

# News Release

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## S&P Global Sector PMI™

### Real Estate continues to lead downturn in activity

#### Key findings

Financial sectors suffer at start of Q4

Basic Materials categories also see production and orders decline

Pharmaceuticals & Biotechnology leads output growth

The latest S&P Global Sector PMI™ data pointed to a continuation of recent trends at the start of the final quarter of the year. Financial sectors such as Real Estate and Banks saw activity fall sharply, with Basic Materials also under pressure. The main areas of positive performance were Pharmaceuticals & Biotechnology and Software & Services.

Tighter monetary policy conditions across much of the world led to ongoing strain in the Real Estate and Banks categories in October. Both saw rapid reductions in both output and new orders. Demand weakness meant that firms operating in these sectors were able to raise their selling prices only modestly, despite steep and accelerated increases in their input costs. In fact, Real Estate posted the fastest rise in input prices of all sectors in October.

The softest rates of cost inflation were in the Metals & Mining and Chemicals sectors. Meanwhile, these Basic Materials categories continued to experience weakening demand conditions, with Forestry & Paper Products in particular posting a steep decline in new orders.

Manufacturers of Construction Materials continued to see output and new orders fall markedly in October, with firms subsequently scaling back their workforce numbers to the greatest extent since June 2020.

The majority of sectors continued to see employment increase, however, with firms often still in the process of rebuilding staffing levels following the pandemic. Of the 21 monitored sectors, 12 recorded higher employment, with the sharpest rise in Software & Services.

Software & Services was one of the main areas of growth in October, seeing activity and new business rise solidly. The fastest rise in output over the month was in Pharmaceuticals & Biotechnology, where the rate of expansion hit a four-month high amid the fastest rise in new orders since March.

Global Sector PMI Business Activity Index

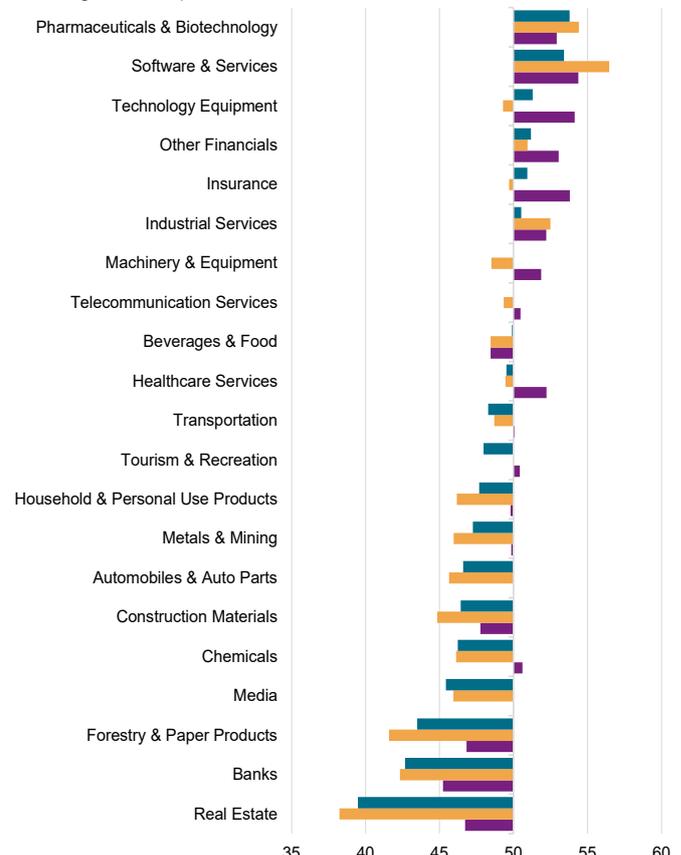
sa, >50 = growth since previous month



Source: S&P Global.

■ Output Index  
■ New Orders Index  
■ Employment Index

sa, >50 = growth since previous month

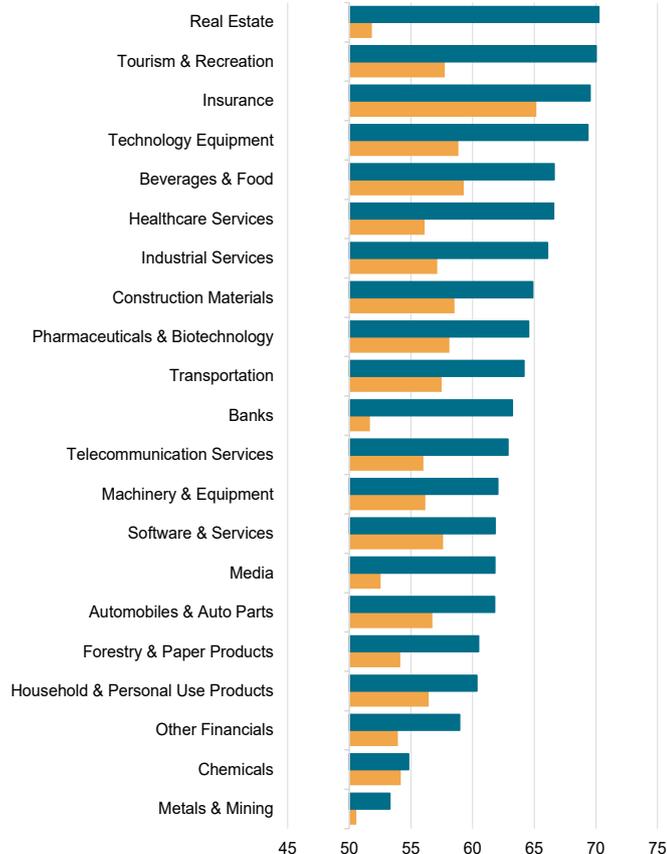


Source: S&P Global.

Price Indices

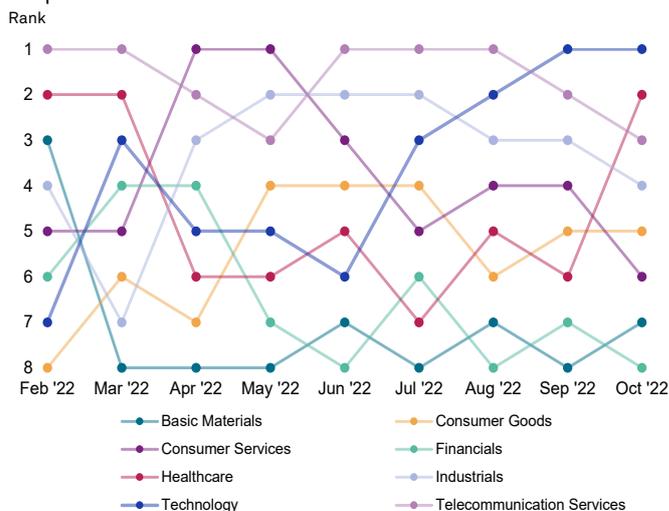
■ Input Costs ■ Output Charges

sa, >50 = inflation since previous month



Source: S&P Global.

Output Index



Source: S&P Global.

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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@ihsmarkit.com](mailto: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](https://ihsmarkit.com/products/pmi.html).

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