

News Release

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S&P Global Sector PMI™

Mainland China reopening helps global manufacturing sectors, but signs of growth waning in services

Key findings

Several manufacturing sectors return to growth in June

Signs of Tourism & Recreation growth easing

Sharp decline in Real Estate activity

The latest S&P Global Sector PMI™ data signalled ongoing output growth in the majority of sectors at the end of the second quarter, as a loosening of pandemic lockdowns in Mainland China helped to boost activity. That said, there were some signs that the boost to tourism, and services in general, provided by a lack of COVID-19 restrictions globally has started to wane amid strong inflationary pressures.

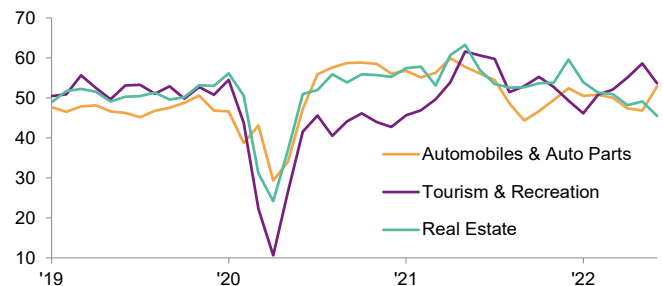
Several manufacturing sectors saw output return to growth in June, in part supported by an improved pandemic situation in Mainland China. Chemicals, Metals & Mining, Automobiles & Auto Parts and Machinery & Equipment all saw expansions in production following falls in May. Reflecting some of these improvements, Industrial Services activity rose at the sharpest pace in six months.

While manufacturing showed some signs of revival midway through the year, there were some indications that services growth may be starting to wane as the post-COVID rebound across much of the world fades. Growth in Tourism & Recreation activity eased to a three-month low amid a softer rise in new business. This coincided, however, with the sector posting the steepest increase in input costs of all those covered, and an accelerated pace of charge inflation.

The sharpest contraction in activity of all the monitored categories was seen in Real Estate, where the rate of decline accelerated to the fastest since the first wave of the COVID-19 pandemic. Likewise, new orders in the sector fell sharply and companies were forced to raise their selling prices at the softest pace in more than two years despite ongoing sharp cost inflation.

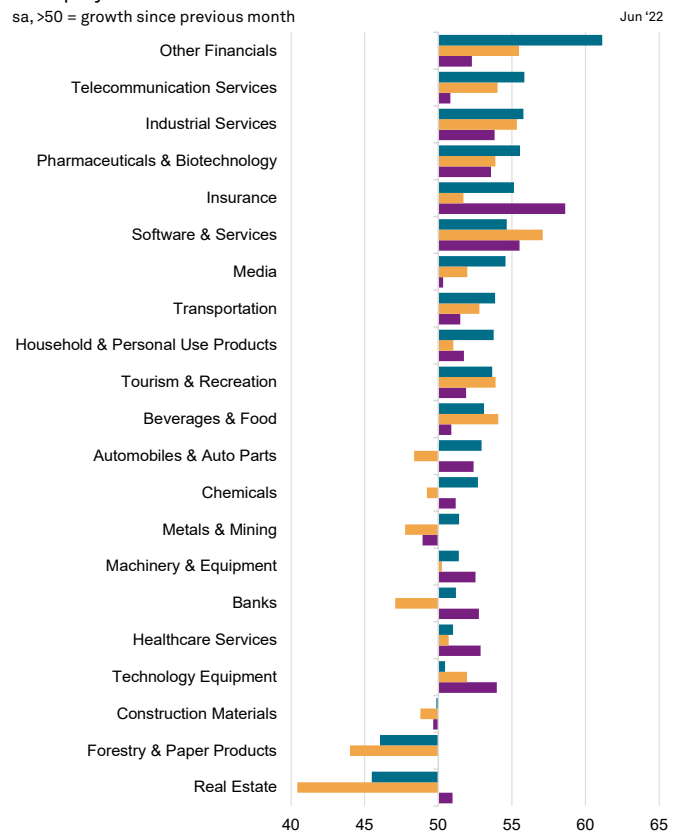
Beverages & Food again saw strong rises in both input costs and selling prices, with the latter increasing at a faster pace than in May. On a more positive note, supply-chain disruption in the sector was the least pronounced in 15 months and new order growth quickened to the sharpest since last November.

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

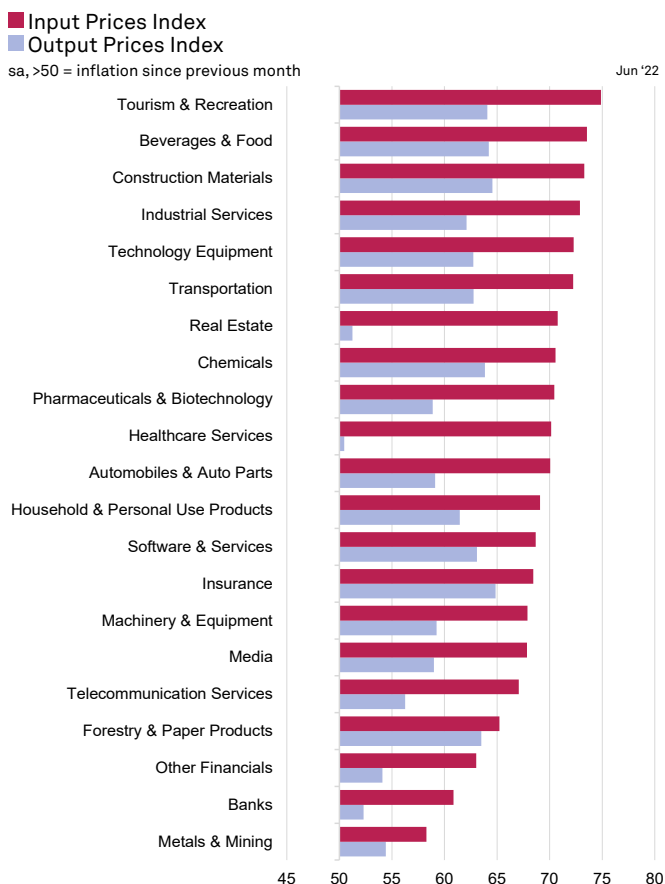


Source: S&P Global.

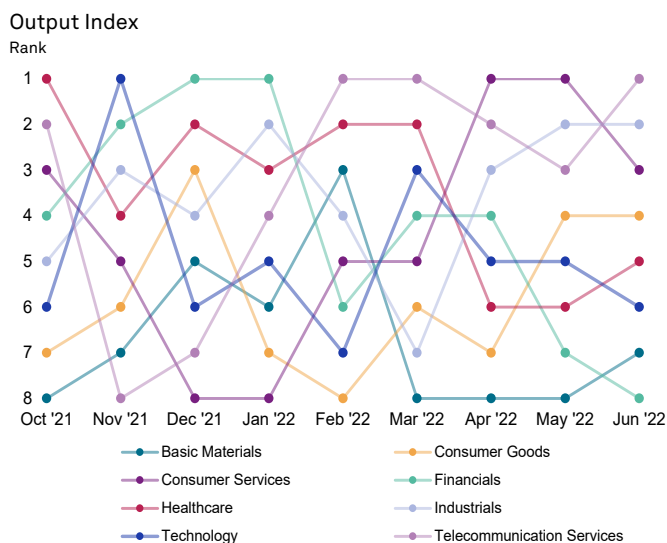
Output Index
New Orders Index
Employment Index
sa, >50 = growth since previous month



Source: S&P Global.



Source: S&P Global.



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.

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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