

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 0945 (EDT) / 1345 (UTC) July 9th 2018

IHS Markit US Sector PMI™

Industrials activity expansion fastest since March 2015

Key points:

- Industrials output growth accelerates to sharp rate
- Upturn in consumer services business activity quickest since January 2017
- Basic materials output increases at weakest rate in 25 months

June survey data indicated the strongest upturn in **industrials** output in over three years, according to the US Sector *PMI™* from IHS Markit. Businesses reported a further acceleration in activity growth following April's ten-month low.

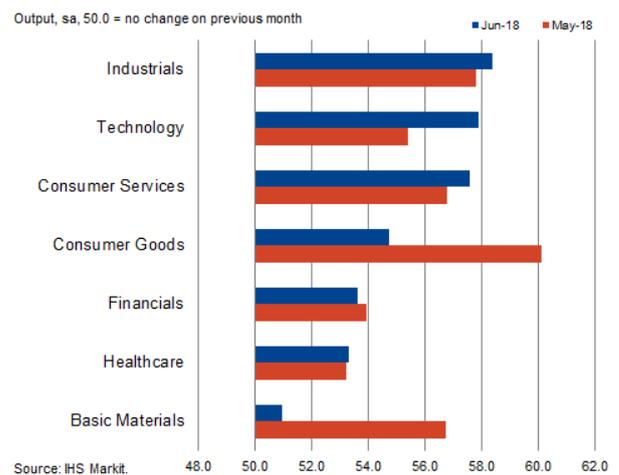
The **consumer services** sector maintained its position as the third-fastest growing segment in June (behind **industrials** and **technology**), with the rate of expansion accelerating to the quickest in 17 months.

On a less positive note, the **basic materials** sector signalled a slowdown in output growth in June. The rate of increase was the weakest in the current 25-month sequence of expansion, and the slowest of all monitored segments.

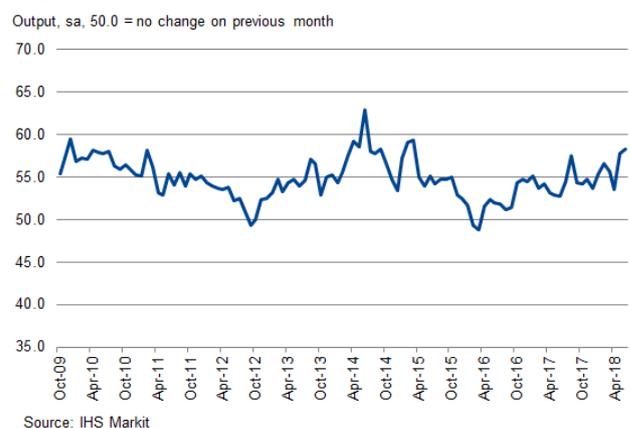
Similarly, growth eased in the **consumer goods** and **financials** sectors, with the former softening to a three-month low.

Rates of increase accelerated in the **healthcare** and **technology** sectors, however. The latter signalled a third successive month of expansion and the fastest upturn in 2018 so far.

US Sector PMI



US Industrials 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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