

News Release

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S&P Global Sector PMI®

Financials show ongoing signs of strength during opening month of 2024

Key findings

Insurance leads growth in workforce numbers and new business

Construction Materials records fastest declines in output, new orders and employment

Improvement in optimism widespread across manufacturing sectors

The latest S&P Global Sector PMI® hinted at some signs of improvement across the global economy during the opening month of 2024, with 15 of the 21 monitored sectors recording a rise in activity, the most since last June.

Weakness continued to be concentrated in manufacturing sectors in January. That said, the vast majority of goods producing sectors (all but two) recorded increased optimism towards the outlook for output over the coming year, suggesting that current downturn may have bottomed out.

Chemicals, Beverages & Food and Household & Personal Use Products recorded the only output improvements of all manufacturing sectors in January. Furthermore, Beverages & Food registered the joint-fastest increase in just over two years (equal with last March), while Household & Personal Use Products output rose at the quickest rate in 19 months.

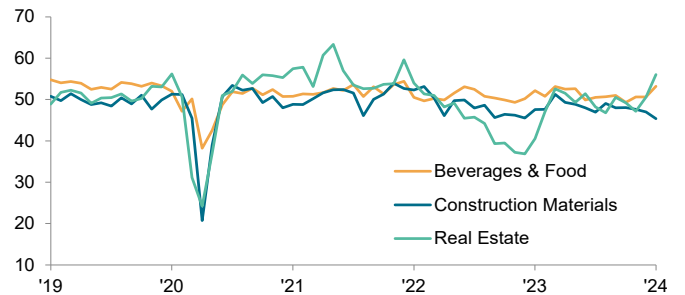
For the first time since August 2021, Construction Materials was ranked the worst performer in terms of output, with the decline outpacing that seen in Forestry & Paper Products in January. This was accompanied by a rapid drop in new orders and payroll numbers, the quickest contractions of all 21 monitored sectors.

More positively, Financials generally indicated the most strength in terms of activity, new business and employment in January. Real Estate activity increased markedly during the first month of 2024, posting its quickest rise in just over two years. Furthermore, of all 21 sectors, Insurance saw the fastest increase in new work and strongest jobs growth.

Turning to prices, all monitored sectors signalled increased input costs in January. That said, price inflation was particularly elevated across service sectors. In terms of the prices charged for the provision of goods and services, Chemicals was the only sector to cut selling prices in January. Notably, Forestry & Paper Products recorded charge inflation for the first time in just over a year, despite ongoing subdued order numbers.

Global Sector PMI Business Activity Index

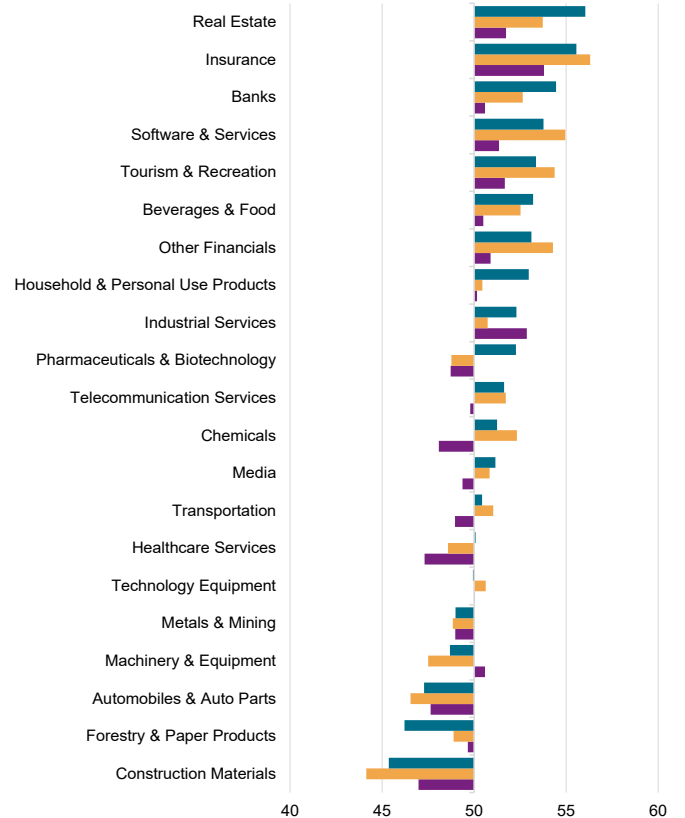
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index
New Orders Index
Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

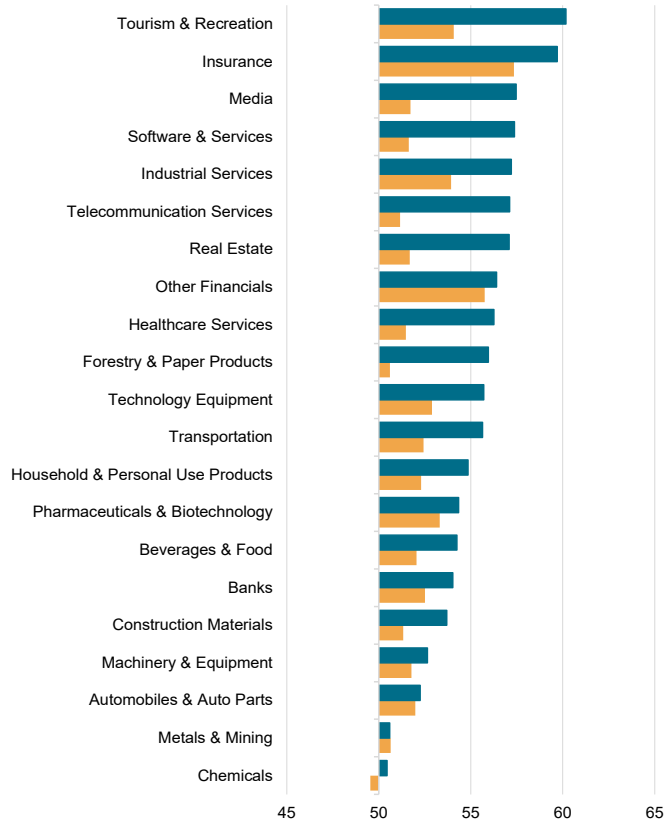
PMI®

by S&P Global

Price Indices

■ Input Costs ■ Output Charges

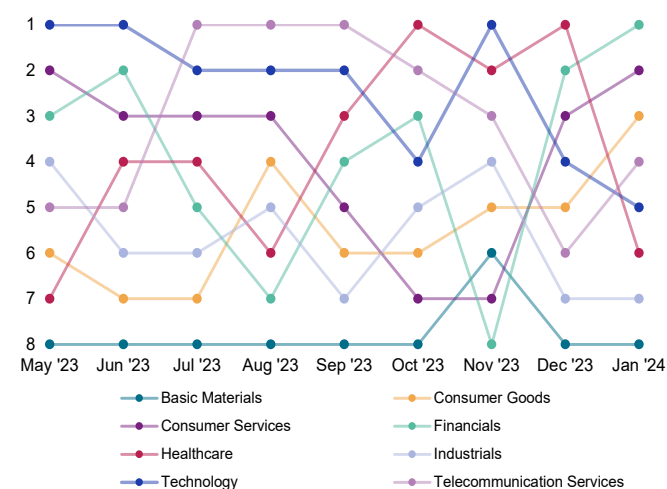
sa, >50 = inflation since previous month



Source: S&P Global PMI.

Output Index

Rank



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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