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IHS Markit Global Sector PMI™

Healthcare services activity surges in August

Key findings

Fastest expansion of global healthcare services activity since series began in October 2009

Strongest growth of autos output since February 2011

Global real estate activity picking up

The latest sector PMI™ data from IHS Markit signalled strengthening growth in a number of global sectors in August, led by healthcare services, automobiles & auto parts and real estate. Only five sectors registered falling business activity during the month, with tourism & recreation the bottom-ranked sector. Moreover, seven sectors registered an increase in employment during August, the highest number since February.

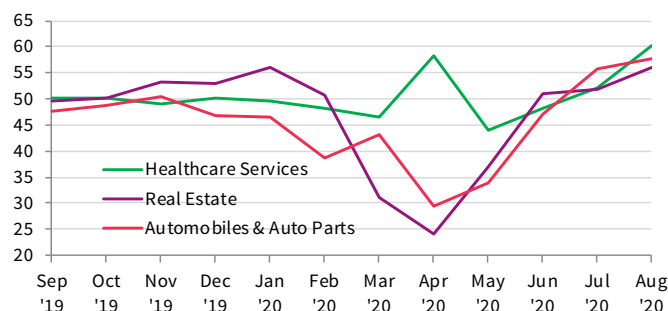
Global Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's global PMI survey panels. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services industry groups, and sub-sectors of these groups.

Global healthcare services activity increased in August at the fastest rate since the series began in October 2009, taking it top of the rankings for the first time since May. Its sister sector in the healthcare industry – pharmaceuticals & biotechnology – also saw solid growth, ranked sixth overall. This was, however, its second-lowest ranking since last October.

Worldwide production of automobiles & auto parts rose at the strongest rate since February 2011, placing the sector second in the rankings. The top three sectors were completed by real estate, where activity increased at one of the fastest rates for over four years. Solid increases in output were also seen in household & personal use products, chemicals and metals & mining.

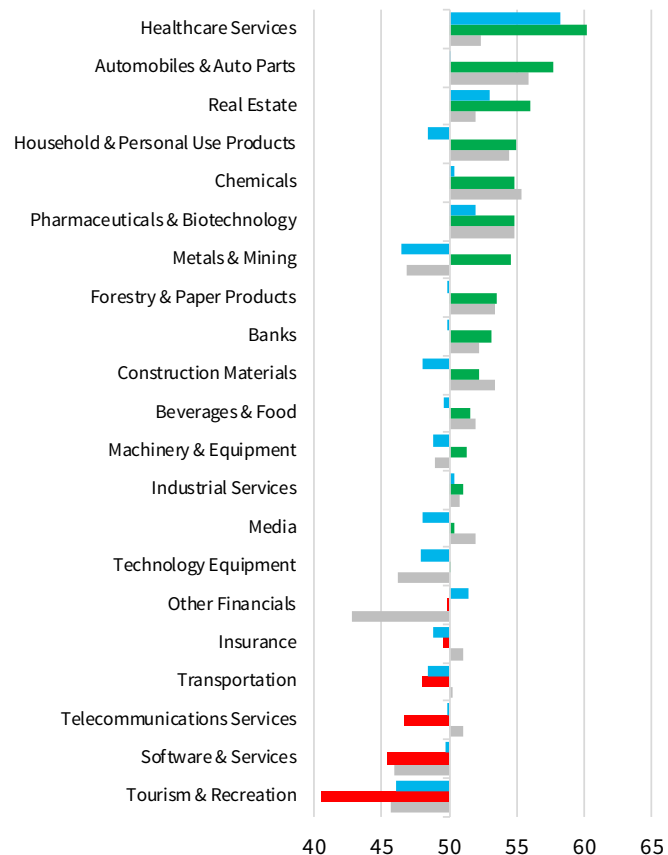
Healthcare services also recorded the fastest employment growth in August, followed by real estate and pharmaceuticals & biotechnology respectively.

Global Output / Business Activity Index
sa, >50 = growth since previous month



Source: IHS Markit.

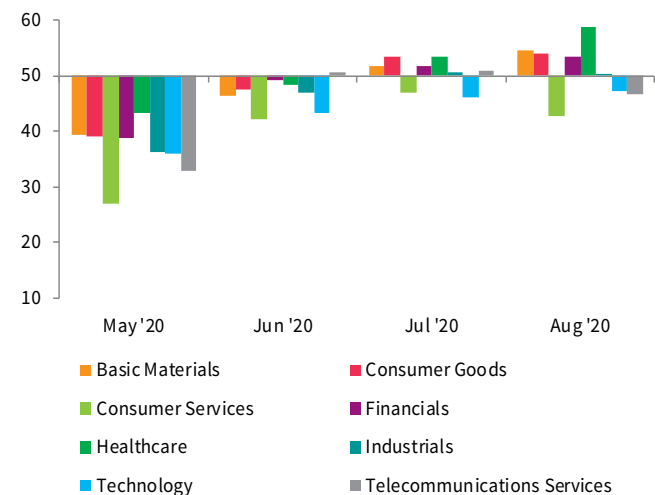
Output Index, Aug '20 / Jul '20
Employment Index, Aug '20
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

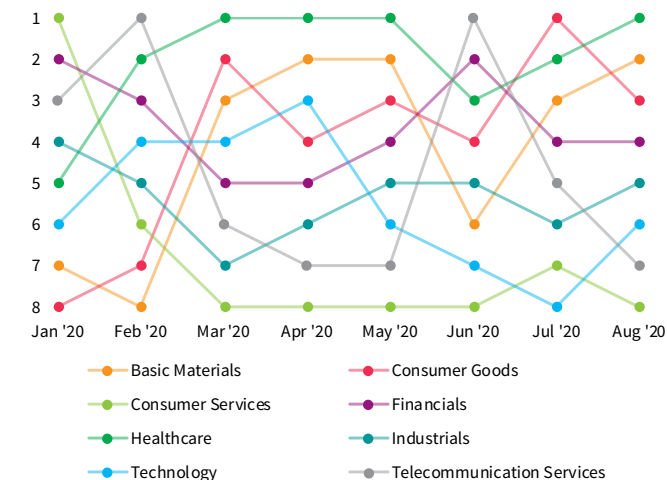
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

Rank



Source: IHS Markit.

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Methodology

The IHS Markit Global Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's global PMI survey panels, covering over 27,000 private sector companies in more than 40 countries.

IHS Markit 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.

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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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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