

News Release

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S&P Global Sector PMI™

Decline in global real estate activity accelerates

Key findings

Real Estate leads widespread falls in activity during September

Basic Materials sectors under pressure

Software & Services sees further marked rise in new business

The latest S&P Global Sector PMI™ data signalled difficulties across a range of sectors in September, with a majority continuing to post reductions in activity at the end of the third quarter. Real Estate led the decline, while growth often emanated from the Technology and Telecommunication Services categories.

The Real Estate sector remained under pressure amid deteriorating financial conditions. In fact, September saw rates of decline in activity and new business accelerate further. Except for the initial outbreak of the COVID-19 pandemic, the reductions were the most pronounced since the series began in late-2009.

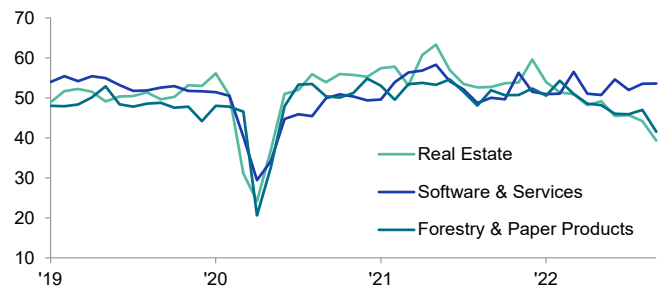
September data pointed to a renewed fall in Tourism & Recreation activity, the first in eight months, as cost of living pressures have choked off the post-pandemic recovery. Input costs in the sector increased at the sharpest pace of all those covered at the end of the third quarter.

Weakness was also found in manufacturing sectors, with Basic Materials seeing production fall particularly sharply. Within the category, Forestry & Paper Products saw output decrease at the fastest pace since May 2020, with firms scaling back employment accordingly. Meanwhile, stocks of finished goods increased at the fastest pace in almost four years.

Automobiles & Auto Parts posted a reduction in output for the third month running amid faltering demand. That said, the pace of decline eased from August. Meanwhile, suppliers' delivery times lengthened to the least extent in over two years.

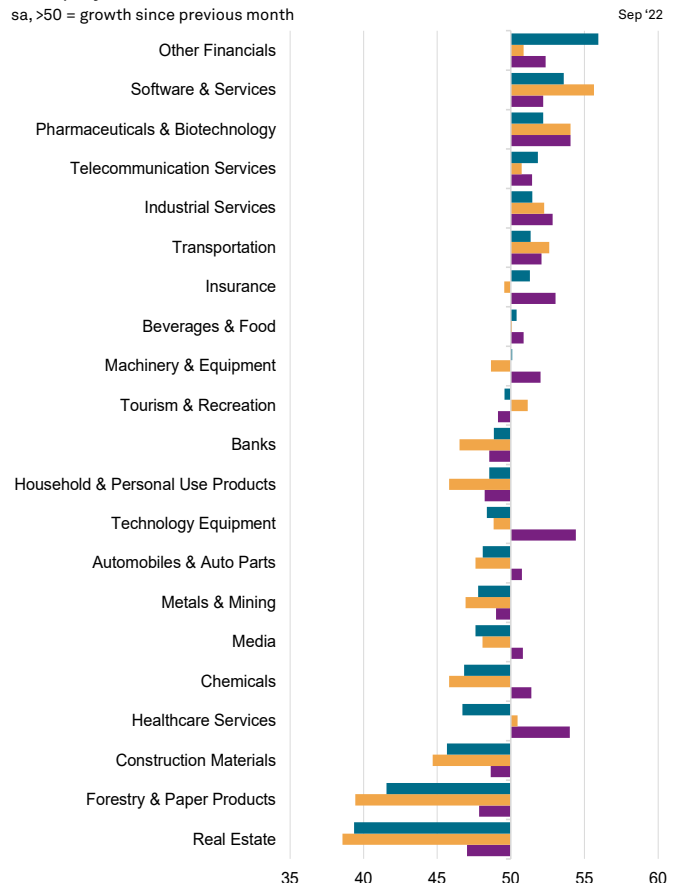
There were pockets of growth in September, including in the Technology and Telecommunication Services categories. Software & Services posted a solid rise in activity amid strong new order growth and ongoing pressure on capacity.

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

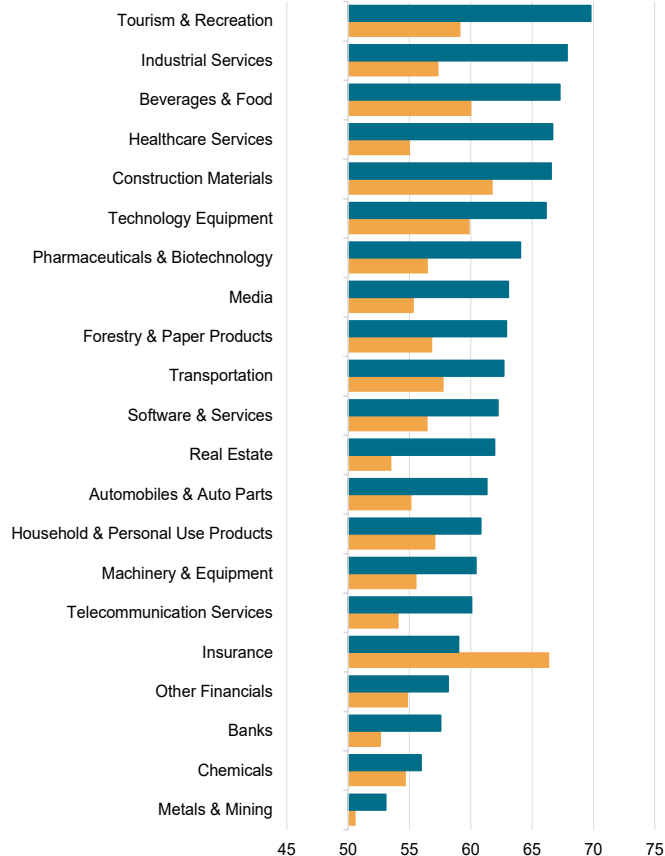


Source: S&P Global.

Price Indices

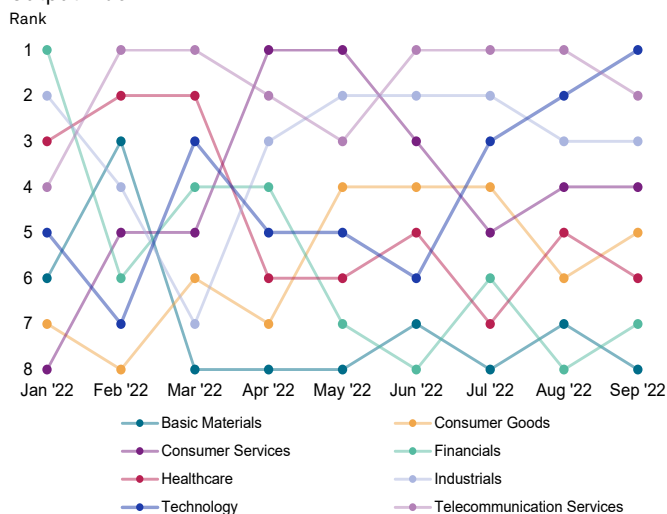
■ Input Costs ■ Output Charges

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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