

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 0930 (London) / 0830 (UTC) October 6th 2017

IHS Markit Europe Sector PMI[®]

Technology continues to lead European growth in September

Key points:

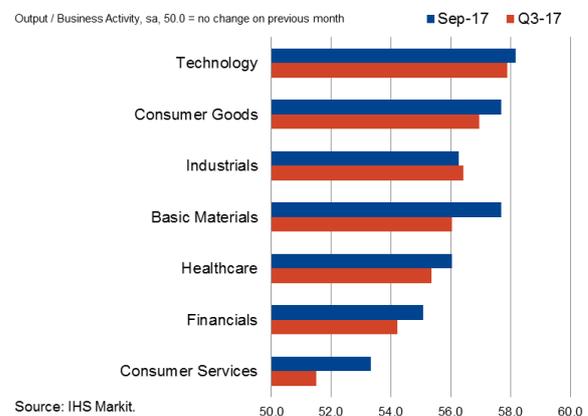
- Technology remains fastest-growing area for sixth month running
- Marked growth in banking activity
- Strongest increase in metals & mining output since early-2011

The latest Europe Sector *PMI*[®] data from IHS Markit showed that **technology** again achieved the fastest rate of expansion among seven broad sectors in September. Technology has led the growth rankings in every month of 2017 so far except in March. At the detailed level, marked increases in output were signalled in **technology equipment**, **banks**, **machinery & equipment** and **metals & mining** in September. Technology equipment, banks and machinery & equipment also registered the fastest growth over the third quarter as a whole.

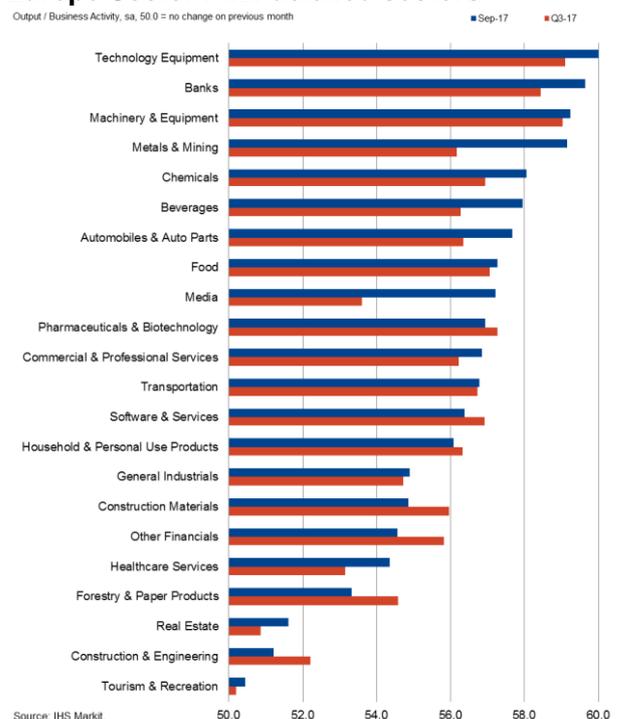
Growth in the wider **financials** sector remained constrained somewhat in September by a muted increase in **real estate** activity. It was the second-weakest performing sector over the third quarter, ahead of **tourism & recreation**. In contrast, banking was the only services sector in the top eight ranks of the growth table.

Output growth in **basic materials** accelerated in September. Over the third quarter as a whole, production expanded at the strongest rate since Q1 2011. Metals & mining recorded the fastest increase in output since February 2011 in September, while **chemicals** also registered marked growth.

Europe Sector PMI: broad sectors



Europe Sector PMI: detailed sectors



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Notes to Editors:

PMI[®] is an acronym for *Purchasing Managers' Index*[®], a type of survey originally developed for tracking business conditions in the manufacturing sector. IHS Markit now uses '*PMI*' to describe the methodology used for surveys also undertaken in the services, construction and non-oil private sectors.

IHS Markit Europe Sector PMI data are derived from surveys of around 6,500 companies operating in 11 countries, including Austria, Czech Republic, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain and the United Kingdom. The data are typically released on the fifth working day of each month, two days' after the Global Composite PMI, at 0930 UK time.

The Europe Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked 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 26 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 European sector data are available via a subscription from IHS Markit, and datasets are also available for the US, Asia and at a global level. For further information please contact economics@ihsmarkit.com.

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge 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 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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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 www.markit.com/product/pmi.

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