

News Release

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S&P Global Asia Sector PMI™

Real Estate and Consumer Services lead growth across Asia in May

Key findings

Activity expands in 15 of the 18 monitored sectors

Sharpest increase in Real Estate activity

Fresh decline in Metals & Mining

The latest S&P Global Asia Sector PMI™ signalled growth in output across all seven of the broad-based categories with Consumer Services leading the upturn for the fifth month running, followed by Financials.

Strong gains across Consumer Services coincided with the intensification of price pressures. The rate of charge inflation was the quickest recorded in the series-to-date. Additionally, employment expanded for the sixth successive month in May. Along with February’s reading, the seasonally adjusted Employment Index was the joint-highest on record.

A breakdown of the broader categories showed 15 of the 18 monitored ‘fine’ industries reporting output growth in May. The sharpest increase in activity was recorded in Real Estate, where output expanded at the strongest pace since the survey began in September 2007. Moreover, the upturn was supported by a rapid and record-rate increase in new business. Additionally, both Banks and Insurance registered sharp and accelerated growth in output.

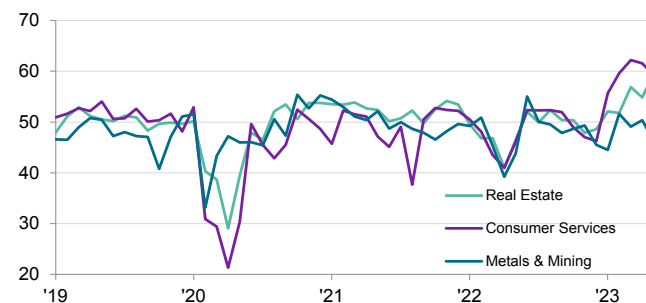
In more positive news, Machinery and Equipment, Automobiles and Auto Parts and Technology Equipment all reported fresh expansions in May.

However, the three areas that struggled to raise output were Healthcare Services, Forestry & Paper Products and Metals & Mining - the latter registered a renewed decline in activity.

Despite growth across most of the areas, hiring activity remained subdued, with half of the 18 monitored sectors reporting a fall in employment. Technology Equipment recorded the strongest rate of job shedding. The downturn was solid and the most pronounced in 39 months. On the other side of the spectrum, hiring growth was strongest in Consumer Services, then Insurance.

Asia Sector PMI Business Activity Index

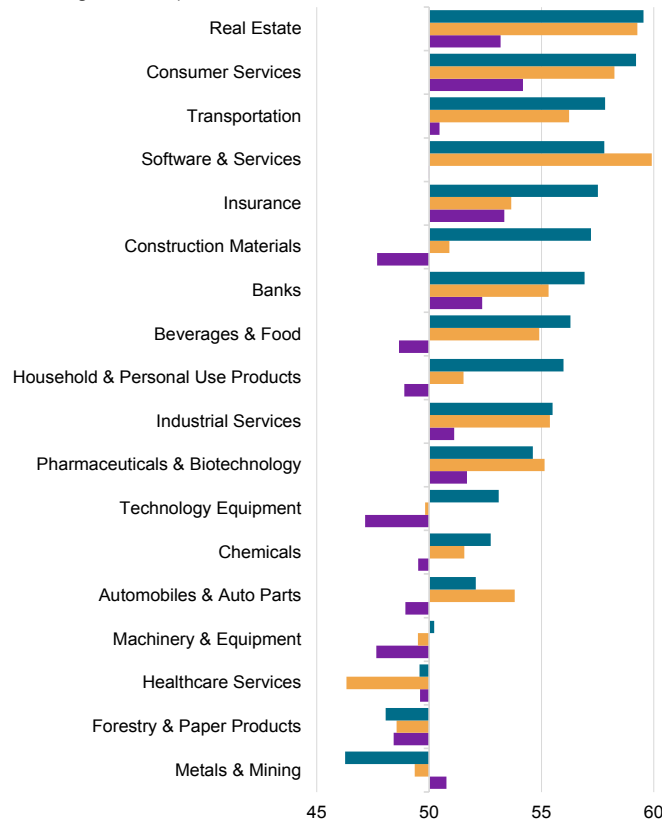
sa, >50 = growth since previous month



Source: S&P Global.

Output Index
New Orders Index
Employment Index

sa, >50 = growth since previous month



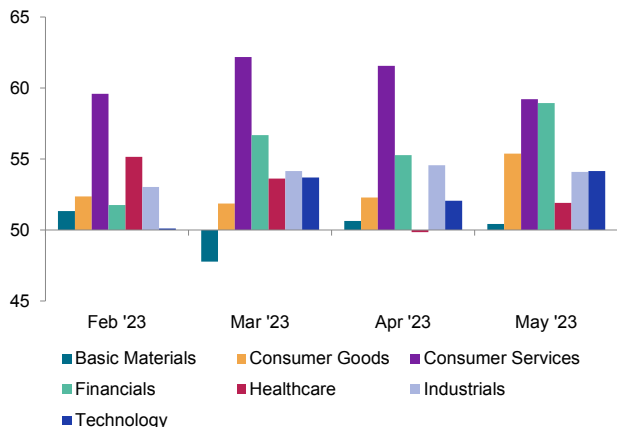
Source: S&P Global.

PMI™

by S&P Global

Output Index

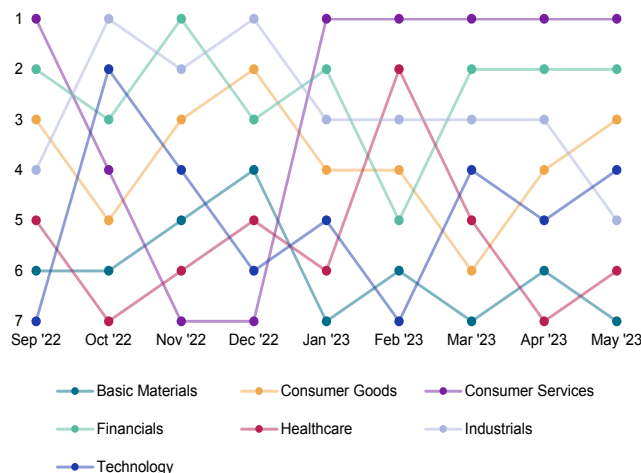
sa, >50 = growth since previous month



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

SungHa Park
 Corporate Communications
 S&P Global Market Intelligence
 T: +82 2 6001 3128
sungha.park@spglobal.com

Maryam Baluch
 Economist
 S&P Global Market Intelligence
 T: +44-1491-461-016
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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