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IHS Markit US Sector PMI™

Financials outperforms all other US sectors in December

Key findings

Business activity growth hits six-month high in the Financials category

Consumer Services recovery eases to three-month low

Rebound in Consumer Goods production during December

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.

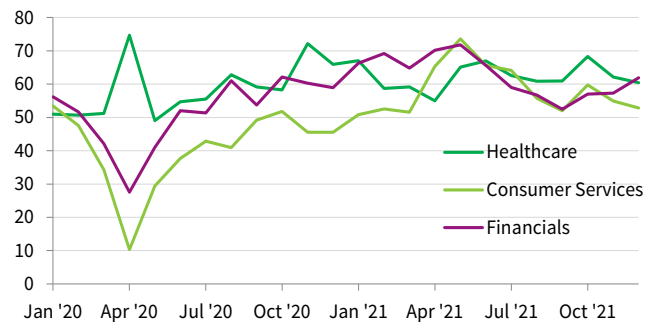
All seven broad categories monitored by the US Sector PMI signalled a rise in business activity during December, up from six in November.

Consumer Goods (index at 53.7) returned to growth at the end of 2021, reflecting stronger demand as some household spending pivoted from services to consumer goods in response to rising COVID-19 cases. The latest rise in Consumer Goods production was the fastest since August, while Consumer Services (52.8) recorded its weakest expansion for three months.

Financials (61.9) replaced Healthcare (60.4) as the best-performing area of the US private sector economy in December, with business activity expanding at the strongest pace since June. Basic Materials (56.2) was the third-fastest growing sector at the end of 2021, driven by robust demand for raw materials and stretched global supply chains.

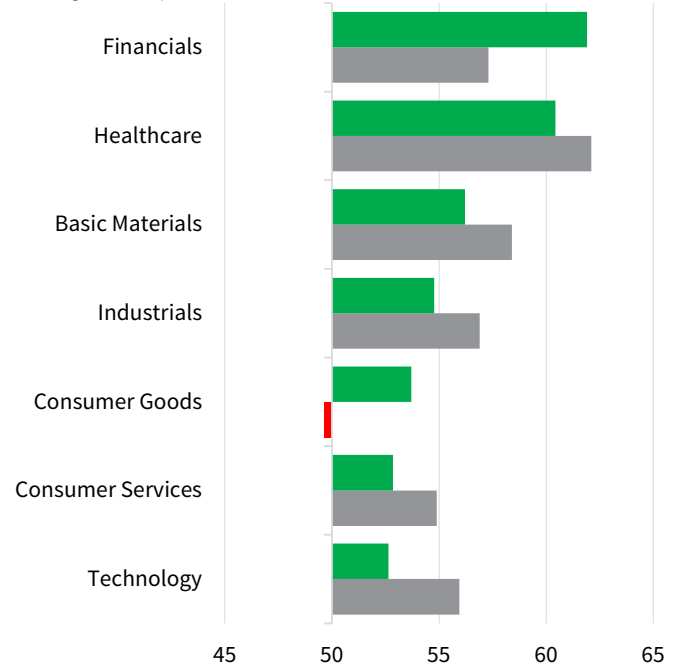
At the other end of the scale, Technology (52.6) recorded a marked slowdown in business activity expansion during December, with survey respondents continuing to cite a headwind from shortages of critical components. Supply chain issues also hit the Industrials category (54.8), with output rising at the weakest pace since August.

Business Activity Index
sa, >50 = growth since previous month



Source: IHS Markit.

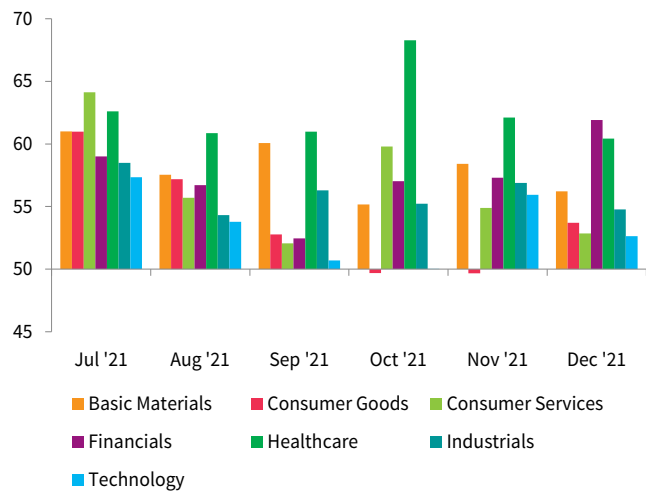
Output Index, Dec '21 / Nov '21
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

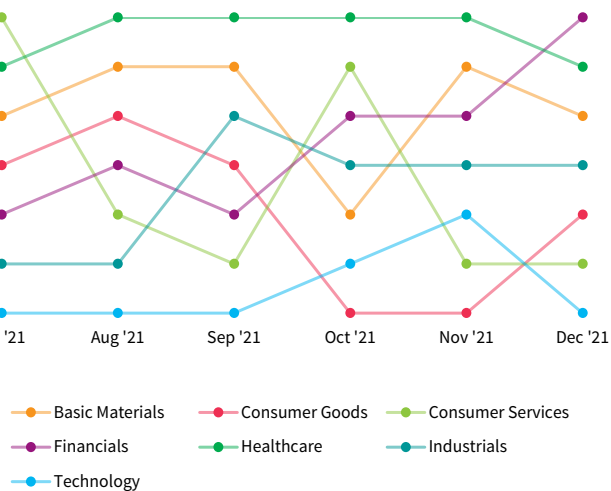
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

Rank



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.

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