

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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Markit US Sector PMI®

Technology sector leads US growth rankings in February

Key points:

- Tech sector tops league table for first time since March 2016
- Financials is slowest-growing sector for second month running following strong end to 2016
- Growth slows in consumer-related sectors

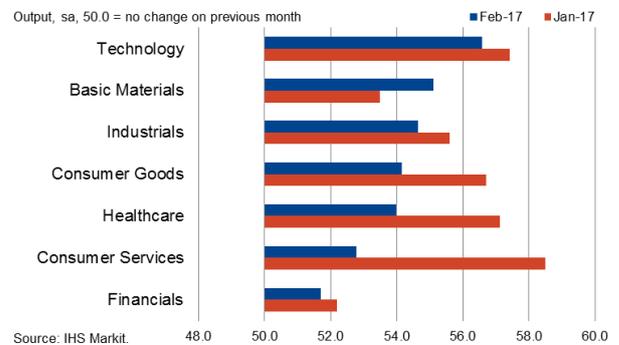
The latest US Sector *PMI*® data from Markit highlighted broad-based growth of output for the third month running in February. The **technology** sector posted the fastest rate of expansion, leading the growth rankings for the first time since March 2016. The rate of increase in output slowed as new business growth eased from January's 81-month record, but backlogs in the sector increased at the fastest rate since October 2009. Tech firms were also the most optimistic regarding the 12-month outlook for activity, based on the newly-released Future Output Index.

Basic materials was the second-fastest growing sector in February. It was the only sector to record a stronger rate of expansion than in January. That said, output expectations in the sector were subdued relative to most other sectors monitored.

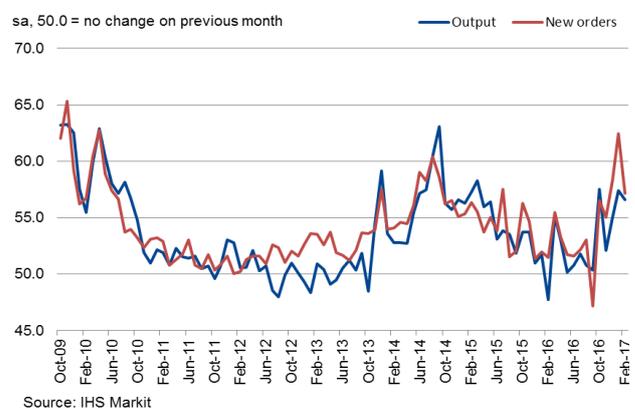
The weakest increase in activity was registered in the **financials** sector, which footed the growth table for the second month running. Growth slowed to the weakest since May 2016, easing further from November's 27-month record.

Having been the top-ranked sector at the start of 2017, **consumer services** saw a sharp slowdown in growth in February. Companies in the sector were also the least-optimistic regarding the 12-month outlook for activity among all sectors monitored. Meanwhile, growth of **consumer goods** output slowed to an eight-month low.

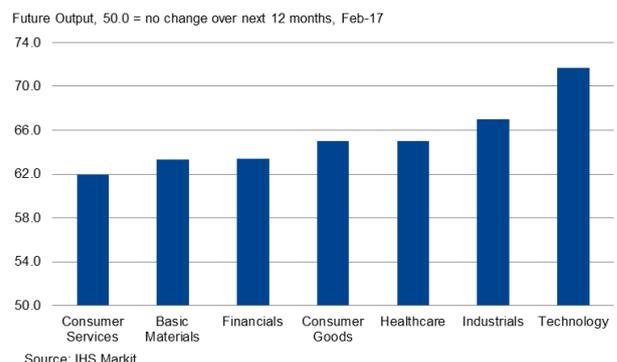
US Sector PMI



US Technology PMI



Future Output Index



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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.

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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.

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