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## IHS MARKIT US SECTOR PMI™

### Financials business activity declines for first time since December 2014

#### KEY FINDINGS

Modest contraction in financials output

Rate of industrials output growth accelerates

Fastest rise in technology output since July 2018

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.

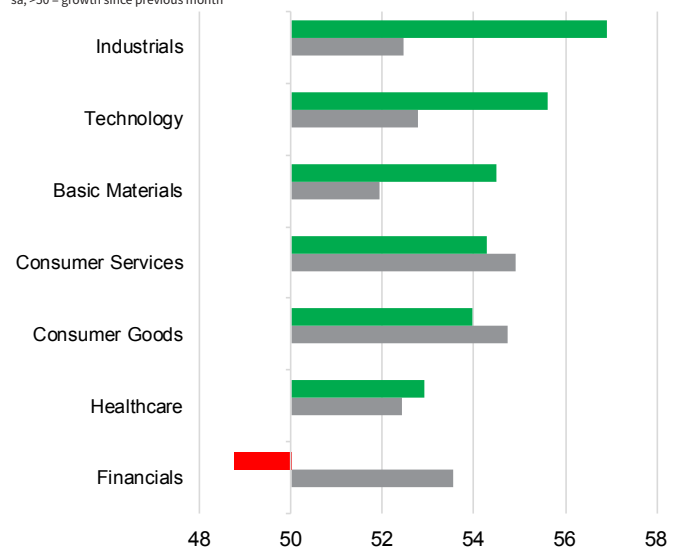
**Financials** firms signalled a contraction in business activity in January, according to the US Sector PMI™. The fall in output was the first such monthly decline in over four years. Moreover, financials companies were the only monitored sector to register a decrease in output.

Conversely, firms in the **technology** sector indicated a pick up in the rate of output growth in January. The pace of expansion was the fastest since last July and strong overall. The rise in business activity was the second-quickest of the monitored sectors (behind industrials). Furthermore, **industrials** firms signalled the strongest upturn in output for three months.

Both **basic materials** and **consumer goods** firms also registered a solid rise in output in January. The former signalled a rebound in growth following a marginal contraction in December.

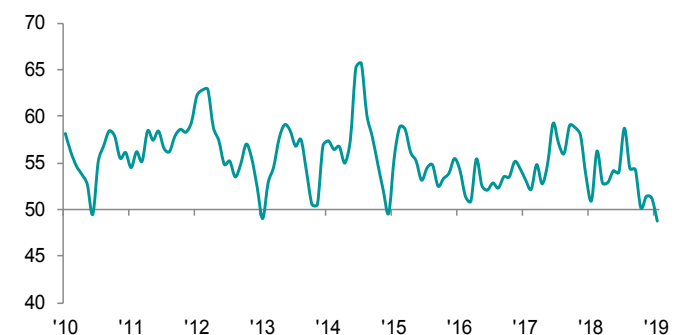
In contrast, **consumer services** and **healthcare** firms reported a slower increase in business activity in January. Both sectors registered the weakest output growth for four months.

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



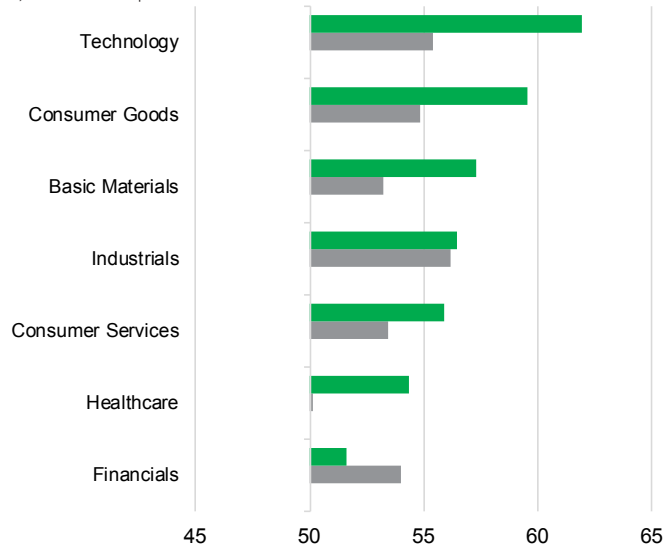
US Financials Activity Index

sa, >50 = growth since previous month



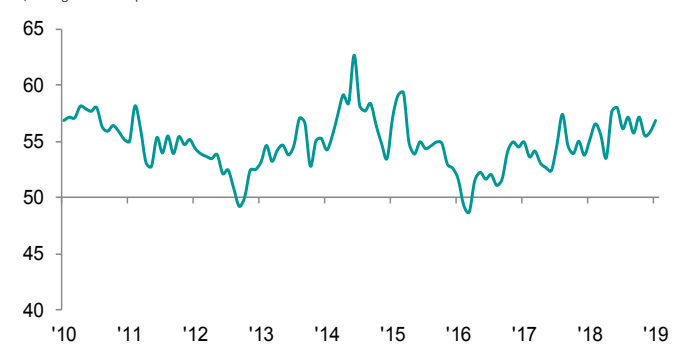
**Input Prices Index / Prices Charged Index, Jan'19**

sa, >50 = inflation since previous month



**US Industrials Output Index**

sa, >50 = growth since previous month



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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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IHS Markit (Nasdaq: 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](http://ihsmarkit.com/products/pmi.html).

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