

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 0945 (EDT) / 1345 (UTC) October 5th 2018

IHS Markit US Sector PMI™

Basic materials output growth quickens to fastest since January 2015

Key points:

- Marked upturn in basic materials output
- Consumer goods production growth reaches four-month high
- Healthcare activity expansion eases to five-month low

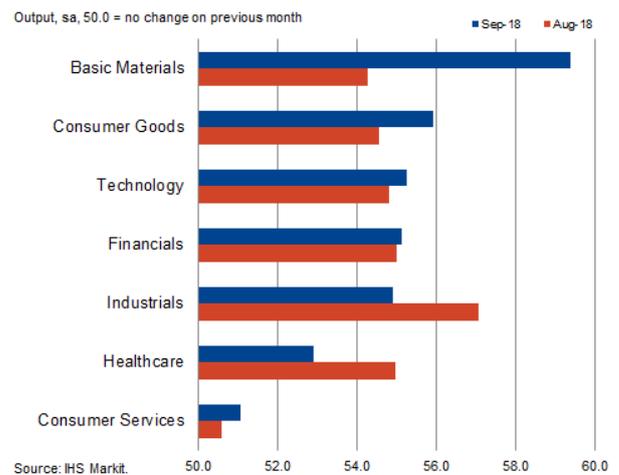
The latest US Sector *PMI™* from IHS Markit data indicated a marked rise in **basic materials** output at the end of the third quarter. The rate of activity growth accelerated notably in September, and was the fastest since early-2015. Moreover, the steep expansion was the quickest of the seven monitored sectors.

Growth in activity at **consumer goods** and **technology** firms also quickened in September. The former posted the strongest rise in output since May. Meanwhile, the latter signalled a sixth successive monthly rise in activity.

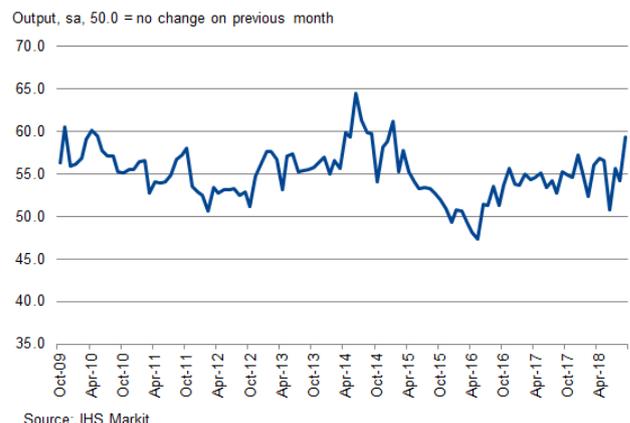
Financials and **consumer services** firms also reported a faster rise in activity compared to the previous month. The latter, however, registered the second-weakest increase in 15 months, with the rate of output growth remaining only marginal overall.

Two sectors bucked the trend, however. **Industrials** and **healthcare** firms noted a weaker rise in output. The respective rates of expansion were the softest in five months, although still robust overall.

US Sector PMI



US Basic Materials PMI



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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. IHS Markit now uses 'PMI' to describe the methodology used for surveys also undertaken in the services, construction and non-oil private sectors.

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 IHS 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 IHS Markit, and datasets are also available for Asia, Europe and at a global level. For further information please contact economics@ihsmarkit.com.

About IHS Markit (www.ihsmarkit.com)

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.

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