

Nikkei Asia Sector PMI™

Sharp acceleration in Pharmaceuticals & Biotechnology growth in February

Key points:

- Pharmaceuticals & biotechnology experiences fastest increase in output for two years
- Business activity at software & services firms declines at fastest pace since May 2009
- 14 out of 19 sectors experience output growth

Summary:

Nikkei Asia Sector PMI™ data, compiled by IHS Markit, showed **pharmaceuticals & biotechnology** leading Asian growth in February after registering a sharp and accelerated increase in output. In fact, the rate of expansion in the sector quickened to a two-year high.

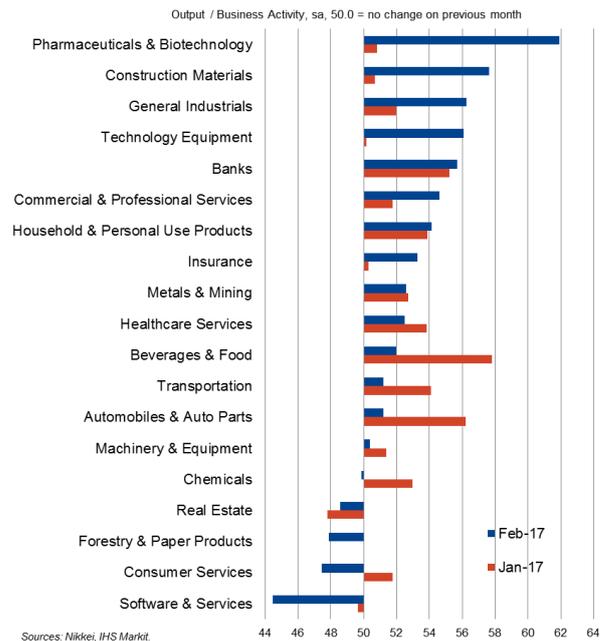
February survey data also highlighted a strong month for the **industrials** sector, with both **construction materials** and **general industrials** experiencing marked increases in production to see them place second and third in the Asian output league table respectively. Moreover, the rate at which **construction materials** producers raised output quickened to a series high. Meanwhile, **commercial & professional services** recorded a marked uptick in business activity to place in the top half of the output rankings.

Other strong-performing sectors included **technology equipment**, which saw production rebound during February after having stagnated in the opening month of 2017, along with **banks** and **household & personal use products**, where output growth was marked. Meanwhile, **beverages & food**, which led Asian growth in January, saw business activity weaken during the month.

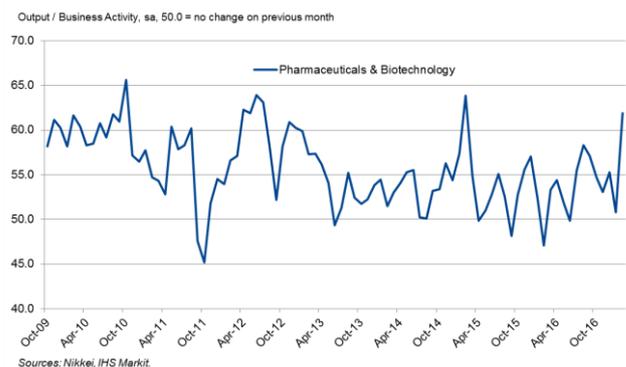
The worst-performing Asian sector in February was **software & services**, where output contracted at the fastest extent since May 2009. **Consumer services**, which recorded marginal business activity growth in January, also experienced a decline in February, along with **forestry & paper products**.

Finally, 14 out of the 19 detailed sectors experienced output growth during February, down from 16 sectors at the start of the year.

Asia Sector Output Index: detailed sectors



Asia: Pharmaceuticals & Biotechnology



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For further information, please contact:

IHS Markit (About PMI and its comment)

Samuel Agass, Economist
Telephone 44-1491-461-015
Email samuel.agass@ihsmarkit.com

Jerrine Chia, Marketing and Communications
Telephone +65 6922-4239
E-mail jerrine.chia@ihsmarkit.com

Bernard Aw, Economist
Telephone +65 6922 4226
Email bernard.aw@ihsmarkit.com

Nikkei inc. (About Nikkei)

Ken Chiba, Deputy General Manager, Public Relations Office
Atsushi Kubota, Manager, Public Relations Office
Telephone 81-3-6256-7115
Email koho@nex.nikkei.co.jp

Notes to Editors:

Nikkei Asia Sector PMI data are derived from surveys of over 6,700 companies operating in ten 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 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 Markit, and datasets are also available for Global and Europe sectors. For further information please contact economics@ihsmarkit.com.

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