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IHS MARKIT ASIA SECTOR PMI™

Healthcare sector dominates growth rankings in January

KEY FINDINGS

Asian healthcare sector records strong and accelerated growth amid coronavirus outbreak

All seven broad industry groups record output growth

Automobile & auto parts production falls at sharper rate

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.

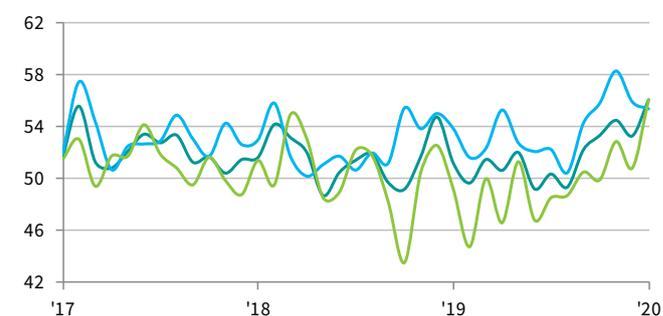
All seven broad categories of the Asia Sector PMI recorded output in expansion territory during January, with the **Healthcare** sector registering the sharpest overall rate of growth for the fourth successive month.

Drilling down into the **Healthcare** sector revealed strong rises in output at both **Healthcare Services** and **Pharmaceutical & Biotechnology** companies following the coronavirus outbreak in China. In the case of the former, the rate of growth accelerated markedly and overtook the latter in the more detailed sector breakdown.

Beneath the two sub-components of the **Healthcare** sector in the growth rankings was **Banks**, which recorded the third-fastest rise in output across all sectors during January. However, marginal growth of **Real Estate** output and a solid drop in activity at **Insurance** firms restricted growth to a mild pace for the wider **Financials** category.

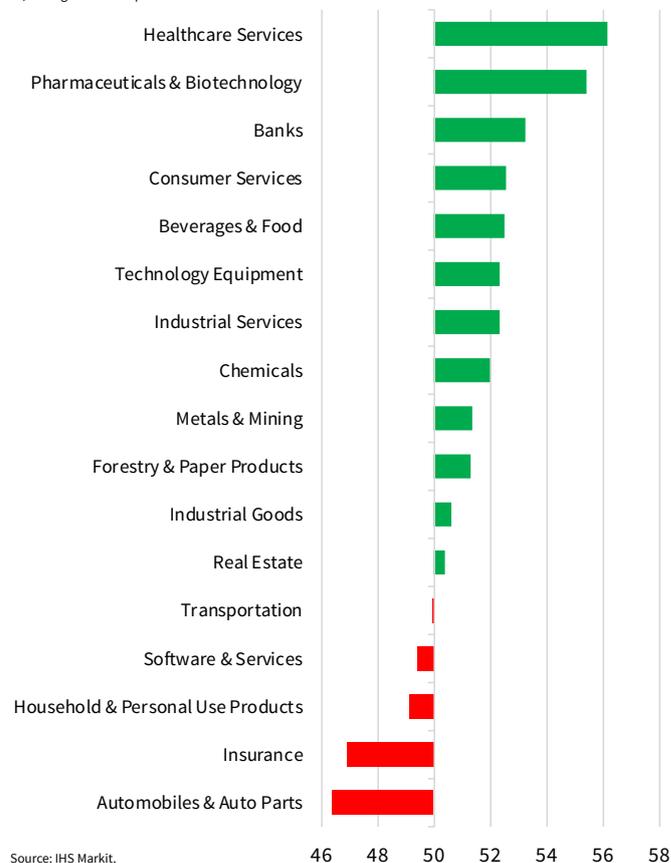
The only sub-sector that outpaced the contraction in **Insurance** was **Automobiles & Auto Parts**. Production fell solidly overall and for a second straight month. This was also a notable hindrance to the wider **Consumer Goods** sector, which recorded fractional growth overall and moved to the bottom of the broad category rankings.

Asia Output Index
Healthcare / Pharmaceuticals & Biotechnology / Healthcare Services
sa, >50 = growth since previous month



Source: IHS Markit.

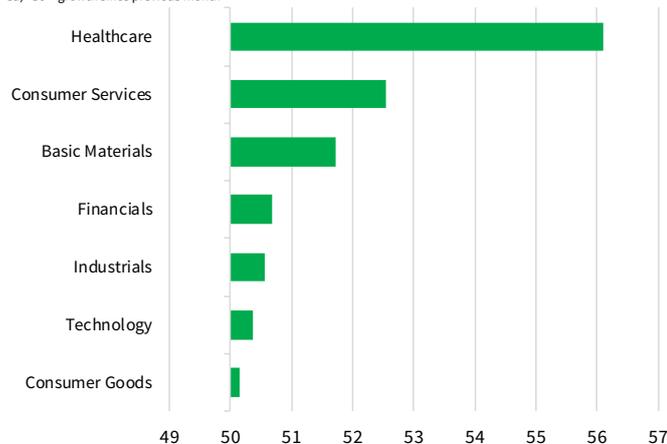
Output Index, Jan '20
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index, Jan '20

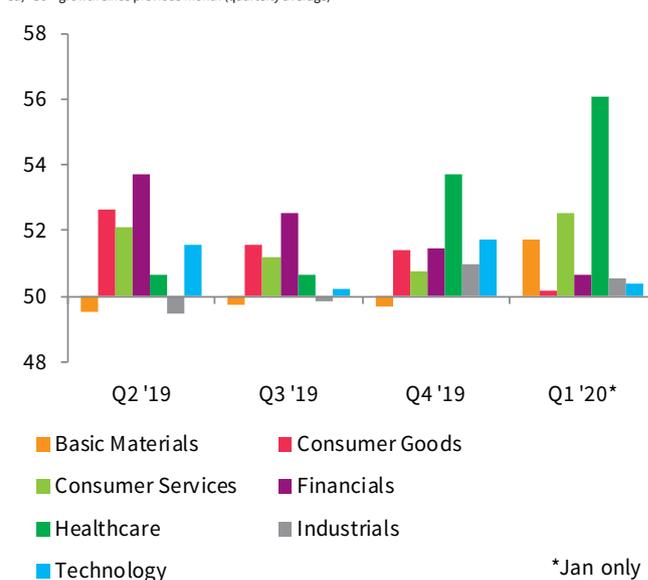
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

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



Source: IHS Markit.

CONTACT

Chris Williamson
 Chief Business Economist
 IHS Markit
 T: +44-20-7260-2329
chris.williamson@ihsmarkit.com

Joe Hayes
 Economist
 IHS Markit
 T: +44 1491 461 006
joseph.hayes@ihsmarkit.com

Katherine Smith
 Corporate Communications
 IHS Markit
 +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 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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