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IHS Markit U.S. Sector PMI™

Output growth driven by financial services and technology in March

Key findings

Financials remains the best-performing category

Technology sector records fastest growth since September 2014

Consumer goods lose momentum as output rises at slowest pace for five months

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.

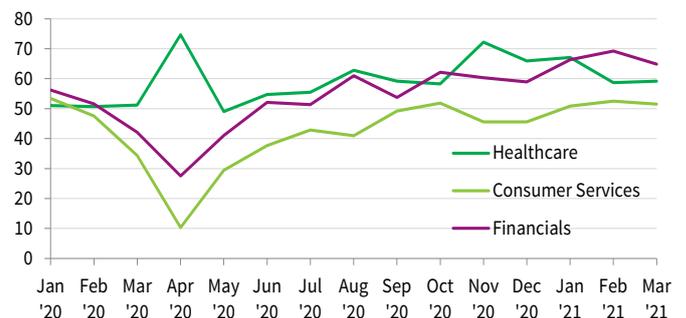
All seven broad categories monitored by the US Sector PMI series registered an increase in output during March and a similar pattern was seen for incoming new work. Employment growth continued in six of the seven categories, with consumer services the only exception. Meanwhile, strong cost pressures persisted in March, led by a survey-record rise in input prices across the basic materials category.

Financials retained its position as the best-performing area for business activity growth in March, despite the pace of expansion easing since the previous month. In second place, output growth across the **Technology** sector gained considerable momentum and reached its fastest for six-and-a-half years.

March data indicated relatively sharp rises in business activity across the **healthcare** and **industrials** categories, although the latter softer growth than in February.

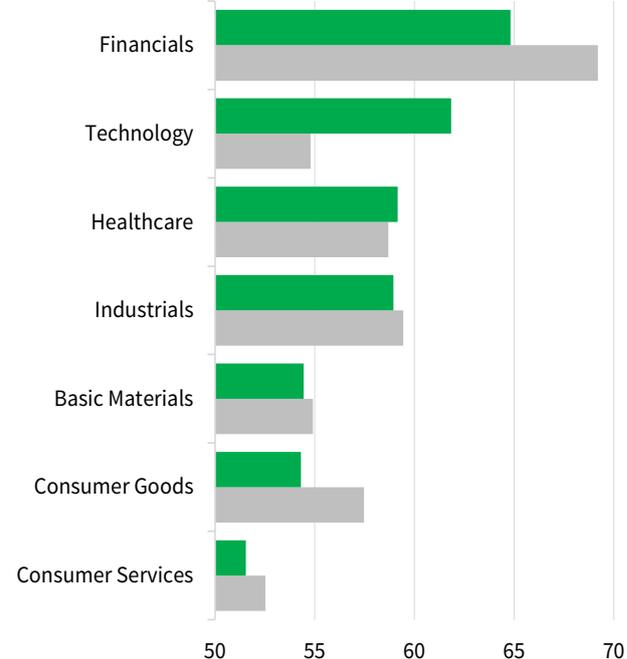
Consumer goods saw the greatest loss of momentum in March, with production growth easing to a five-month low. **Basic materials** meanwhile posted its weakest rise in output since last October. Finally, **consumer services** registered another modest increase in business activity, but the rate of expansion was still the slowest of all seven categories.

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



Source: IHS Markit.

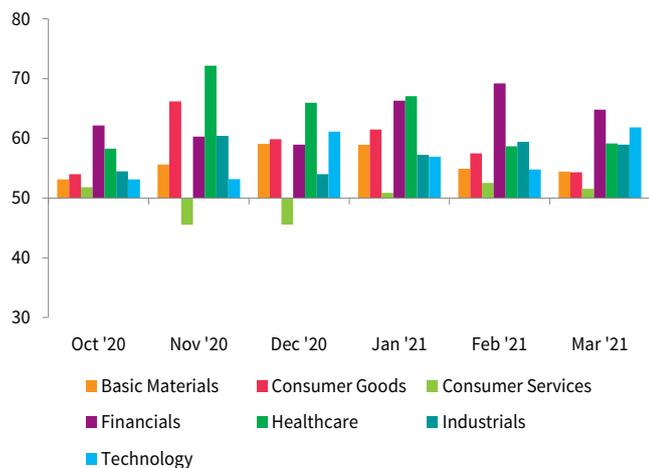
Output Index, Mar '21 / Feb '21
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

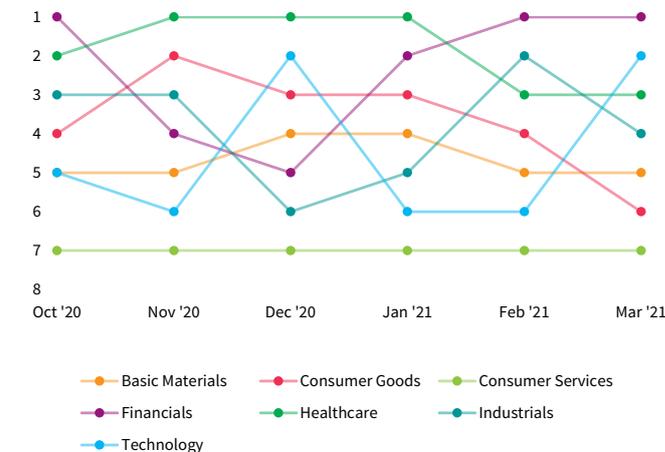
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

Rank



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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