

News Release

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IHS MARKIT US SECTOR PMI™

Financial services and consumer goods record fastest upturns after healthcare in June

KEY FINDINGS

Three out of seven sectors register a rise in activity

All other categories post a slower pace of decline in June

Consumer services records fastest reduction

June 2020 data were collected 12-29 June 2020.

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.

June data unsurprisingly pointed to a mixed picture across the seven broad categories of activity as the COVID-19 pandemic continued to have an uneven impact on industry sectors.

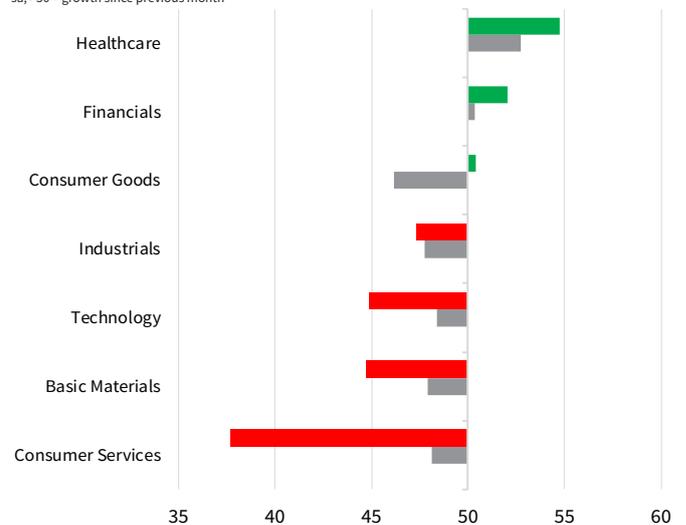
Healthcare activity, which includes both service provision and the manufacturing supply chain, was the fastest-growing sector monitored by the survey during the latest survey period.

Outside of healthcare, the fastest-growing area for business activity was **financials**, followed by **consumer goods** production, helped by the phased reopening of the wider economy in June.

Consumer services was by far the weakest-performing category in terms of both business activity and incoming new work, reflecting challenges adapting to social distancing measures and ongoing business shutdowns.

The **basic materials** and **technology** categories also struggled in June, with a weaker output performance than anywhere else other than consumer services. That said, both sectors signalled a much slower downturn than in May, as was also the case for the **industrials** category.

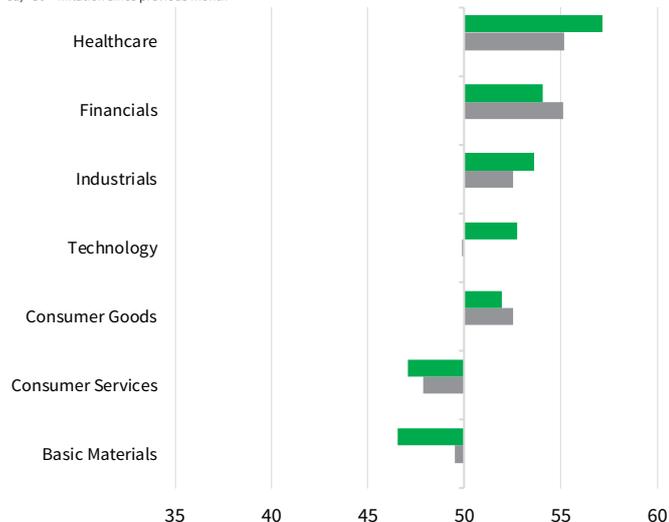
Output Index / Employment Index, June '20
sa, >50 = growth since previous month



Source: IHS Markit

Input Prices Index / Prices Charged Index, June '20

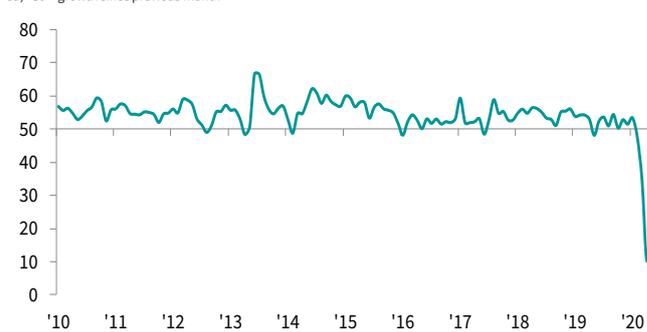
sa, >50 = inflation since previous month



Source: IHS Markit

US Consumer Services: Business Activity Index

sa, >50 = growth since previous month



Source: IHS Markit

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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.

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