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IHS MARKIT EUROPE SECTOR PMI®

European autos output falls for second month running

KEY FINDINGS

Sharpest drop in backlogs in autos & parts sector in nearly six years

Metals & mining output falls for third month running

Real estate activity declines

European Sector PMI® indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in 11 countries.

Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

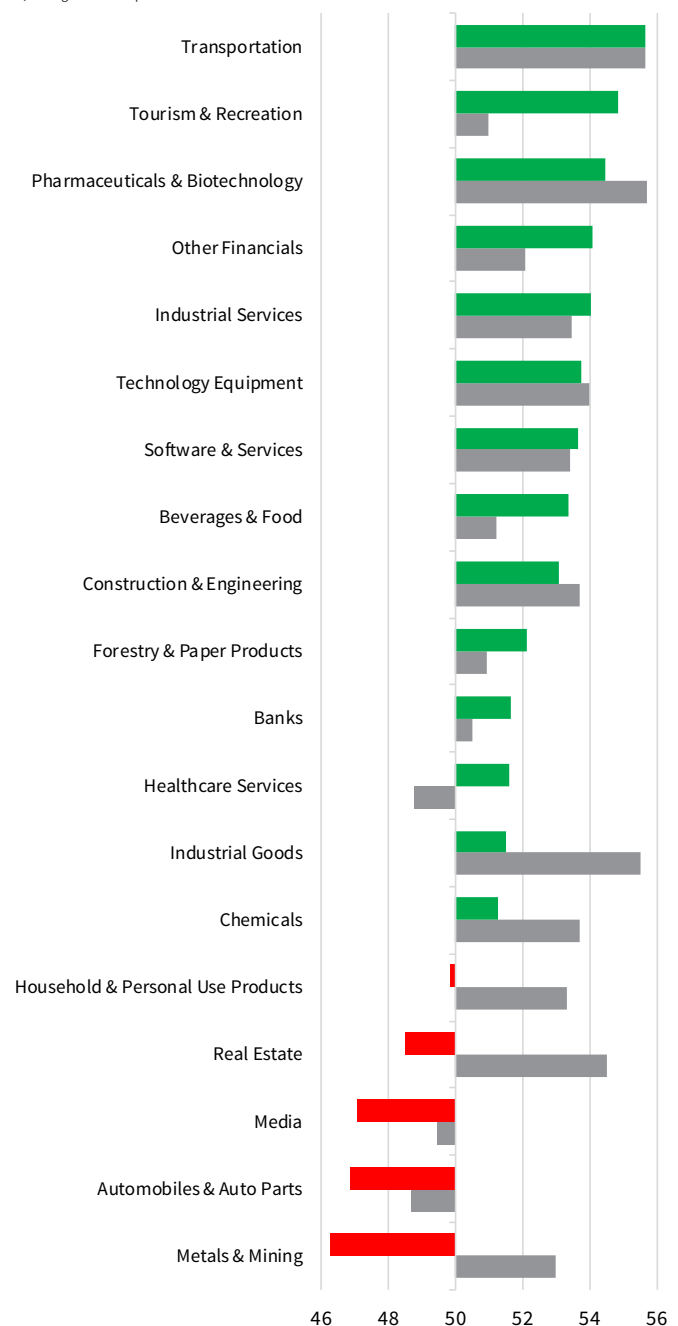
November data signalled an ongoing downturn in the European **automobiles & parts** sector. Output fell for the second month running, driven by a further drop in new orders. Purchasing of inputs contracted at the sharpest rate since March 2013 and backlogs were reduced the most in nearly six years.

The only sector to post a stronger decline in output than autos was **metals & mining**. The pace of contraction eased slightly since October, but new orders fell more quickly.

Three other sectors registered lower business activity in November, namely **media, real estate** and **household & personal use products**. Of these, real estate saw the sharpest contraction since April 2013.

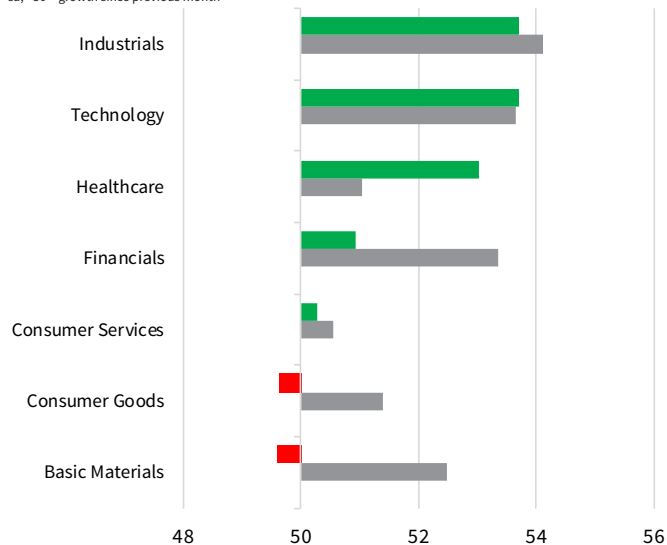
The three fastest-growing sectors in November were **transportation, tourism & recreation** and **pharmaceuticals & biotechnology**. The latter sector posted a strong overall increase in output, albeit one weaker than those seen in the previous four months. Transportation and tourism & recreation registered the strongest growth rates in five and ten months respectively.

Output Index / Employment Index, Nov '18
sa, >50 = growth since previous month



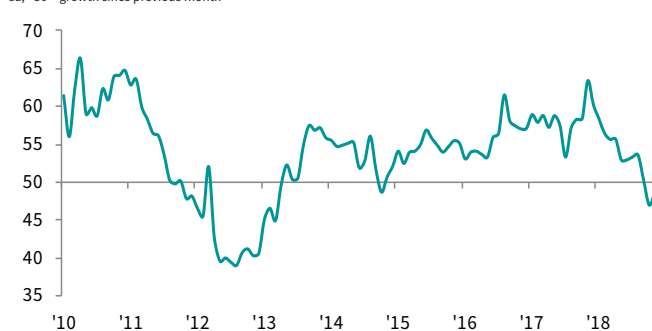
Output Index / Employment Index, Nov '18

sa, >50 = growth since previous month



Europe Automobiles & Auto Parts Output Index

sa, >50 = growth since previous month



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Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe 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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