

News Release

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IHS MARKIT US SECTOR PMI™

Sharpest rise in business activity across the financial services category since July 2018

KEY FINDINGS

All seven broad categories of private sector activity report higher output in January

Financials is the best-performing category, followed by consumer services

Healthcare records only a slight rise in 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.

January data signalled that **financials** experienced the fastest business activity growth of the seven broad categories monitored by the IHS Markit US Sector PMI. Moreover, the rate of expansion signalled by financial service providers was the strongest for one-and-a-half years.

Business activity in the **consumer services** category also increased at a solid pace in January, with the latest rise the fastest since latest September.

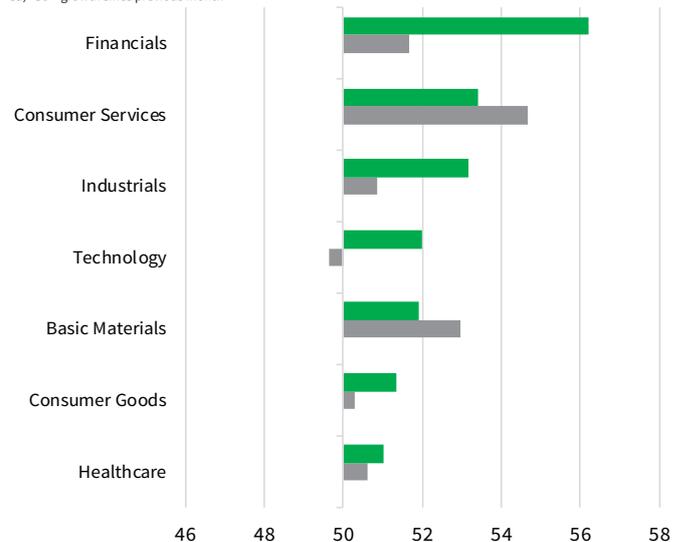
The broad **industrials** sector outperformed at the start of 2020, although the rate of business activity growth eased slightly since December. A similar pattern was also seen among **technology** firms as the rate of business activity expansion slipped to a seven-month low in January. Moreover, technology was the only sub-sector to record a drop in payroll numbers during the latest survey period.

A moderate upturn in output among manufacturers of **basic materials** represented a return to growth following an overall decline in production volumes at the end of 2019.

Meanwhile, **consumer goods** and **healthcare** posted the slowest rates of growth at the start of the year, with business activity rising only slightly in both categories.

Output Index / Employment Index, Jan'20

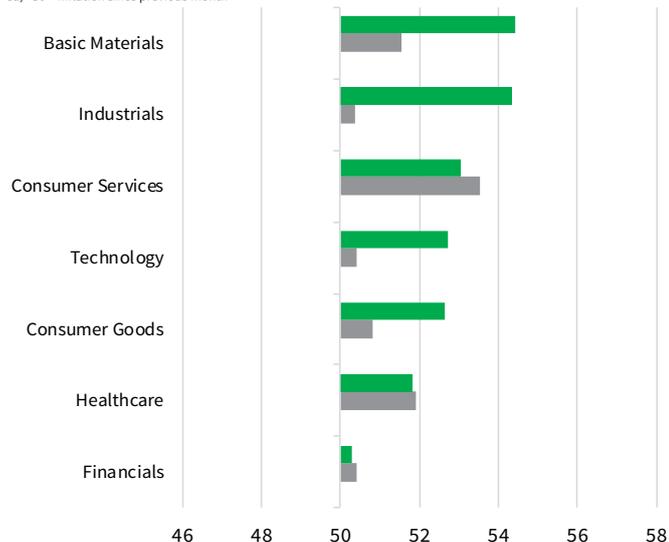
sa, >50 = growth since previous month



Source: IHS Markit

Input Prices Index / Prices Charged Index, Jan'20

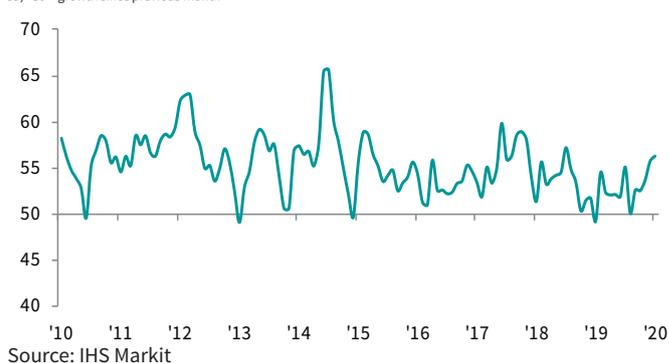
sa, >50 = inflation since previous month



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.

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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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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