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## IHS MARKIT US SECTOR PMI™

### Service sectors continue to outpace manufacturing counterparts in July

#### KEY FINDINGS

Healthcare business activity rises sharply

Rate of financials output growth quickens to five-month high

Consumer goods production broadly unchanged

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.

**Healthcare** firms signalled a steep increase in business activity in July, according to the US Sector PMI™. The upturn in output across the sector accelerated to a four-month high. Healthcare topped the output rankings for the third successive month.

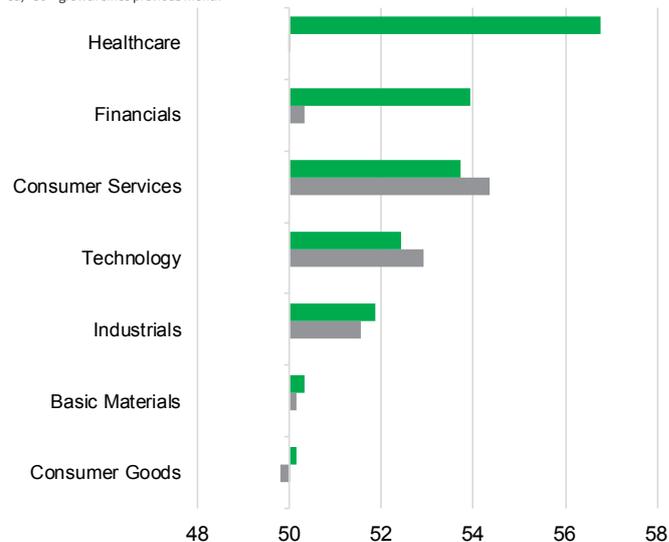
At the same, **financials** companies registered the sixth consecutive expansion in business activity in July. The pace of growth was the strongest since February. Although below the series average, the increase was solid overall.

Closely behind was a robust rise in output across the **consumer services** sector. The rate of growth was the sharpest since March. Meanwhile, **industrials** firms also recorded the fastest expansion in output for four months. That said, the upturn was only modest overall.

**Technology** firms signalled a renewed rise in business activity following June's fractional decline.

In contrast, **consumer goods** producers registered broadly unchanged output levels during July and were bottom of the output rankings. **Basic materials** firms noted only a slight increase in production that was the softest for four months.

Output Index / Employment Index, Jul'19  
sa, >50 = growth since previous month



Source: IHS Markit

US Healthcare Business Activity Index

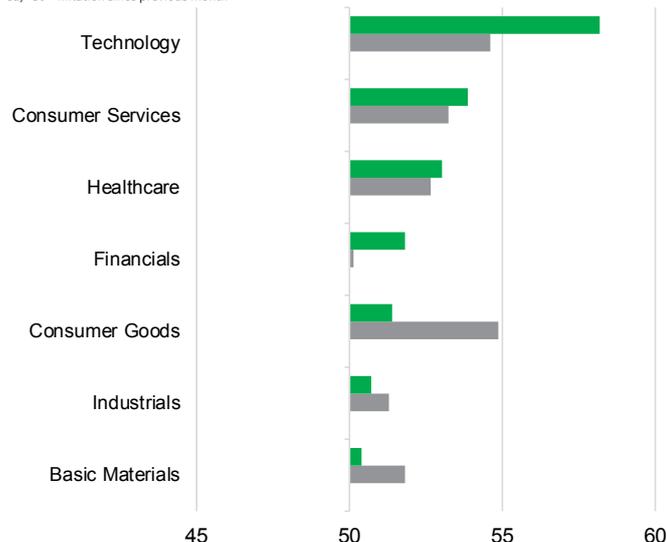
sa, >50 = growth since previous month



Source: IHS Markit

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

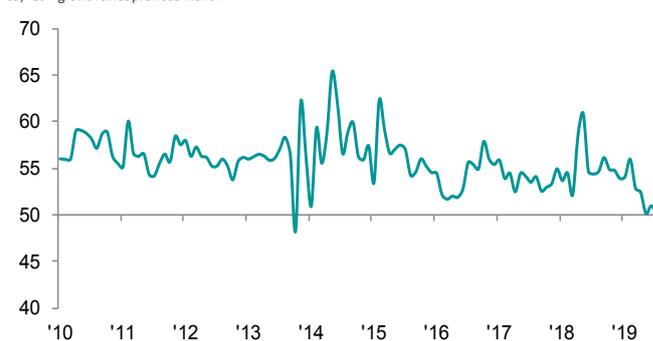
sa, >50 = inflation since previous month



Source: IHS Markit

**US Consumer Goods 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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