

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 09:45 (EST) / 14:45 (UTC) February 7<sup>th</sup> 2017**

## Markit US Sector PMI®

### January PMI data signal broad-based upturn led by consumer services

#### Key points:

- Consumer services is fastest-growing sector, having been bottom-ranked in December
- Technology, consumer goods and healthcare also see sharp activity growth
- Financials is worst performer

January's batch of US Sector *PMI*® data from Markit highlighted improving growth trends across a number of key areas of the economy. All seven monitored sectors signalled an expansion in activity, with rates of growth accelerating in five of those cases. This was in line with a robust performance signalled by the US Composite Output PMI, which climbed to a 14-month high of 55.8 at the start of 2017.

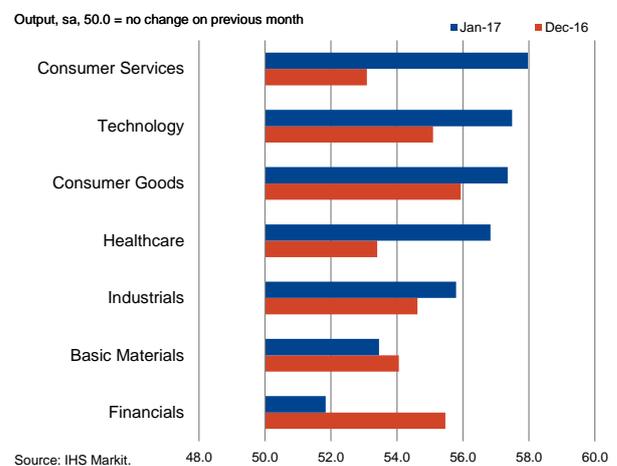
**Consumer services** was the standout performer among the seven sectors in January. Not only did it post the strongest rise in activity for 20 months, it also turned the league table upside down having been bottom-ranked in December. New orders increased substantially in January, leading to the best round of job creation since September 2015.

Its manufacturing counterpart, **consumer goods**, also signalled marked growth of output in January. The latest increase maintained the sector's impressive performance in recent months – it was top-ranked on average in Q4 and across 2016 as a whole.

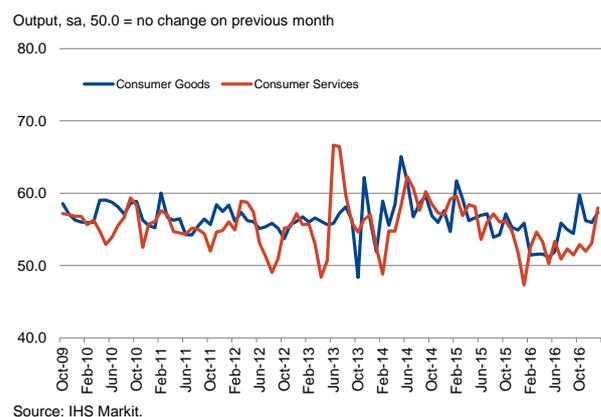
**Technology** was another sector to see a sharp rise in output. Tech companies posted the second-fastest expansion out of all sectors, helped by the quickest increase in new work for almost seven years.

**Healthcare** and **industrials** ranked fourth and fifth respectively. Both signalled growth of output in excess of 2016 trends. In particular, healthcare firms raised activity to the greatest extent in 21 months, having previously registered contraction on three occasions last year.

#### US Sector PMI



#### Consumer Goods vs Consumer Services



**Financials** was the most disappointing sector in the first month of 2017. Activity growth moderated to an eight-month low, meaning the sector ranked bottom for the first time since April 2015.

Meanwhile, **basic materials** producers saw the greatest cost pressures in January. As a result, charges rose more quickly, contributing to a further slowdown in growth of new orders. The increase in production also eased slightly.

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**Notes to Editors:**

“PMI” is an acronym for *Purchasing Managers’ Index*, a type of survey originally developed for tracking business conditions in the manufacturing sector. Markit now uses ‘PMI’ to describe the methodology used for surveys also undertaken in the services, construction and non-oil private sectors.

Markit US Sector PMI data are based on questionnaire responses from panels of senior executives in over 1000 companies. The data are typically released on the fifth working day of each month, two days’ after the Global Composite PMI, at 0945 Eastern US Time.

The US Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for seven major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, and technology. Related series for consumer cyclicals and consumer non-cyclicals are also available.

Sector PMI data are generated from the same questionnaire responses as national PMI data, and mapped to Markit’s sector classification structure using Standard Industry Classification (SIC) codes. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month. Diffusion indexes are calculated for each variable (the percentage of positive responses plus half the percentage of neutral responses). These indexes vary between 0 and 100 with levels of 50.0 signalling no change on the previous month. Readings above 50.0 signal an improvement or increase on the previous month. Readings below 50.0 signal a deterioration or decrease on the previous month. The greater the divergence from 50.0 the greater the rate of change signalled.

The PMI diffusion indexes are then adjusted for seasonality using the X-12 ARIMA program.

Detailed historical US sector data are available via a subscription from Markit, and datasets are also available for Asia, Europe and at a global level. For further information 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 30 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 [www.markit.com/product/pmi](http://www.markit.com/product/pmi).

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