Markit Global Sector PMI™

Consumer demand boosts global economy in January

Key findings:

- Consumer goods and services lead global sector rankings

- Banking also sees strong growth

- Rise in basic materials output slows

The latest Markit Global Sector PMI™ data signalled that consumer-related sectors drove global growth in January, while telecoms contracted and basic materials slowed.

Consumer goods registered the fastest growth of the eight broad sector groups monitored at the start of 2017. Output rose at the strongest rate since April 2010. Two component sectors – **automobiles & auto parts** and **food** – registered the strongest rates of expansion in output among all 23 detailed sectors monitored.
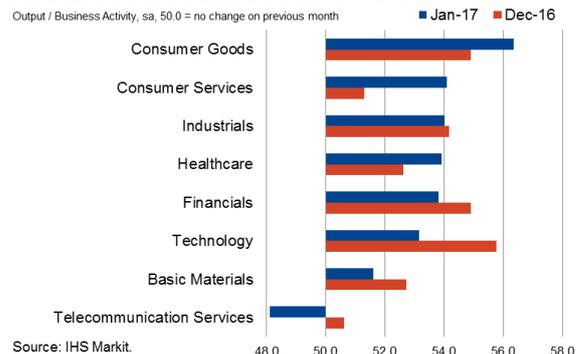
Consumer services was the second-fastest growing group of sectors in January, just ahead of **industrials**, **healthcare** and **financials**. Within consumer services, **tourism & recreation** registered strong growth (ranked fifth overall) and **media** posted a rebound from December's weak expansion.

The strongest-growing non-consumer sectors in January were **banks**, **other financials**, **transportation**, **chemicals** and **healthcare services**.
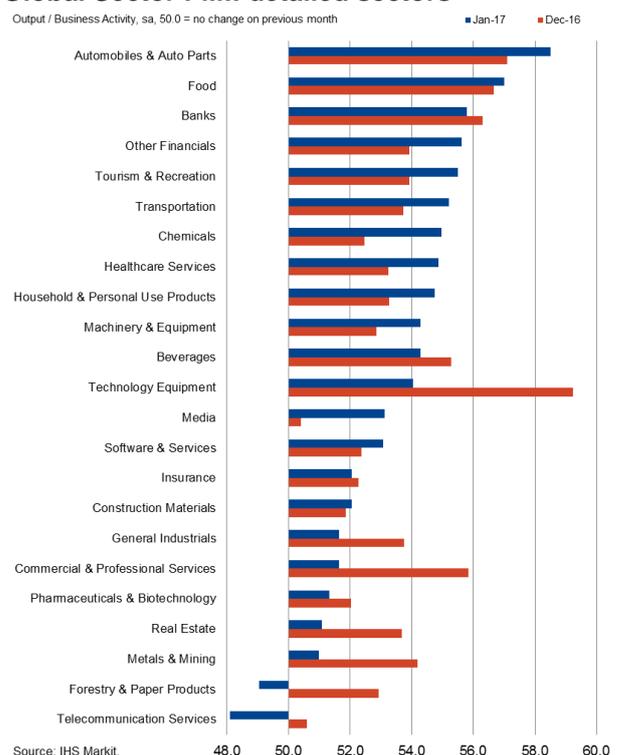
Two sectors registered falling output in January, namely **telecommunication services** and **forestry & paper products**.

Metals & mining registered the weakest rate of growth of the 21 sectors that saw expansion during the month. This, combined with the drop in forestry & paper products, resulted in the slowest rise in basic materials output since September, despite a stronger expansion in chemicals.

Global Sector PMI: broad sectors

Output / Business Activity, sa, 50.0 = no change on previous month — Jan-17 ■ Dec-16

Source: IHS Markit.

Global Sector PMI: detailed sectors

Output / Business Activity, sa, 50.0 = no change on previous month — Jan-17 ■ Dec-16

Source: IHS Markit.

compiled by markit

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Global Consumer Goods vs Basic Materials

Output, 50 = no change on previous month

Source: IHS Markit

Note to Editors:

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

Markit Global Sector PMI data are derived from surveys of over 20,000 companies operating in over 30 countries. The data are typically released on the fifth working day of each month, two days' after the Global Composite PMI, at 1100 Eastern US time.

The Global 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 eight major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services; 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 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 global sector data are available via a subscription from Markit, and datasets are also available for Europe, Asia and the US. For further information please contact economics@ihsmarkit.com.

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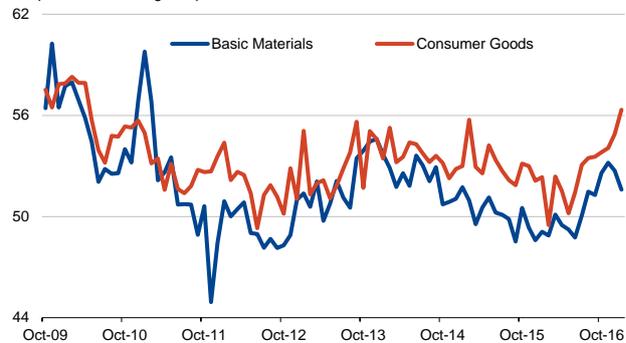
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Purchasing Managers' Index® (*PMI*®) surveys are now available for over 30 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and 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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