

IHS Markit U.S. Sector PMI™

US private sector growth led by healthcare and financial services in January

Key findings

Healthcare tops sector output growth table for third consecutive month

Financials category registers fastest rise in business activity since series began in late-2009

Consumer goods continue to outperform at start of 2021

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.

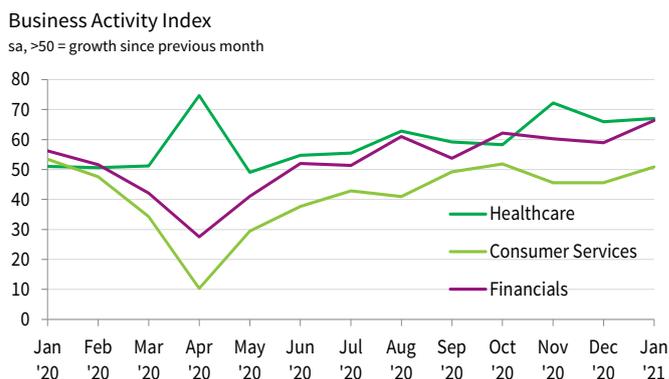
All seven categories monitored by the US Sector PMI series registered an expansion of business activity during January, which marked the first broad-based upturn in private sector output since October 2020.

Healthcare continued to record a faster rate of growth than all other parts of the private sector economy, although the gap narrowed in January amid a strong performance across the **financials** category. The latest increase in business activity at financial service providers was the sharpest recorded since the series began in October 2009.

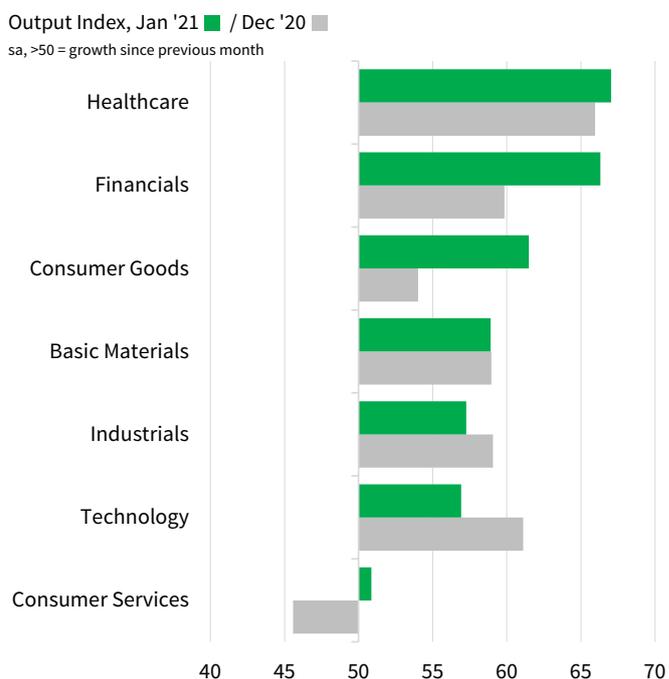
Consumer goods producers also signalled a steep rise in output at the start of 2021 with the pace of expansion running above that seen across the manufacturing sector as a whole.

Basic materials, industrials and **technology** businesses all indicated robust increases in output during January, although in each case the speed of recovery was softer than the peaks seen in the final months of 2020.

January data pointed to a renewed upturn in activity across the **consumer services** sector. However, the rate of growth was only marginal and trailed behind all other categories.



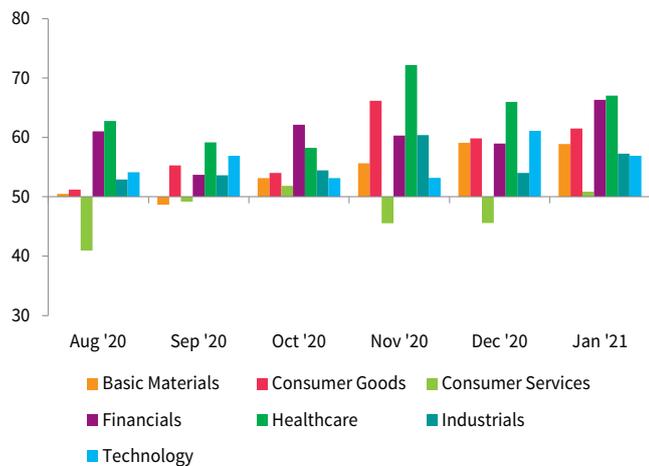
Source: IHS Markit.



Source: IHS Markit.

Output / Business Activity Index

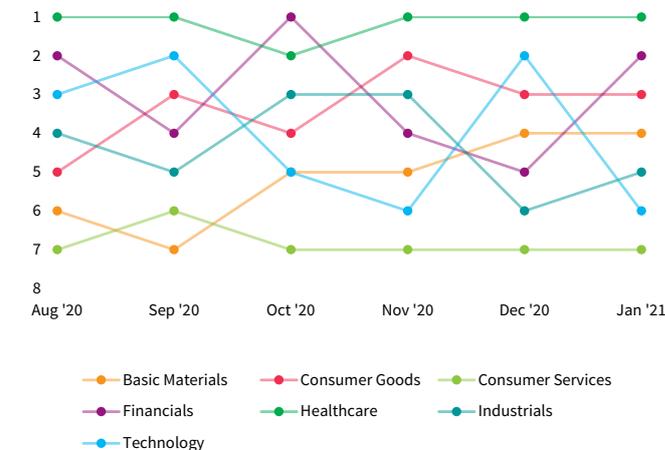
sa, >50 = growth since previous month



Source: IHS Markit.

Output / Business Activity Index

Rank



Source: IHS Markit.

Contact

Tim Moore
 Director
 IHS Markit
 T: +44-1491-461-067
tim.moore@ihsmarkit.com

Katherine Smith
 Public Relations
 IHS Markit
 T: +1 781 301 9311
katherine.smith@ihsmarkit.com

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. ihsmarkit.com/products/pmi.html

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