

**Purchasing Managers' Index™**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 0945 (EDT) / 1445 (UTC) December 1<sup>st</sup> 2017**

## IHS Markit U.S. Manufacturing PMI™ – final data

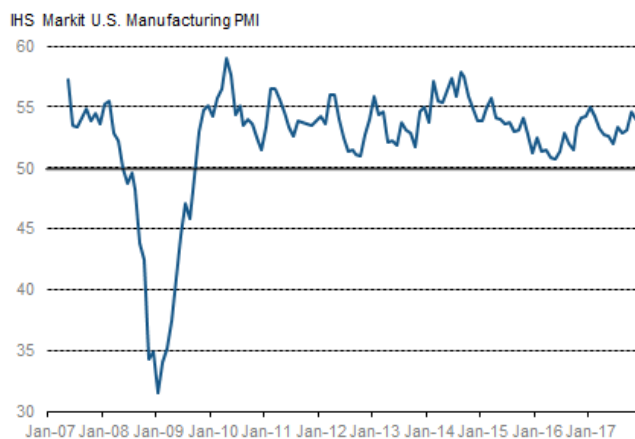
### November PMI signals robust manufacturing growth

#### Key findings:

- PMI at 53.9 in November
- Production and new orders increase solidly
- Output prices raised to greatest extent since December 2013

Data collected November 13-24

#### IHS Markit U.S. Manufacturing PMI (s. adjusted)



Source: IHS Markit.

November survey data indicated improved operating conditions across the US manufacturing sector. The upturn was supported by solid, albeit slightly weaker, increases in output and new orders. Staffing levels meanwhile rose at a robust pace, despite the rate of job creation softening since October. However, signs of capacity pressures persisted, with backlogs of work rising again. Output charges rose at the fastest pace since December 2013. Input prices also rose at a quicker rate that was steep overall. Business confidence was robust, and reached its highest since January 2016.

The seasonally adjusted IHS Markit final **US Manufacturing Purchasing Managers' Index™ (PMI™)** registered 53.9 in November, down from 54.6 in October. The latest index reading signalled robust, albeit slower, overall growth in the manufacturing sector. The latest upturn was in line with the long-run series average.

Goods producers increased their output at a rate only slightly below that seen in October. Anecdotal evidence suggested that the rise was due to greater order volumes and robust client demand.

New orders received by manufacturers rose at the second-fastest pace since March in November. Panellists linked the latest upturn to more favourable demand conditions, and noted more orders from domestic and foreign clients. Furthermore, export sales rose at a rate that, though moderate, was the second-fastest in 15 months.

The level of outstanding business at manufacturing firms increased at an accelerated pace that was the most marked since April. Employment levels, meanwhile, grew at the second-strongest rate seen since June 2015 in November.

Average prices charged by manufacturers rose further in November, with the pace of inflation accelerating to the fastest in almost four years. Anecdotal evidence suggested the increase was due to greater cost burdens which were largely passed on to clients. Input price inflation also quickened since October and was steep overall. Survey respondents commonly stated that components costs rose due to logistical delays.

Buying activity at goods producers grew at the strongest pace since February as firms adapted to larger new order volumes. Pre-production inventories also increased amid reports of

stockpiling.

Output expectations among goods producers remained robust in November, with positive sentiment improving to its highest since January 2016. A number of panel members linked greater optimism to larger client bases and planned expansion into new markets.

## Comment

Commenting on the final PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

*“US manufacturers reported further solid growth in November. The rate of expansion settled slightly after October’s rebound from the hurricanes, but still leaves the sector on course for its best quarter since the opening months of 2015.*

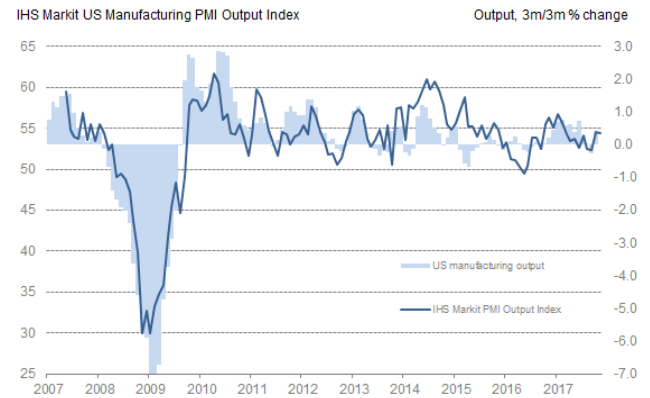
*“What’s especially encouraging is that growth is being led by producers of business equipment and machinery, indicating investment spending is on the rise.*

*“Jobs growth in the sector has also picked up in recent months compared with the subdued hiring earlier in the year, suggesting that an expansionary mood is beginning to prevail in the goods producing sector. Business optimism is now at its highest since the start of 2016, underscoring how firms believe the upturn has further to run as we move into 2018.*

*“Prices continued to rise at an increased rate, linked to higher costs, though in many cases the price hikes were linked to ongoing supply chain disruptions since the hurricanes, suggesting inflationary pressures should start to cool soon, at least in terms of manufacturing costs.”*

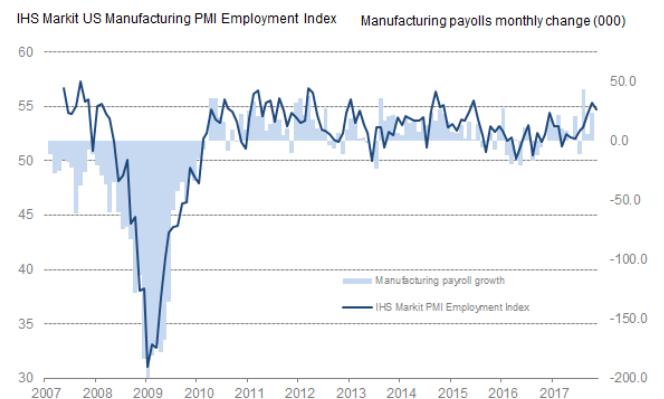
-Ends-

## Manufacturing output



Sources: IHS Markit, U.S. Federal Reserve.

## Manufacturing employment



Sources: IHS Markit, Bureau of Labor Statistics.

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IHS Markit originally began collecting monthly *Purchasing Managers' Index*™ (PMI™) data in the U.S. in April 2004, initially from a panel of manufacturers in the U.S. electronics goods producing sector. In May 2007, IHS Markit's U.S. PMI research was extended out to cover producers of metal goods. In October 2009, IHS Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. Back data for IHS Markit's U.S. Manufacturing PMI between May 2007 and September 2009 are an aggregation of data collected from producers of electronic goods and metal goods producers, while data from October 2009 are based on data collected from a panel representing the entire U.S. manufacturing economy. IHS Markit's total U.S. Manufacturing PMI survey panel comprises over 600 companies.

The panel is stratified by North American Industrial Classification System (NAICS) group and company size, based on industry contribution to U.S. GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

The *Purchasing Managers' Index*™ (PMI™) is a composite index based on five of the individual indexes with the following weights: New Orders – 0.3, Output – 0.25, Employment – 0.2, Suppliers' Delivery Times – 0.15, Stocks of Items Purchased – 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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