

# Nikkei Asia Sector PMI™

## Machinery & Equipment tops growth rankings in May

### Key points:

- Strongest output growth in **machinery & equipment** since July 2014
- 14 out of 19 monitored categories register growth
- Chemicals** production recovers in May

### Summary:

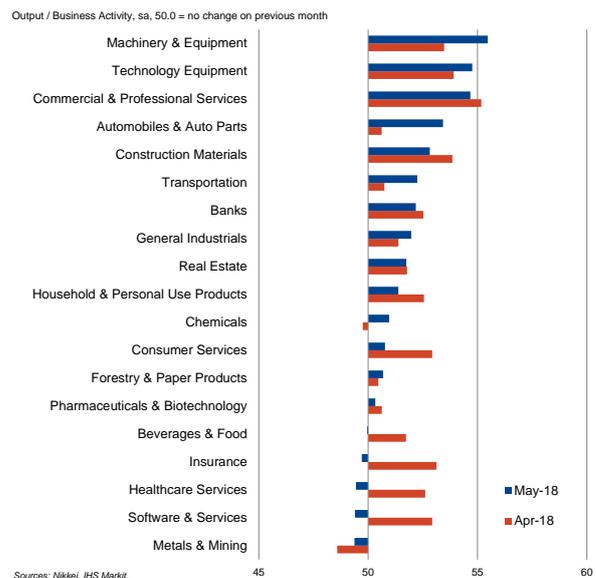
The latest Asia Sector PMI™ data, compiled by IHS Markit and sponsored by Nikkei, signalled that **machinery & equipment** was the strongest-performing sector during May, as output growth quickened to the sharpest since July 2014. **Technology equipment** continued to occupy second place in the output rankings, as business activity rose at the most marked pace since the start of the year. Despite softening from April's recent-high, sharp growth was also evident in the **commercial & professional services** sector.

Meanwhile, the latest upturn in **automobiles & auto parts** output was solid and quickened to the fastest pace in 2018 so far. **Construction materials** also registered a solid rise in output. At the same time, **transportation, banks, general industrials, real estate** and **household & personal use products** recorded modest expansions in activity. **Chemicals** recovered as it recorded a rise in output, following April's decline.

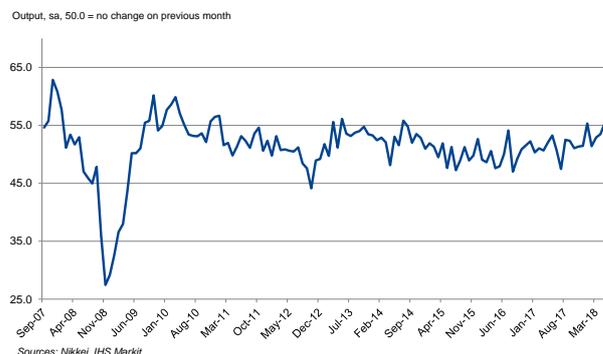
**Beverages & food** registered no change in output during May, thereby ending a seven-month period of expansion. Subsequently, the sector slipped to fifteenth in the rankings.

Following solid growth in April, **insurance, healthcare services** and **software & services** all reported contractions in activity. **Metals & mining** continued to register a decline in output. However, all these segments only saw marginal falls in output.

### Asia Sector Output Index: detailed sectors



### Asia Machinery & Equipment PMI



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In 2013, we kicked off the Nikkei Asian Review, an English-language news service provided both online and as a weekly print magazine. The following year, we established an Editorial Headquarters for Asia in Bangkok to deepen our coverage of Asian economic news. In addition, we doubled the number of reporters stationed in Asia outside Japan. 2014 also saw the launch of Nikkei Group Asia Pte., a new company in Singapore tasked with spreading the Nikkei brand in the region. Our goal is to make Nikkei the leading media voice in Asia.

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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).

### About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))

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