

News Release

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S&P Global Asia Sector PMI™

Activity declines across majority of Asian sectors in May

Key findings

Output contracts in 16 out of the 18 monitored sectors

Reduction was sharpest across Automobiles & Auto Parts and Machinery & Equipment

Only Insurance noted an expansion, while Healthcare Services activity stabilised

Asia Sector PMI™ data from S&P Global signalled a contraction in output across 16 of the 18 monitored sectors in May, although the rate of reduction eased from April for 15 of them. Healthcare services noted a stabilisation of output during May, while the Insurance sector reported its first expansion in three months.

The worst performing sector in May was Automobiles & Auto Parts. The latest downturn quickened from April to the fastest in two years. Moreover, order book volumes declined for the second consecutive month.

For the third month running, May data signalled a reduction in output across Machinery & Equipment. That said, the pace of contraction softened from the 26-month record seen in April. Firms also registered falling inflows of new business.

Bar a slight increase during February, output in the Metals & Mining sector has now fallen for the past year. Positively, the pace of contraction in output and new orders decelerated since April.

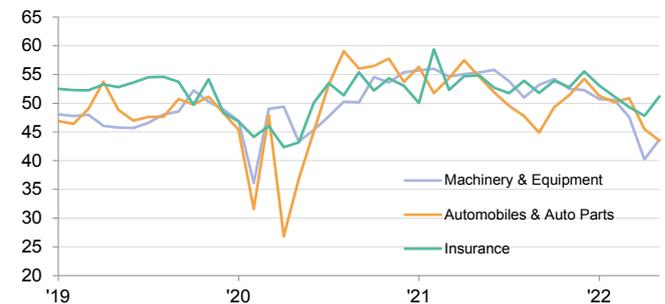
Leading the table, Insurance was the only sector during May that registered an increase in output, marking the first month of expansion since February. Moreover, new orders received by Insurance firms expanded in May, after falling strongly in the preceding month.

Employment levels rose across seven of the sectors, with hiring activity strongest at Insurance firms. The rate of job creation was the quickest in seven months. Software & Services firms saw a solid increase in employment.

Looking at prices, 12 of the 18 sectors reported easing rates of input price inflation during May. However, costs pressures remained strong, with the sharpest increases seen across Beverages & Food, Forestry & Paper Products and Construction Materials.

Asia Sector PMI Business Activity Index

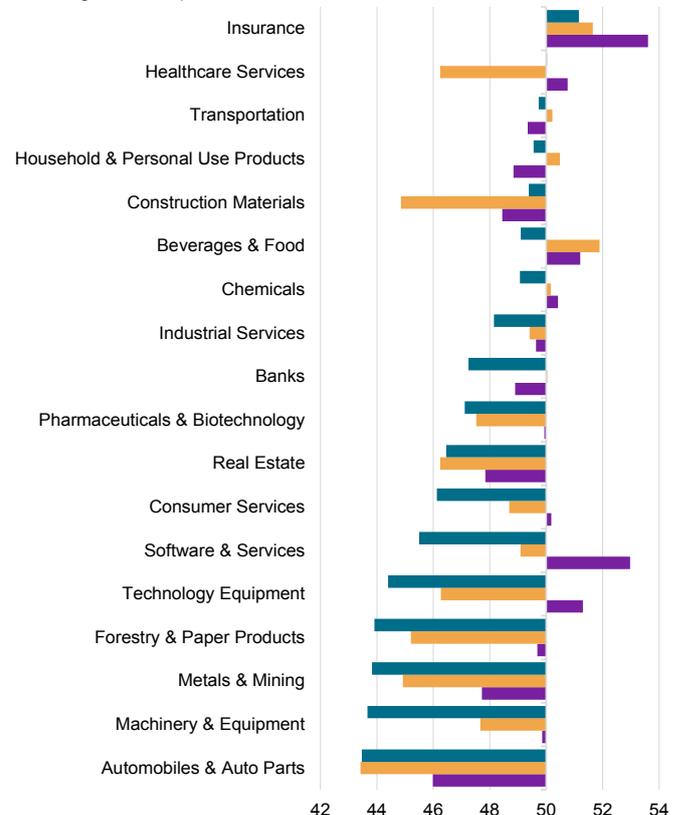
sa, >50 = growth since previous month



Source: S&P Global.

■ Output Index
■ New Orders Index
■ Employment Index

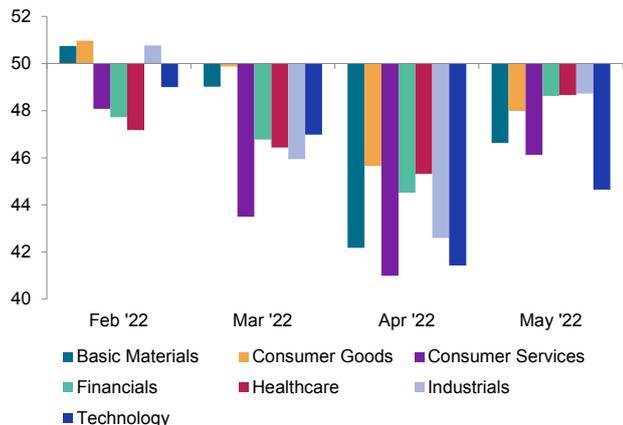
sa, >50 = growth since previous month



Source: S&P Global.

Output Index

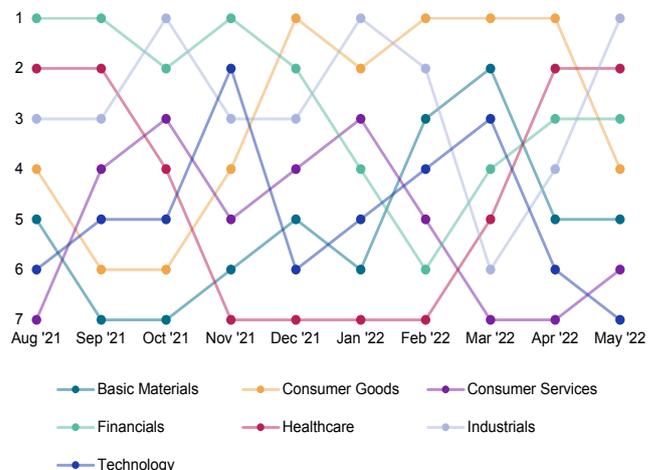
sa, >50 = growth since previous month



Source: S&P Global.

Output Index

Rank



Source: S&P Global.

Contact

Chris Williamson
 Chief Business Economist
 S&P Global Market Intelligence
 T: +44-20-7260-2329
chris.williamson@spglobal.com

Joanna Vickers
 Corporate Communications
 S&P Global
 T: +44207-260-2234
joanna.vickers@spglobal.com

Maryam Baluch
 Economist
 S&P Global Market Intelligence
 T: +44-13-4432-7213
maryam.baluch@spglobal.com

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Survey methodology

The S&P Global Asia Sector PMI™ indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's Asian PMI survey panels, covering over 6,000 private sector companies in 13 regions.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Asia Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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. ihsmarkit.com/products/pmi.html.

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