

# Nikkei Asia Sector PMI™

## Machinery & equipment output rebounds in August

### Key points:

- Machinery & equipment climbs from bottom of growth rankings to sixth place
- Pharmaceuticals & biotechnology posts fastest growth of all sectors
- Downturn in automobiles & auto parts production intensifies

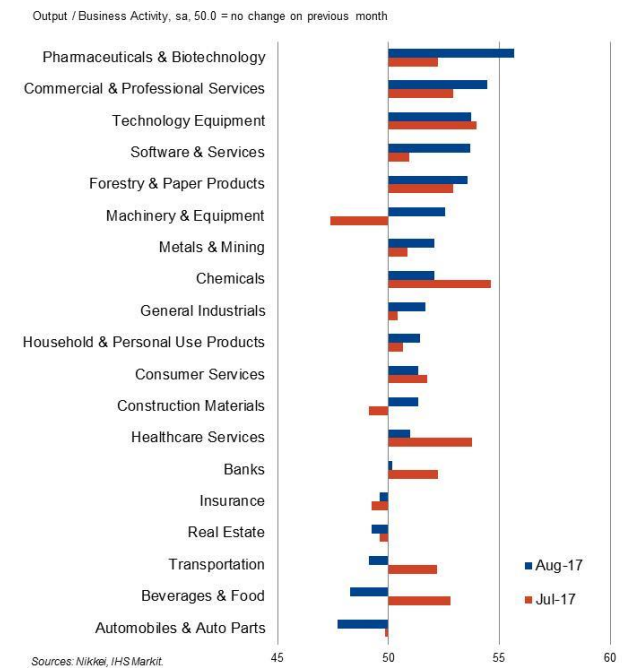
### Summary:

The latest Asia Sector PMI™ data, compiled by IHS Markit and sponsored by Nikkei, highlighted output growth in 14 of the 19 categories monitored. **Pharmaceuticals & biotechnology** was the brightest spot in August as a sharp and accelerated upturn in new business inflows led to the strongest increase in output since February. Nonetheless, it was **machinery & equipment** that posted the largest change since July, with the sector recovering substantially from last month's contraction to show a solid expansion in production. On the other side of the spectrum was **automobiles & auto parts**, which fell four places to reach the bottom of the league table.

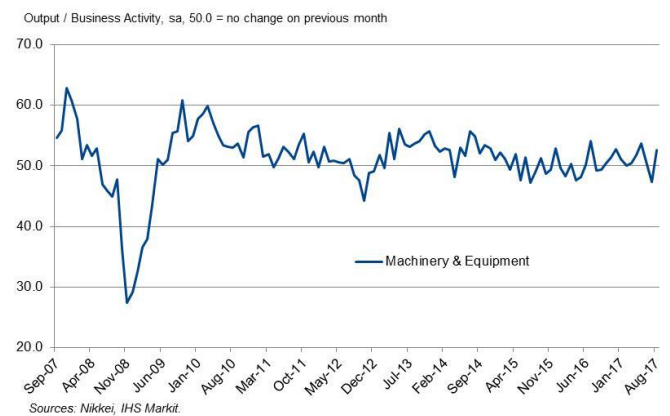
Marked increases in output were recorded in the **commercial & professional services, technology equipment, software & services** and **forestry & paper products** sectors. Whereas **metals & mining** activity showed a modest expansion, the upturn was nevertheless the fastest since January. Growth of **chemicals** output eased considerably from July's six-year peak, stripping the category from its leading position in the rankings to be in eighth place. Meanwhile, business activity rose at modest rates in **general industrials, household & personal use products, consumer services, construction materials** and **healthcare services**.

**Insurance** and **real estate** activity continued to decline in August, while **transportation** output slid for the first time since March. A similar trend was noted in the **beverages & food** category, where production decreased for the first time in five months. This sector slipped from sixth place in July to eighteenth in the growth rankings.

### Asia Sector Output Index: detailed sectors



### Asia: Machinery & Equipment



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### Notes to Editors:

Nikkei Asia Sector PMI™ data are derived from surveys of over 6,700 companies operating in 13 economies, including China, Japan, India, South Korea, Indonesia, Taiwan, Malaysia, Hong Kong, Singapore, Vietnam, Myanmar, Thailand and the Philippines. The data are typically released on the fifth working day of each month, two days' after the Global Composite PMI, at 0030 UTC time (0830 Hong Kong).

The Asia Sector PMI data provide corporate decision makers, economic analysts, policy makers and investors with a powerful database with which to monitor business cycles by industry. Sector trends over time can be tracked – with historic data to September 2007 – as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for seven major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology; and a further 21 sectors and subsectors of those groups.

Sector PMI data are generated from the same questionnaire responses as national PMI data, and mapped to IHS Markit's sector classification structure using Standard Industry Classification (SIC) codes. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month. Diffusion indexes are calculated for each variable (the percentage of positive responses plus half the percentage of neutral responses). These indexes vary between 0 and 100 with levels of 50.0 signalling no change on the previous month. Readings above 50.0 signal an improvement or increase on the previous month. Readings below 50.0 signal a deterioration or decrease on the previous month. The greater the divergence from 50.0 the greater the rate of change signalled.

Individual company responses will be weighted on the basis of that company's country of origin. Country weights for each sector are derived from a combination of GDP data and detailed industry gross value added.

The PMI diffusion indexes are then adjusted for seasonality using the X-12 ARIMA program.

Detailed historical Asia sector data are available via a subscription from IHS Markit, and datasets are also available for Global, Europe and the US sectors. For further information please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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