

# News Release

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## S&P Global Sector PMI™

### Divergent trends between manufacturing and services categories evident in May sector data

#### Key findings

Financials, Technology and Consumer Services categories see activity expand

Record rise in Software & Services new business

Basic Materials and Industrial Goods output struggles

The latest S&P Global Sector PMI™ data pointed to a divergence between the performance of industrial firms and service providers in May. Sectors in the wider Basic Materials and Industrials categories were towards the bottom of the growth rankings, while those in Financials, Technology and Consumer Services were generally found near the top.

There were continued signs of improvement in Financials, with growth of activity strengthening at Banks, Insurance and Other Financials. The expansion at Banks was the fastest in a year-and-a-half as new business in the sector rose to the greatest extent since February 2021. Bucking the wider trend in the category was Real Estate, where activity decreased for the first time in three months.

Also showing strength in May was Software & Services, where activity increased at the fastest pace in just over five years on the back of a record expansion in new business.

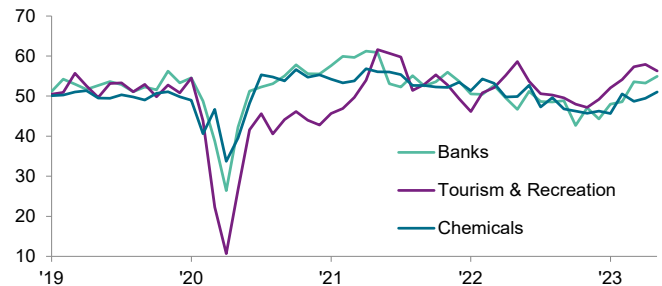
At the other end of the scale, Basic Materials and Industrial Goods companies struggled to generate new orders and thus scaled back production. Forestry & Paper Products, Metals & Mining, Machinery & Equipment and Construction Materials all posted reductions in output in May. More positive was a first increase in Chemicals production in three months.

Weak demand across Basic Materials categories coincided with sharp and accelerated declines in prices. In particular, Forestry & Paper Products posted the fastest reductions in both input costs and selling prices since the series began in October 2009.

The strongest inflationary pressures were in Tourism & Recreation. Meanwhile, the sector continued to record rapid rises in business activity.

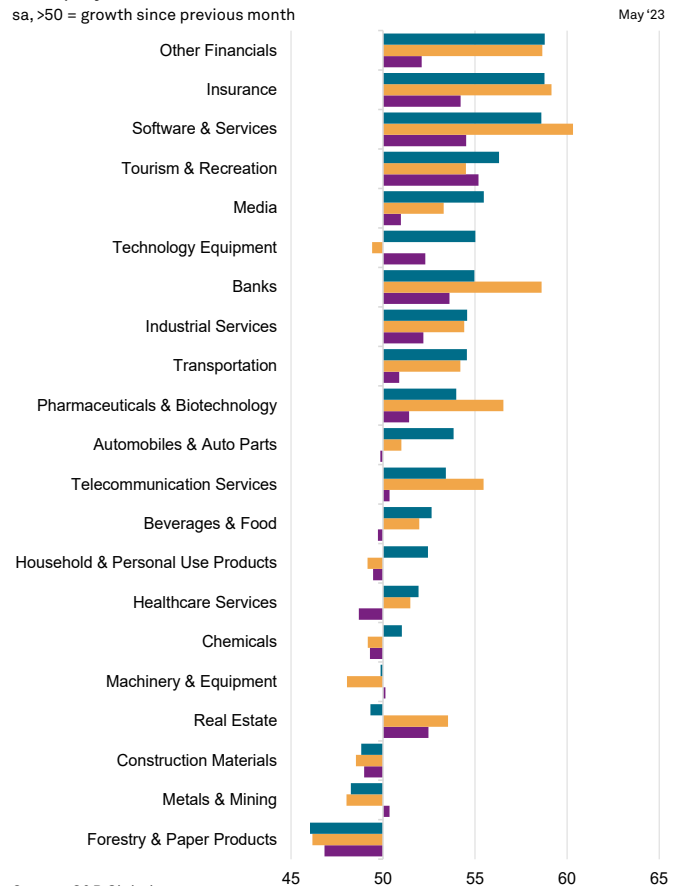
Automobiles & Auto Parts saw the strongest rises in output and new orders for 22 and 15 months respectively. That said, employment levels were kept broadly unchanged.

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

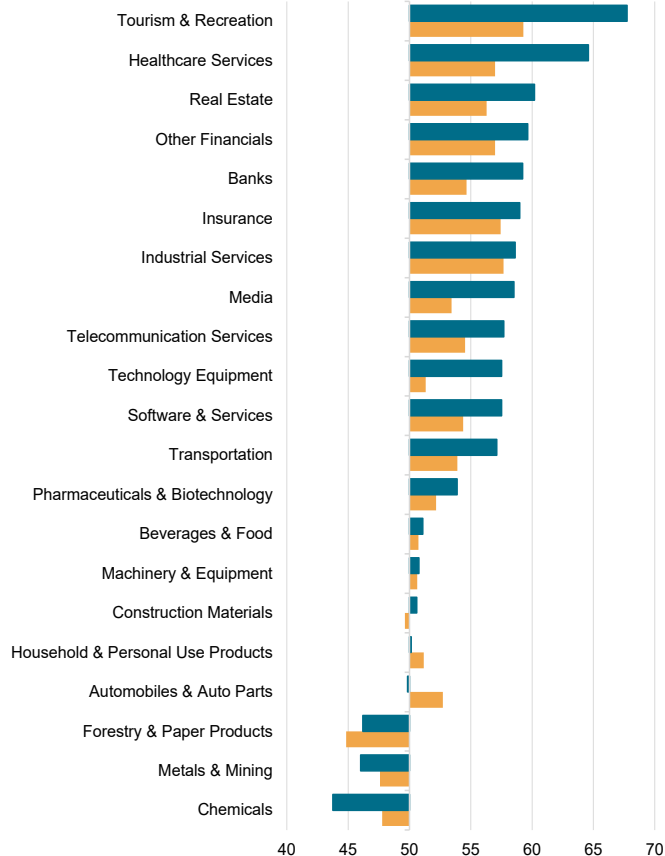


Source: S&P Global.

Price Indices

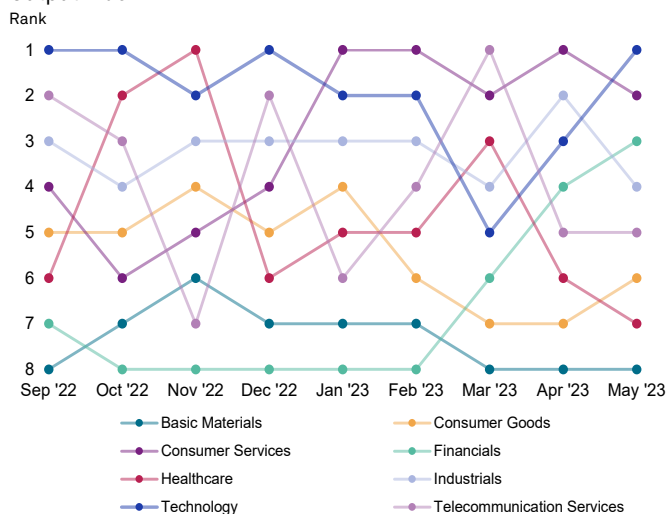
■ Input Costs ■ Output Charges

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](mailto: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](https://ihsmarkit.com/products/pmi.html).

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