

## IHS MARKIT US SECTOR PMI™

### Consumer services output growth accelerates to strongest in 2019 so far

#### KEY FINDINGS

Strong expansion in consumer services business activity

Industrials output stagnates to end three-and-a-half year sequence of expansion

Rate of consumer goods production growth quickens to seven-month high

US Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's US manufacturing and services PMI survey panels, covering over 1,000 private sector companies. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology sectors.

For the first time since December 2018 **consumer services** topped the output rankings table, according to the US Sector PMI™. Firms across the sector signalled a strong expansion in business activity that was the sharpest in 2019 so far.

**Industrials** firms, however, indicated no change in output during September. The respective seasonally adjusted index posted at the 50.0 neutral mark, which was the lowest figure since March 2016.

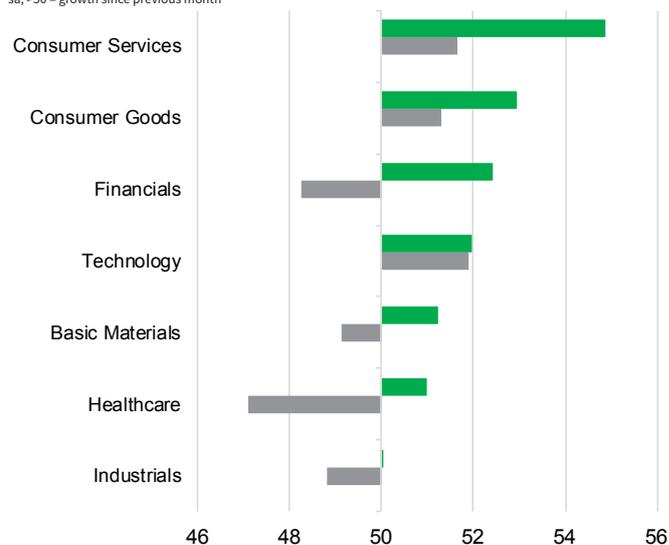
**Consumer goods** also saw a faster upturn in production in September, with the rate of growth accelerating to a seven-month high. The increase was solid overall. Meanwhile, the **basic materials** sector also registered a quicker rise in output at the end of the third quarter. Although only marginal overall, the upturn was the fastest since May.

Also signalling a pick-up in growth momentum was the **financials** sector, which indicated a moderate expansion in business activity during September. At the same time, **healthcare** firms noted a slight improvement in output growth. That said, the increase in activity was only marginal and the second-weakest since December 2017.

In contrast, **technology** firms signalled the slowest expansion in the current three-month sequence of growth.

Output Index / Employment Index, Sep'19

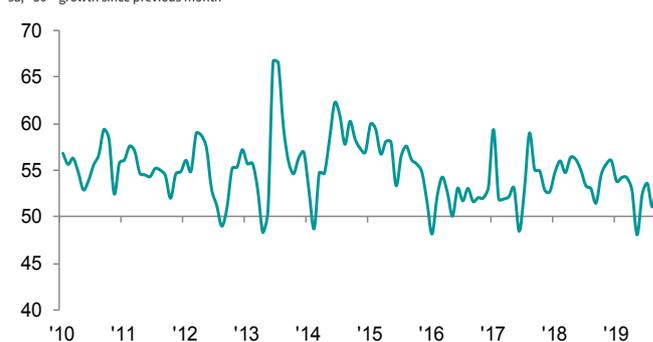
sa, >50 = growth since previous month



Source: IHS Markit

US Consumer Services Business Activity Index

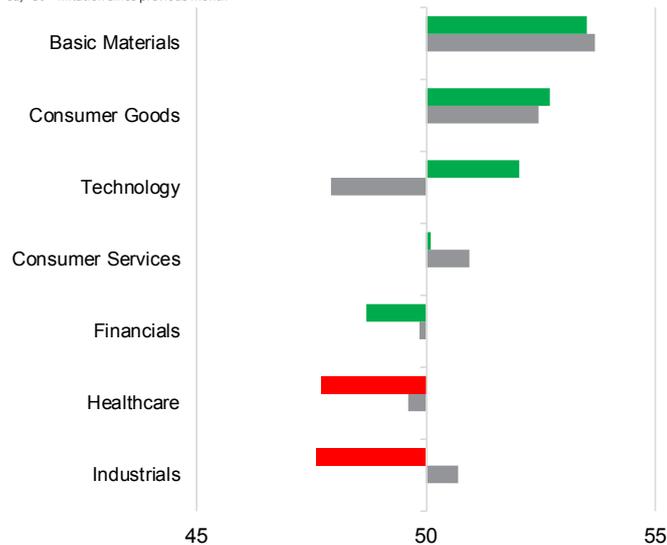
sa, >50 = growth since previous month



Source: IHS Markit

**Input Prices Index / Prices Charged Index, Sep'19**

sa, >50 = inflation since previous month



Source: IHS Markit

**US Industrials Output Index**

sa, >50 = growth since previous month



Source: IHS Markit

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**Methodology**

The IHS Markit US Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's US manufacturing and services PMI survey panels, covering over 1,000 private sector companies.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. US Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology sectors.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, 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 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.html](http://ihsmarkit.com/products/pmi.html).

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