

## Nikkei Asia Sector PMI™

### Marked rebound in software & services activity

#### Key points:

- Software & services is second-best performing category in March
- Construction materials sector leads growth rankings
- Beverages & food production drops markedly

#### Summary:

The latest Nikkei Asia Sector PMI™ data, compiled by IHS Markit, highlighted a strong turnaround in **software & services**, which was the worst-performing category in the preceding survey period. Activity in the sector rose sharply in March, with the rate of expansion at a 20-month high and the second-strongest of the 19 monitored segments.

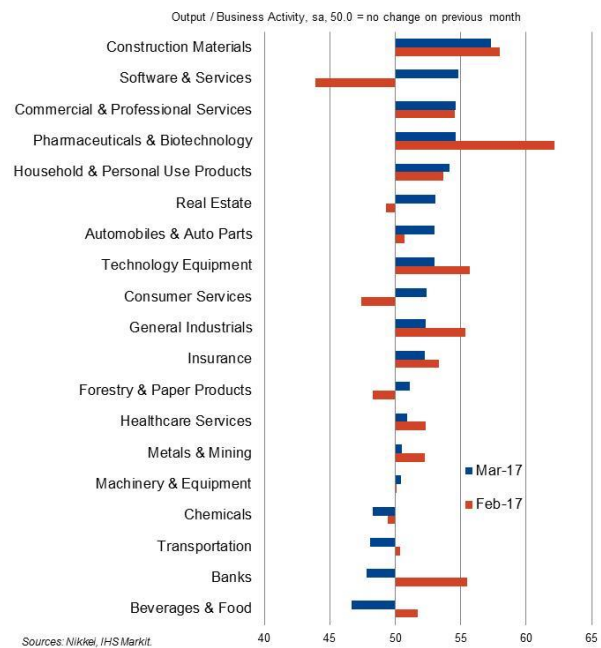
On top of the rankings, however, was **construction materials**. Output in this category rose at a steep rate that was the quickest of all sectors. This was despite growth easing from February's series record. In general, the **industrials** sector fared well in March, as **commercial & professional services**, **general industrials** and **machinery & equipment** activity all increased. The latter saw the weakest upturn.

**Pharmaceuticals & biotechnology** was also a bright spot in March, posting a substantial increase in output and ranking fourth in the league table. Nevertheless, growth lost traction from February's two-year high. At the same time, **healthcare services** activity grew at the slowest pace in the current four-month sequence of expansion.

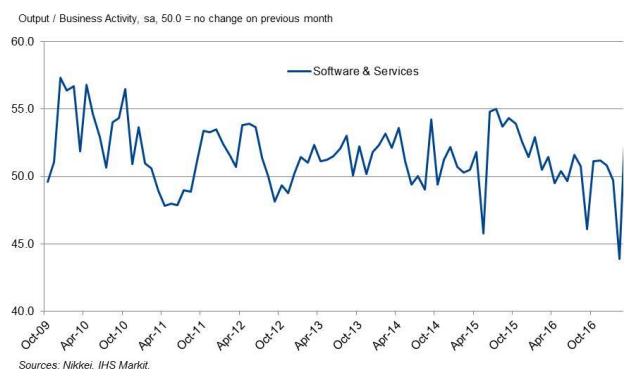
March data pointed to a marked increase in **household & personal-use products**, with growth reaching a 25-month peak and being the fifth-strongest of the broad 19 categories tracked by the sector data. Relatively solid expansions in output were seen in the **consumer services**, **automobiles & parts**, **real estate** and **technology equipment** sectors.

Dragging on the overall performance of the Asian private sector economy were **chemicals**, **banks**, **transportation** and **beverages & food**, with output down in each of these four categories. The latter was at the bottom of the league table.

#### Asia Sector Output Index: detailed sectors



#### Asia: Software & Services



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**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](mailto:economics@ihsmarkit.com).

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