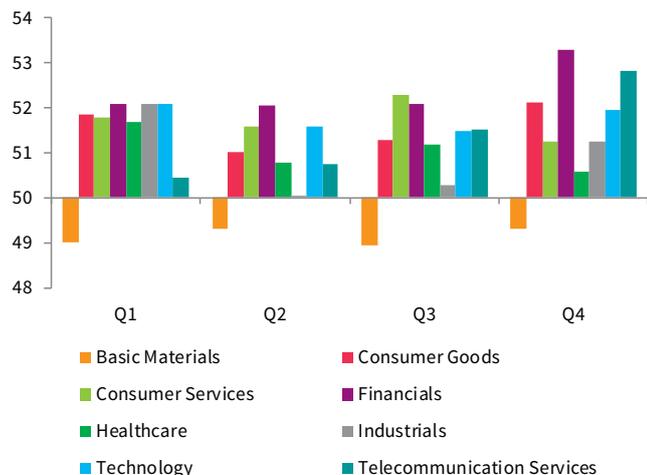
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, 2019

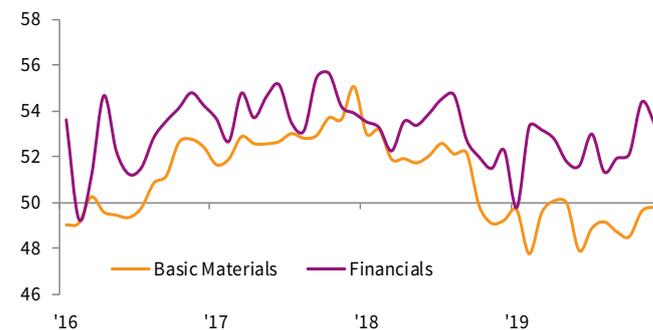
sa, >50 = growth since previous month (quarterly average)



Source: IHS Markit.

Global Business Activity Index

sa, >50 = growth since previous month



Source: IHS Markit.

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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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