

News Release

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S&P Global Sector PMI™

Sharp drop in global autos output in August

Key findings

Fastest decline in Automobiles & Auto Parts sector since May 2020

Only eight sectors record higher activity in August, led by software and telecoms

Software & Services is only sector to record faster expansion

The latest S&P Global Sector PMI™ data pointed to a broadening downturn in output in August. Out of 21 monitored sectors, 13 registered lower activity compared with July, the highest total since June 2020. There was, however, further evidence of easing cost inflationary pressures, with almost all sectors seeing lower rates of input price inflation.

The sharpest declines in output in August were registered in the Automobiles & Auto Parts and Real Estate sectors, with the former footing the rankings for the first time since October 2021 with the steepest drop in production since May 2020. Real Estate was the worst-performing global services sector, driven by trends in Europe and the US. Forestry & Paper Products registered the third-strongest decline in output of all sectors, and the steepest drop in new orders.

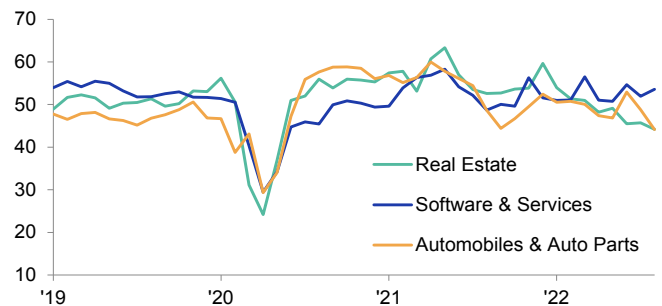
Metals & Mining posted a drop in output for the fifth time in six months in August. That said, the rate of contraction was only marginal and placed the sector twelfth in the global rankings, up from last place in July and its best position since February.

Software & Services was the fastest-growing global sector in August, the first time it had topped the rankings since April 2018. It was the only sector to achieve stronger growth than in July. Close behind was Telecommunication Services, which remained in second place for the third straight month despite a further easing in the rate of expansion. Completing the top three was Other Financials, where activity rose at the slowest rate for 13 months. Meanwhile, growth rates eased and were only marginal in Transportation, Pharmaceuticals & Biotechnology, Beverages & Food, Tourism & Recreation and Machinery & Equipment.

Rates of input price inflation eased further in almost all sectors in August. The exceptions were Tourism & Recreation, where input prices rose at a slightly faster rate (but still the second-weakest in six months), and Metals & Mining, where average input costs fell for the second month running.

Global Sector PMI Business Activity Index

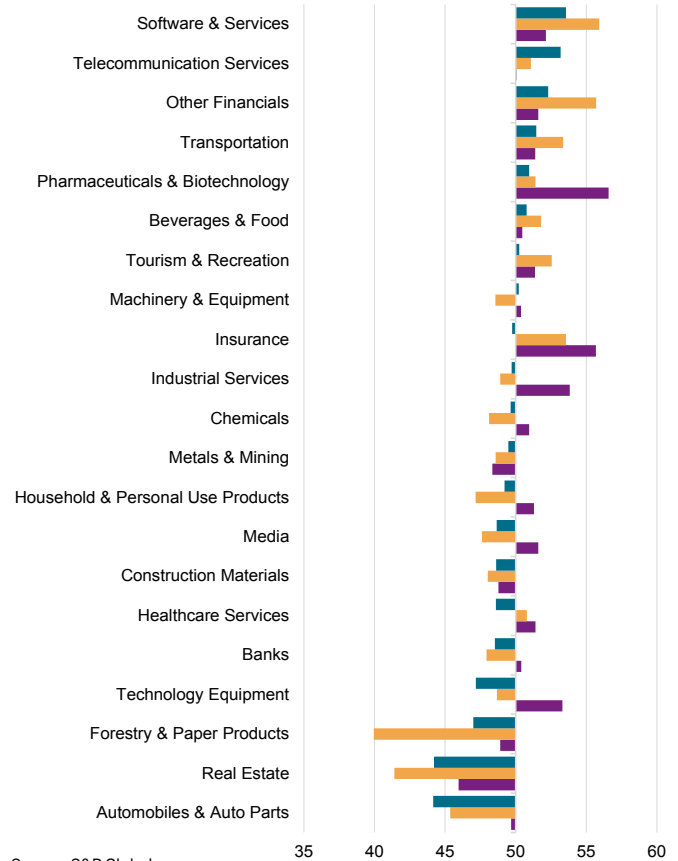
sa, >50 = growth since previous month



Source: S&P Global.

Output Index
New Orders Index
Employment Index

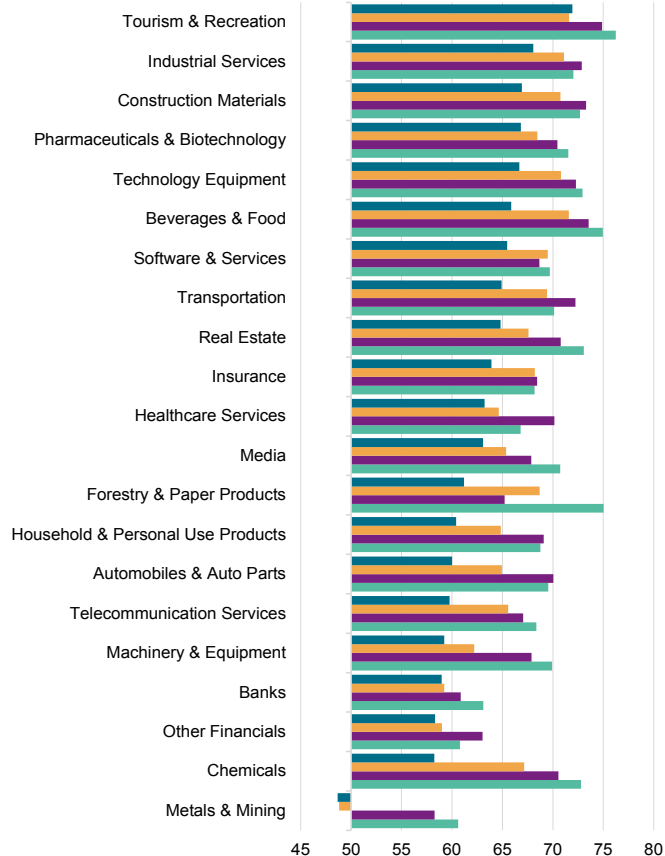
sa, >50 = growth since previous month



Source: S&P Global.

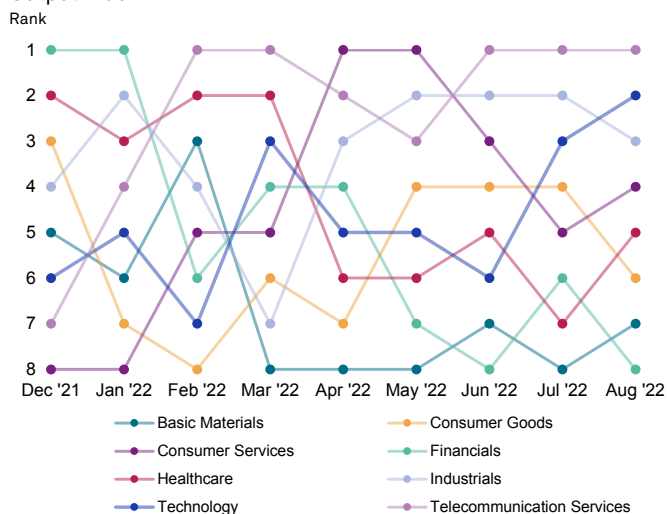
Input Prices Index

■ Aug ■ Jul ■ Jun ■ May
 sa, >50 = inflation since previous month



Source: S&P Global.

Output Index



Source: S&P Global.

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Survey methodology

The S&P Global Sector PMI™ indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's global PMI survey panels, covering over 27,000 private sector companies in more than 40 countries.

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