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## IHS MARKIT US SECTOR PMI™

### Financial services is best-performing sector in December, with growth at 17-month peak

#### KEY FINDINGS

Six out of seven categories of US private sector activity record growth in December

Basic materials is the only area to register a decline in output volumes

Financials tops growth table, while industrials and technology categories outperform at end of 2019

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.

**Financials** recorded the strongest business activity growth of the seven broad categories monitored by the IHS Markit US Sector PMI in December. The latest increase in business activity among financial service providers was the sharpest seen since July 2018.

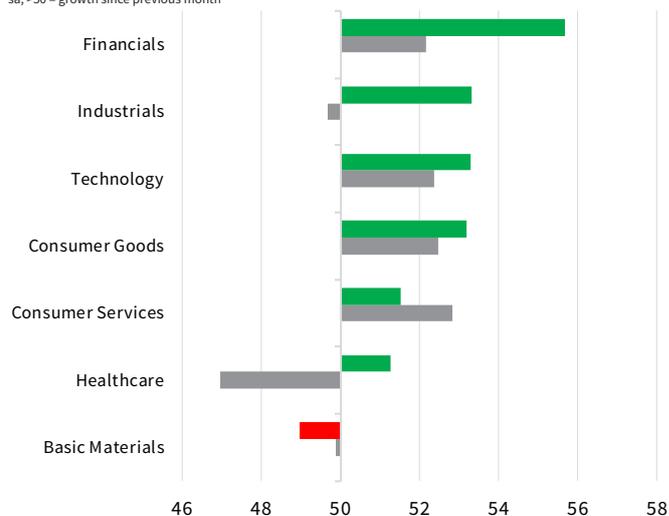
Output growth in the broad **industrials** category picked up for the third month running in December. Moreover, the rate of expansion was the fastest since March 2019. A similarly strong rise in business activity was indicated by **technology** firms at the end of last year, with growth in this category reaching a four-month high.

**Consumer goods** slipped down the performance table during the latest survey period, with production growth easing from November's nine-month peak. At the same time, business activity continued to rise at only a modest pace among **consumer service** providers. **Healthcare** also experienced a relatively subdued pace of expansion at the end of 2019.

**Basic materials** was the worst-performing broad category of activity in December and the only sector to register an overall decline in output. Although only marginal, the decline in production volumes was the fastest recorded by the survey since May 2016.

Output Index / Employment Index, Dec'19

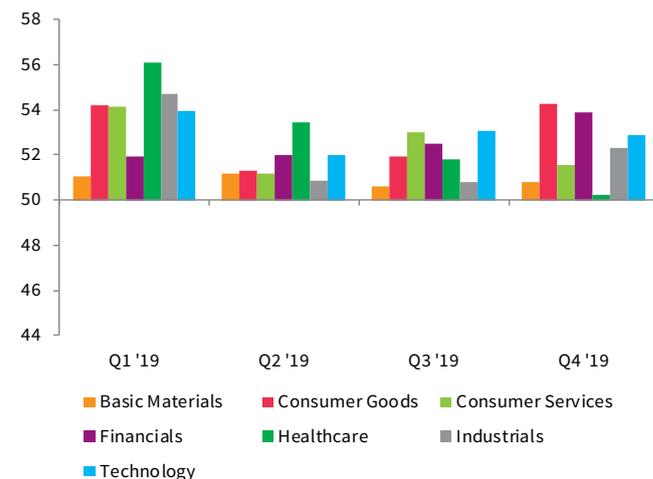
sa, >50 = growth since previous month



Source: IHS Markit

Output Index

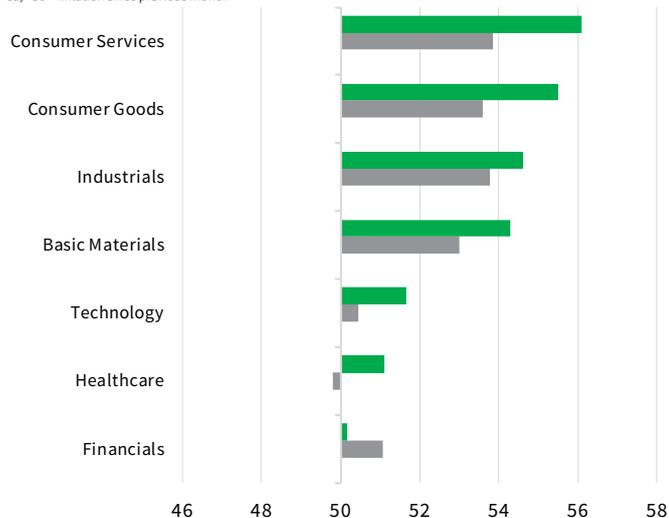
sa, >50 = growth since previous month (quarterly average)



Source: IHS Markit.

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

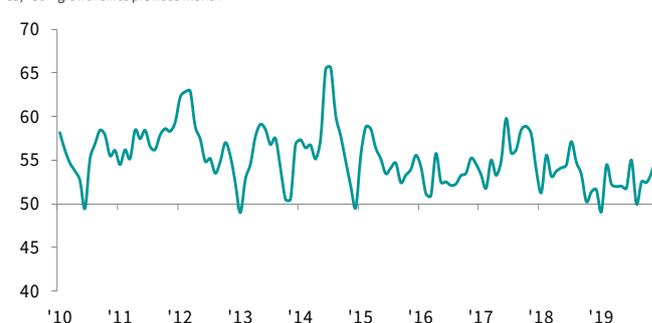
sa, >50 = inflation since previous month



Source: IHS Markit

**US Financials 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](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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