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## IHS MARKIT US SECTOR PMI™

### Industrials growth dips to slowest since August 2016

#### KEY FINDINGS

Marginal output expansion at industrials firms

Consumer goods production upturn eases to 13-month low

Basic materials sector shows renewed output growth

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.

April data signalled a slowdown in **industrials** output growth, according to the US Sector PMI™. The industrials sector – which indicates construction material and machinery equipment manufacturers, and commercial and professional service providers – slipped down the rankings table and registered only a marginal expansion in production. The upturn was the slowest since August 2016.

Similarly, **consumer goods** firms recorded a softer rise in output during April. The rate of increase was broadly in line with that seen in March and solid overall, but slipped to a 13-month low.

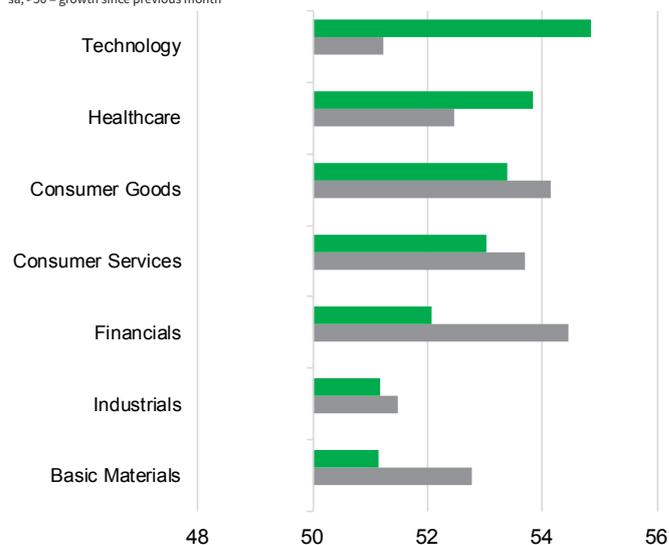
The **consumer services**, **financials** and **healthcare** sectors also noted weaker upturns in business activity. The former indicated the slowest increase in output since last September. Although still second in the rankings table, healthcare firms signalled a notable slowdown following two marked monthly expansions.

In contrast to back-to-back contractions in February and March, the **basic materials** sector recorded a renewed rise in output during April.

Finally, the **technology** sector topped the rankings table, with the rate of output growth rebounding from March's recent low. The upturn was strong overall.

Output Index / Employment Index, Apr'19

sa, >50 = growth since previous month



Source: IHS Markit

US Industrials Output Index

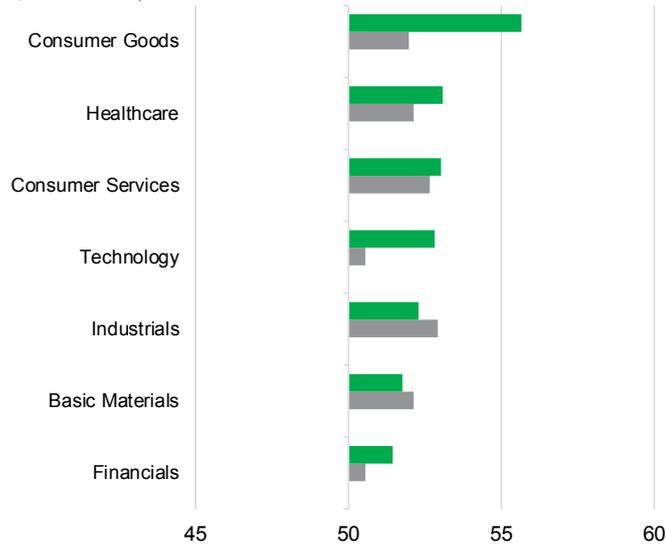
sa, >50 = growth since previous month



Source: IHS Markit

**Input Prices Index / Prices Charged Index, Apr'19**

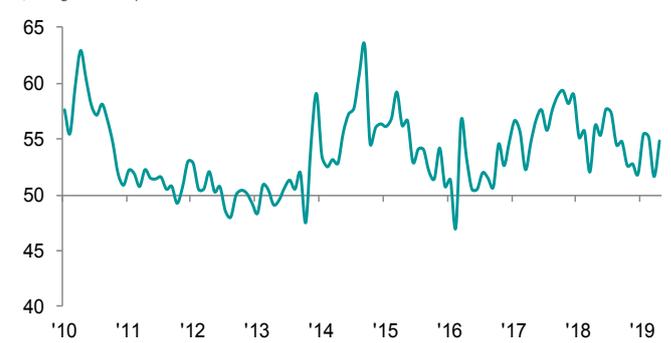
sa, >50 = inflation since previous month



Source: IHS Markit

**US Technology 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](mailto: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](http://ihsmarkit.com/products/pmi.html).

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