

IHS MARKIT US SECTOR PMI™

Fastest contraction in healthcare business activity since August 2016

KEY FINDINGS

First decline in healthcare output since March 2017

Consumer goods production growth accelerates to eight-month high

Slower and only fractional rise in consumer services activity

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.

Healthcare firms noted the fastest contraction in business activity in over three years in October, according to the latest US Sector PMI™. Although the decrease was only modest overall, it was the first such decline since March 2017, with healthcare the only monitored sub-sector registering a downturn in output.

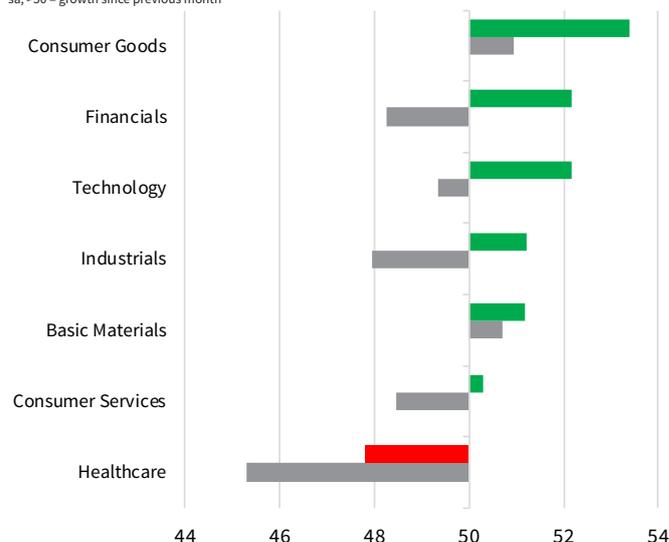
At the other end of the spectrum, **consumer goods** manufacturers reported the fastest expansion in production during October. The rate of growth accelerated to a solid pace that was the fastest in eight months.

Industrials and **technology** firms noted a quicker increases in output. The upturn in the former was only marginal overall despite accelerating to a three-month high. Business activity among technology companies rose modestly and at a similar rate to that seen in September.

Meanwhile, **consumer services** firms indicated the slowest pace of growth in the current five month sequence of expansion. Furthermore, the increase was only fractional overall.

Finally, **basic materials** and **financials** companies registered softer upturns in output during October. Growth rates were only marginal and modest, respectively.

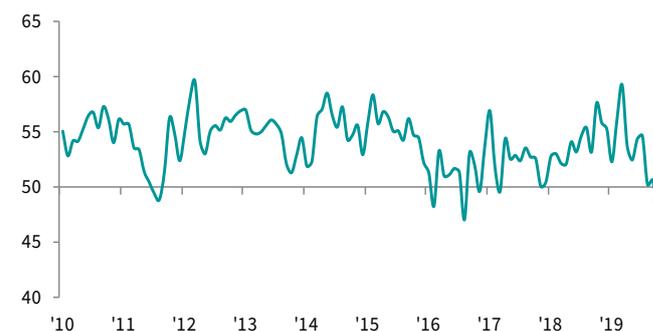
Output Index / Employment Index, Oct'19
sa, >50 = growth since previous month



Source: IHS Markit

US Healthcare Business Activity Index

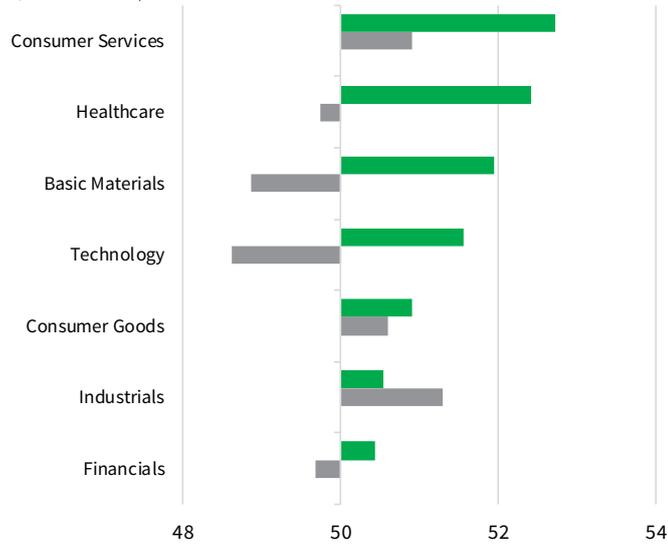
sa, >50 = growth since previous month



Source: IHS Markit

Input Prices Index / Prices Charged Index, Oct'19

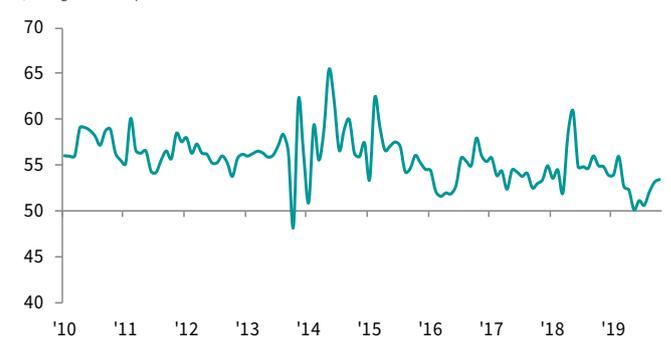
sa, >50 = inflation since previous month



Source: IHS Markit

US Consumer Goods Output 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. To learn more go to ihsmarkit.com/products/pmi.html.

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