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IHS MARKIT US SECTOR PMI™

Consumer goods output growth at nine-month high

KEY FINDINGS

Sharp rise in consumer goods production

Healthcare firms post steep increase in business activity

Basic materials output falls for second time in three 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.

February data pointed to a sharp expansion in healthcare and consumer goods output, according to the US Sector PMI™. The sectors were tied at the top of the rankings, with the rates of growth reaching four- and nine-month highs, respectively.

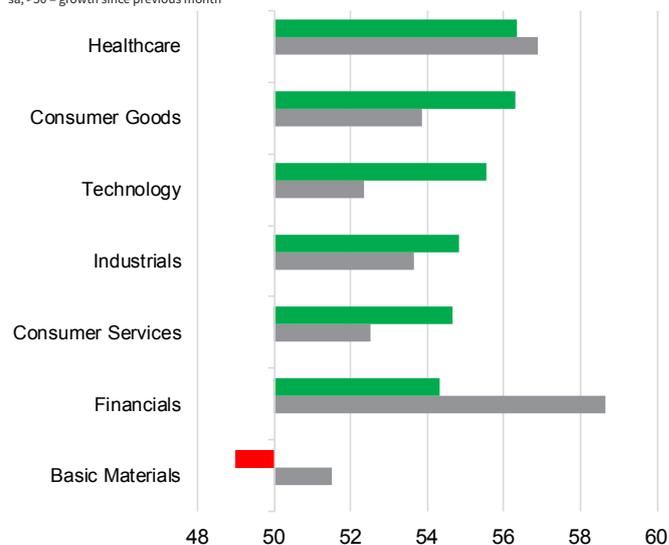
In contrast, basic materials firms noted a contraction in production in February. The latest fall was the second in three months, albeit only marginal overall. The sector slipped down the rankings table having recorded the third-strongest expansion of the seven monitored sectors in January.

The industrials sector registered a slower rise in output. In fact, firms recorded the weakest increase in activity since April 2018. Technology companies, meanwhile, continued to report a strong upturn in business activity despite the pace of growth easing slightly.

Elsewhere, consumer services and financials firms noted faster increases in output in February. Notably, growth in financials business activity accelerated from January's marginal rate and reached a seven-month high. The expansion was solid overall.

Output Index / Employment Index, Feb'19

sa, >50 = growth since previous month



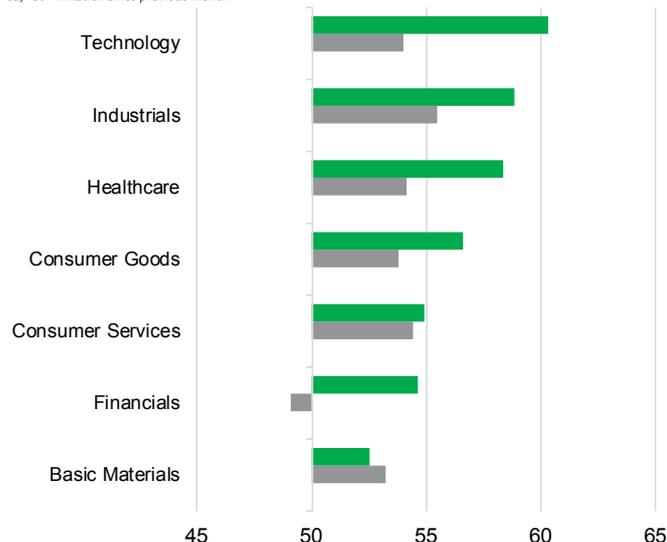
US Consumer Goods Output Index

sa, >50 = growth since previous month



Input Prices Index / Prices Charged Index, Feb'19

sa, >50 = inflation since previous month



US Basic Materials Output Index

sa, >50 = growth since previous month



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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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