

IHS Markit U.S. Sector PMI™

Healthcare records the fastest output growth in August

Key findings

Healthcare, Basic Materials and Consumer Goods outperform other sectors

Technology saw the weakest expansion in August

Consumer Services posts sharp slowdown

US Sector PMI™ indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's US manufacturing and services PMI survey panels, covering over 1,000 private sector companies. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology sectors.

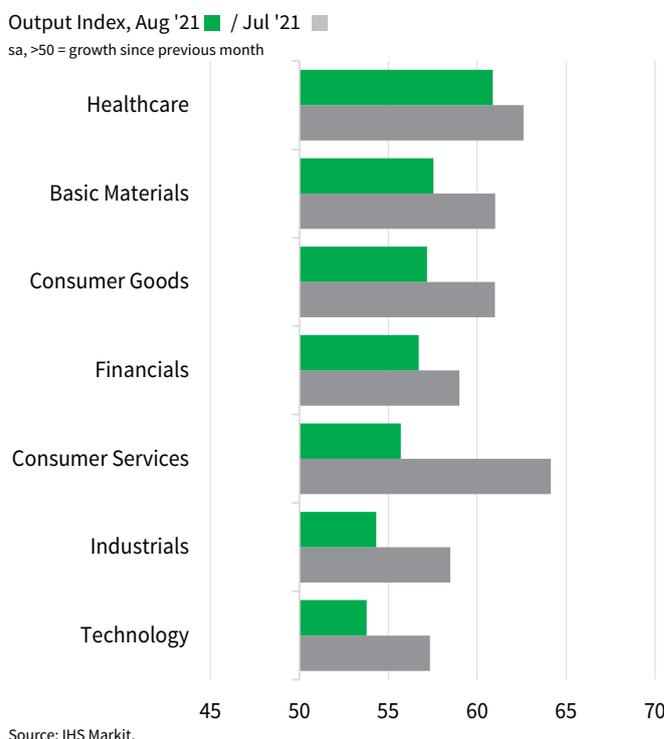
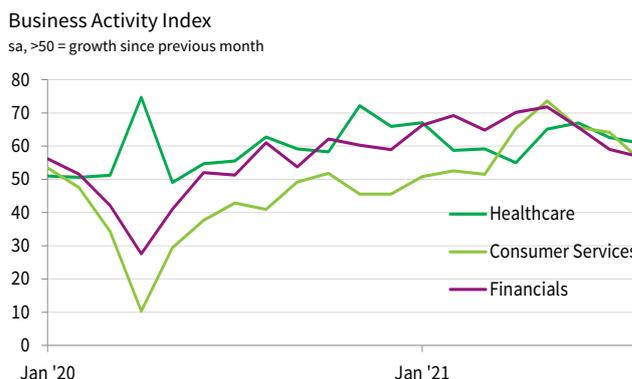
All seven broad categories monitored by the US Sector PMI series recorded higher levels of business activity during August, but in each case the rate of growth was slower than in July. Consumer Services saw the greatest loss of momentum (index at 55.7 in August, down from 64.1) and dropped from first to fifth in the sector rankings.

Healthcare (60.9) was the fastest-growing part of the US private sector economy, according to the latest survey data. Basic Materials (57.5) and Consumer Goods (57.2) also outperformed in August, reflecting strong demand for manufacturing goods. However, supply constraints and stretched capacity contributed to a slowdown in growth since July.

Financials was in the middle of the sector rankings table in August, with the latest expansion of activity the weakest since September 2020.

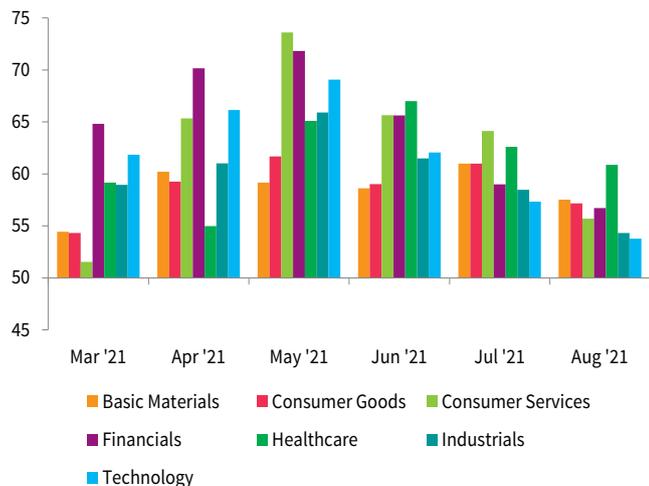
Industrials also saw a considerable loss of momentum, as indicated by the softest upturn in output so far in 2021.

Technology was the worst-performing category for business activity growth in August. The tech sector has seen weaker rates of expansion in each of the past three months and the latest reading was the lowest since November 2020.



Output / Business Activity Index

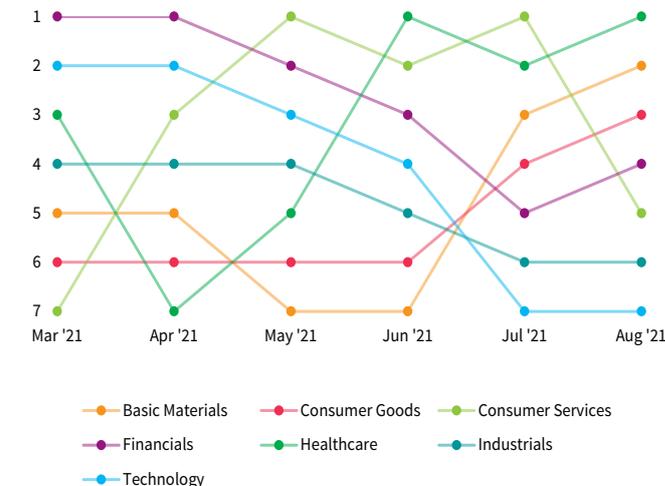
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

Rank



Source: IHS Markit.

Contact

Tim Moore
 Director
 IHS Markit
 T: +44-1491-461-067
tim.moore@ihsmarkit.com

Katherine Smith
 Public Relations
 IHS Markit
 T: +1 781 301 9311
katherine.smith@ihsmarkit.com

Methodology

The IHS Markit US Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's US manufacturing and services PMI survey panels, covering over 1,000 private sector companies.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. US Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology sectors.

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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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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