IHS Markit Global Sector PMI™

Growth of global transportation activity accelerates further in November

**Key findings**

- Transportation is second-fastest growing global sector in November, joint-highest ever ranking
- Other Financials records strongest growth of all sectors in November
- Automobiles & Auto Parts output falls for fourth month running, but only marginally

The latest Global Sector PMI™ data from IHS Markit revealed rising business activity in 19 out of 21 detailed sectors monitored in November, the highest total since July. Growth of activity in the Transportation sector accelerated for the third successive month and was the third-strongest since the series began in October 2009. Moreover, Transportation was the second-fastest growing detailed sector in November, equalling its highest ever ranking. The 12-month outlook for activity was the second-strongest on record.

The fastest rise in activity across all sectors was in Other Financials*. Elsewhere in the broad Financials group, Banks and Real Estate registered sharp and solid rises in activity respectively, while slower growth was seen in Insurance.

Industrial Services, Software & Services, Technology Equipment and Healthcare Services also registered sharp growth rates in November, although the latter lost considerable momentum since October when it was the fastest-growing sector.

Only two sectors posted falling output in November: Metals & Mining and Automobiles & Auto Parts. That said, both registered slower declines than in October, with the latter seeing the weakest fall in output in the current four-month downturn.

Cost pressures remained severe in November, with ten sectors registering record rates of input price inflation during the month. The strongest cost inflation was in Technology Equipment, followed by Construction Materials, Chemicals and Forestry & Paper Products.

*Includes consumer financials, investment services and specialty financials.
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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