

Embargoed until 0945 EST (1445 UTC) 4 November 2020

# IHS Markit U.S. Sector PMI™

## Recovery in US private sector output led by Financial services during October

### Key findings

All seven broad US sectors register output growth in October

Financials signal the fastest rise in activity, followed by Healthcare and Industrials

Consumer services return to expansion, but is the weakest-performing category

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.

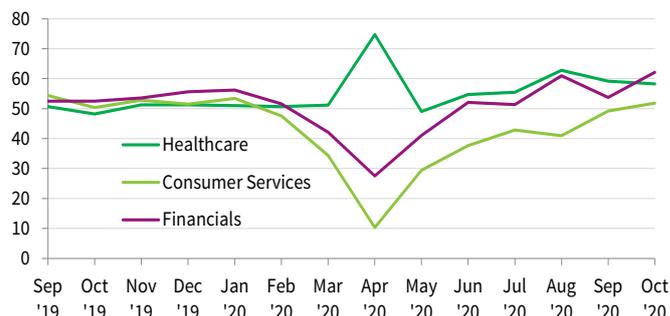
October data pointed to rising levels of business activity across all seven categories monitored by the US Sector PMI survey. This was the first broad-based expansion of private sector output since January.

**Financials** overtook **healthcare** as the fastest-growing sector during October. The latest increase in business activity among financial service providers was the strongest since July 2014.

Robust rates of output growth were also seen across the **industrials** and **consumer goods** sectors at the start of the fourth quarter, with the former posting its steepest upturn since January 2019. **Technology** firms meanwhile continued to record rising levels of business activity during October, but the pace of expansion slowed since the previous month.

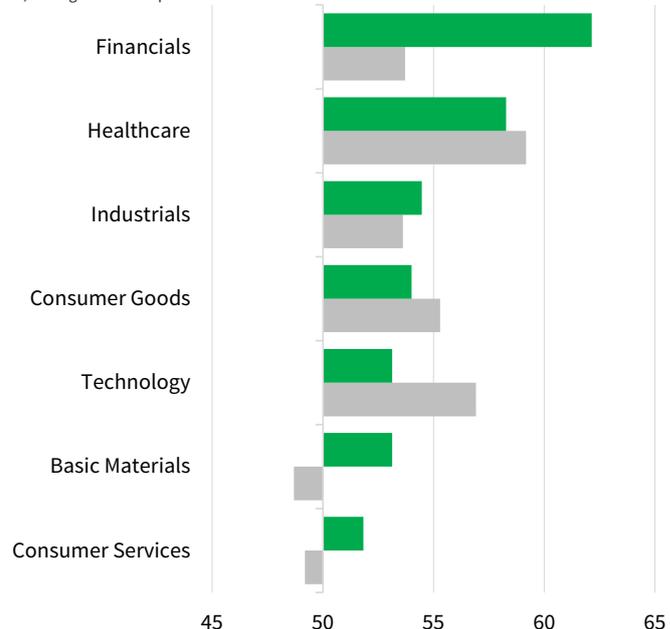
The latest survey indicated a return to growth for both the **basic materials** and **consumer services** sectors. Production among manufacturers of basic materials rose to the largest extent for nearly two years, but the rate of expansion trailed behind most other categories except for consumer services. Business activity increased only slightly across the consumer services sector and it was the weakest-performing area of the US private sector economy in October.

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



Source: IHS Markit.

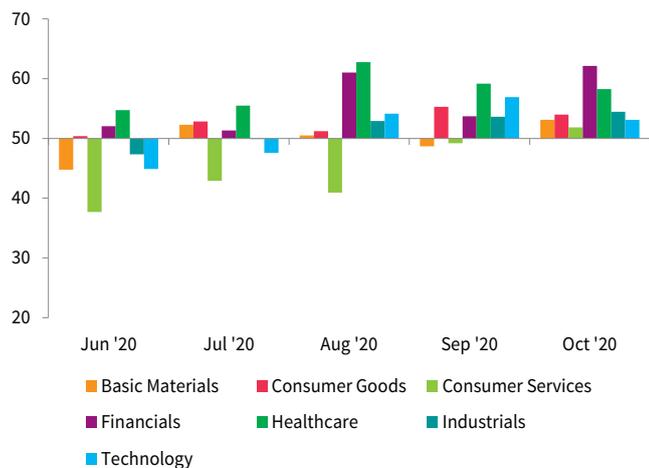
Output Index, Oct '20 / Sep '20  
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

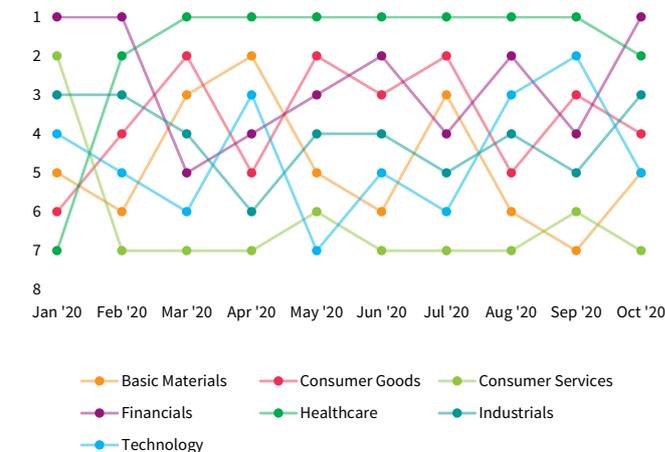
sa, >50 = growth since previous month



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](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.  
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