

News Release

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S&P Global Sector PMI™

Sectoral divergence spreads to employment, as weak demand drives manufacturing job losses

Key findings

Business activity remains strongest in service sectors

9 of the 21 monitored sectors post job cuts

Fastest contraction in Forestry & Paper Products output since December 2022

The latest S&P Global Sector PMI™ indicated that just over half of the 21 monitored sectors posted growth in output in September, an improvement from August which had seen the number of sectors declining outweigh those recording an expansion. September data pointed to continued weakness in the global manufacturing sector.

Telecommunication Services and Software & Services remained the best performing sectors in September, posting the steepest expansions in output. Moreover, Telecommunications Services recorded the fastest rise in business activity since March, as output rose at a strong rate.

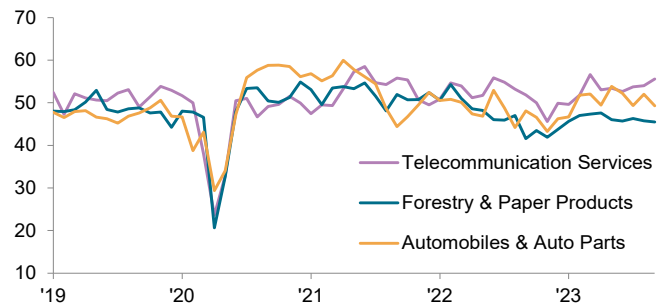
Furthermore, some promise across global sectors was hinted as Chemicals, Real Estate and Healthcare Services all returned to growth territory, albeit signalling marginal upturns in output.

In line with trends seen in August, the main areas of weakness in business activity were Forestry & Paper Products and Metals & Mining, with the former registering the sharpest decline in 2023 so far.

The recent diverging performance between manufacturing and services in terms of activity spread to employment in September as firms in a range of manufacturing categories opted to scale back workforce numbers. Forestry & Paper Products placed bottom of the rankings again, as the pace of job cuts quickened to the fastest since November 2022. Automobiles & Auto Parts saw employment fall for the second month running, and at a faster pace. In all, nine of the 21 monitored sectors reported job shedding, with seven of these manufacturing based.

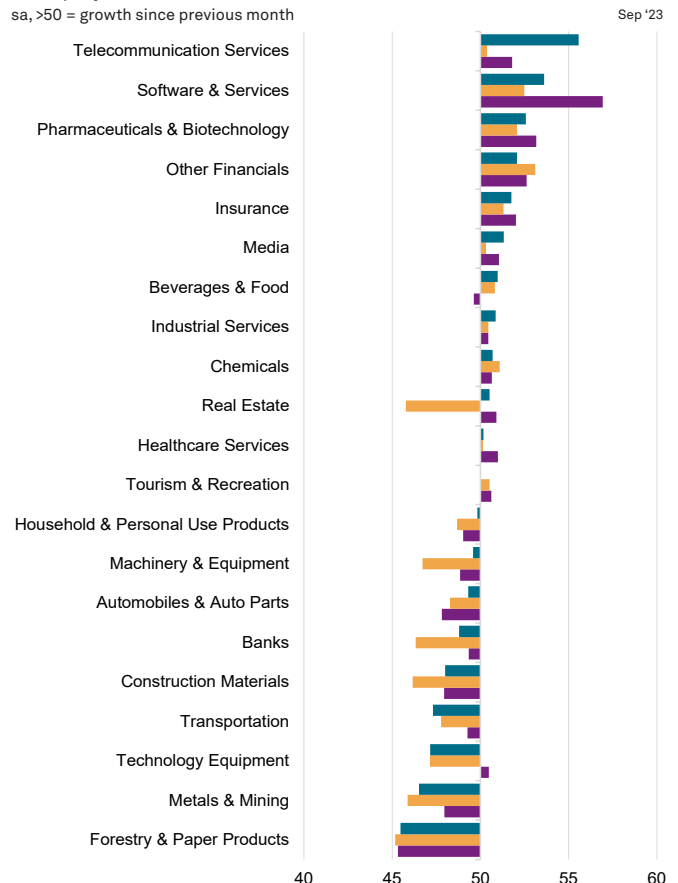
Metals & Mining saw the first rise in prices charged for six months in September, extending the number of sectors reporting output price inflation to 20 of 21. Given the continued fragility of demand conditions in the Forestry & Paper Products sector, this segment alone indicated a decrease in selling prices.

Global Sector PMI Business Activity Index
sa, >50 = growth since previous month



Source: S&P Global PMI.

■ Output Index
■ New Orders Index
■ Employment Index
sa, >50 = growth since previous month

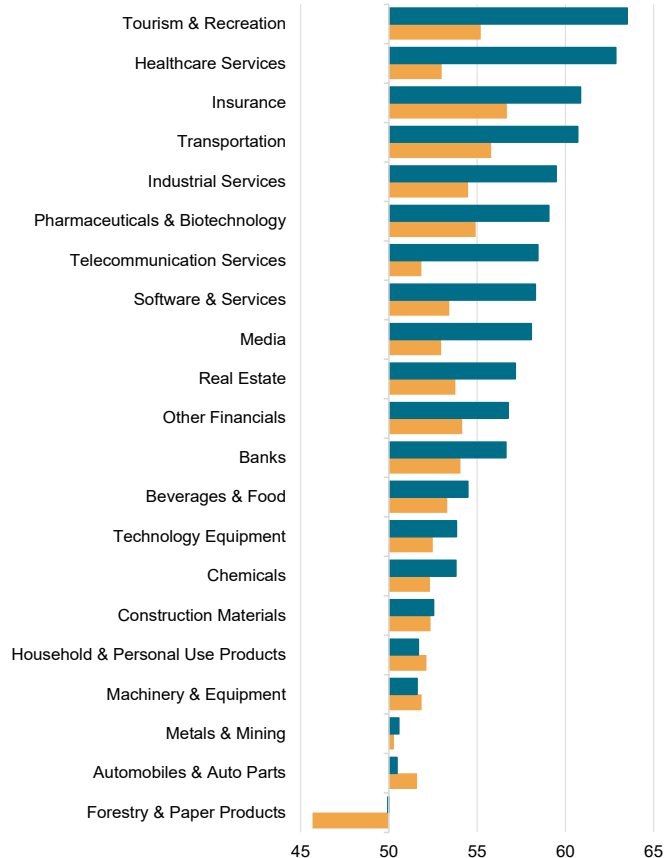


Source: S&P Global PMI.

Price Indices

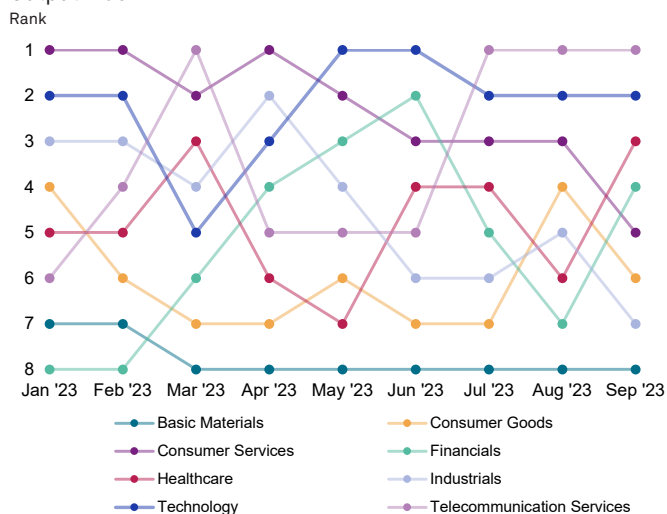
■ Input Costs ■ Output Charges

sa, >50 = inflation since previous month



Source: S&P Global PMI.

Output Index



Source: S&P Global PMI.

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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@spglobal.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. spglobal.com/products/pmi.html

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