

News Release

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S&P Global Asia Sector PMI™

Renewed uptick in activity across majority of Asian sectors in June

Key findings

Output expands in 16 out of the 18 monitored sectors

Fastest growth since February 2015 in Pharmaceuticals & Biotechnology

Widespread price pressures across Asian sectors

Asia Sector PMI™ data from S&P Global signalled an expansion in output across 16 of the 18 monitored sectors in June. Of the two sectors where a contraction was recorded, there was also an easing in the rate of decline from May.

The best performing sector in June was Pharmaceuticals & Biotechnology. Latest survey data pointed to a renewed uptick in sector growth following seven consecutive months of contraction. Moreover, the rate of growth was the fastest since February 2015. The sector also recorded a renewed expansion in new orders and employment levels.

Industrial Services saw output expand at the joint-fastest pace across survey history (since September 2007) in June. With that came strong growth in new orders. The worst performing industry in June was Forestry and Paper Products which recorded contraction for the fourth month running.

June data signalled expansion in both the Consumer Services and Beverages & Food sectors. Firms in each industry also registered growth in order book volumes. The recent lifting of Mainland China COVID-19 lockdowns may have contributed to the renewed upturn in both sectors.

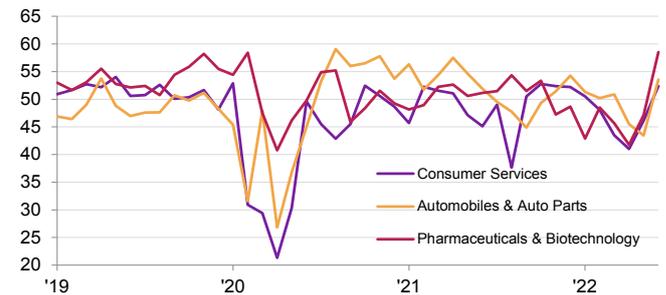
The Automobiles & Auto Parts industry recovered in June following the slump in May. Moreover, the pace of output growth was solid overall and the quickest in six months.

In terms of employment, only nine sectors recorded growth in June. Data indicated that Insurance firms continued to have the strongest rate of hiring activity. Meanwhile, the Metals & Mining industry recorded the fastest rate of job shedding.

Turning to prices, 16 out of the 18 sectors recorded increasing input costs with inflation rates reportedly the sharpest in the Construction Materials sector. Regarding selling prices, 15 of the 18 categories registered rises. The strongest rate of output price inflation was recorded in the Chemicals and Beverages & Food industries.

Asia Sector PMI Business Activity Index

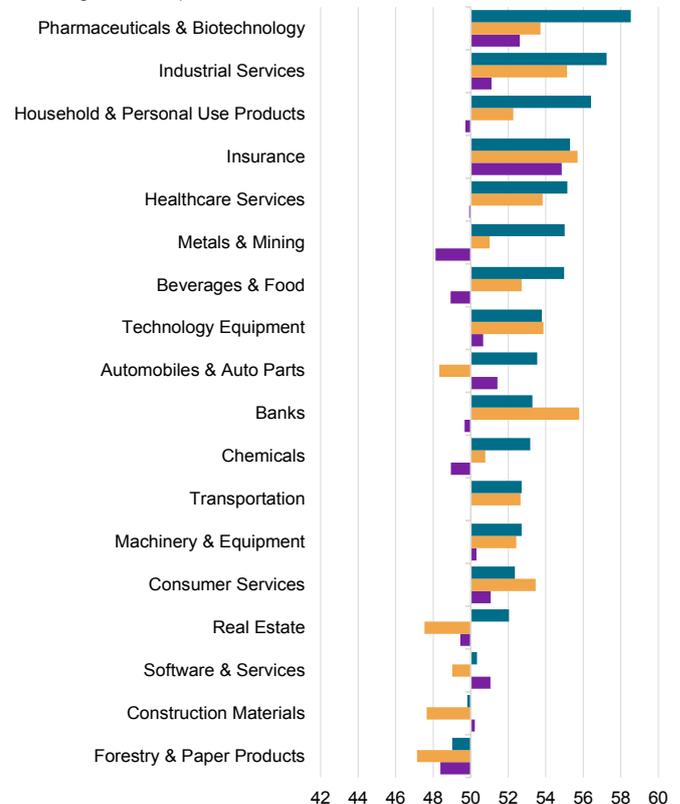
sa, >50 = growth since previous month



Source: S&P Global.

Output Index
New Orders Index
Employment Index

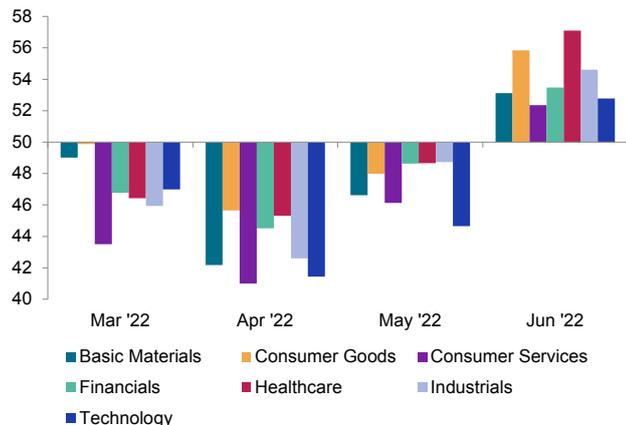
sa, >50 = growth since previous month



Source: S&P Global.

Output Index

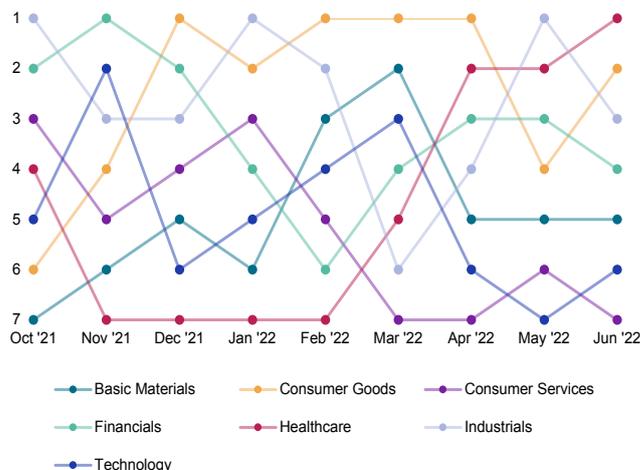
sa, >50 = growth since previous month



Source: S&P Global.

Output Index

Rank



Source: S&P Global.

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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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