

News Release

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S&P Global US Sector PMI®

Steepest decline in Basic Materials production since February 2023

Key findings

US manufacturing downturn led by solid fall in Basic Materials segment

Consumer goods production decreased slightly in August

Robust activity growth in Healthcare and Financials underpins service sector resilience

US Sector PMI® indices are compiled from responses to questionnaires sent to purchasing managers in S&P Global'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.

August data indicated a rise in business activity across five of the seven broad US sectors monitored by the survey, with manufacturing performance generally much weaker than services activity. Reflecting this, the only two sectors to signal an overall reduction in output volumes were Basic Materials and Consumer Goods.

Manufacturers of Basic Materials indicated a decline in production levels for the second month running in August. The rate of contraction accelerated to the fastest for one-and-a-half years amid weakening domestic demand for primary manufacturing items. Moreover, lower-than-expected sales led to the sharpest accumulation of post-production inventories in the Basic Materials segment since January 2015.

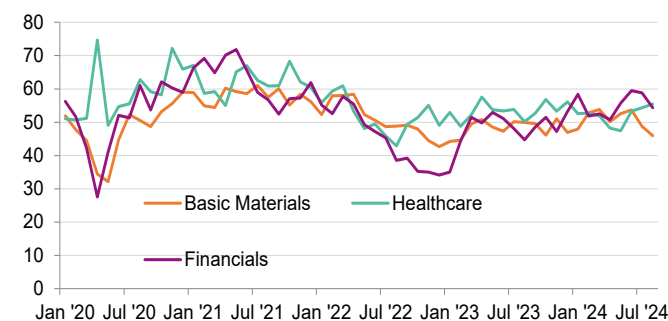
Healthcare was the best-performing sector in August, with business activity rising at a robust pace that was the steepest since December 2023. Financials and Industrials also posted relatively strong rates of output expansion, with the latter quickening to its fastest for 27 months amid reports of improving demand professional services.

Consumer Services and Technology experienced modest increases in business activity during August, but the former continued to lose momentum in comparison to the second quarter of 2024.

Finally, lacklustre demand led to a marginal reduction in output at producers of Consumer Goods, as well as a survey-record accumulation of stocks of finished goods.

Business Activity Index

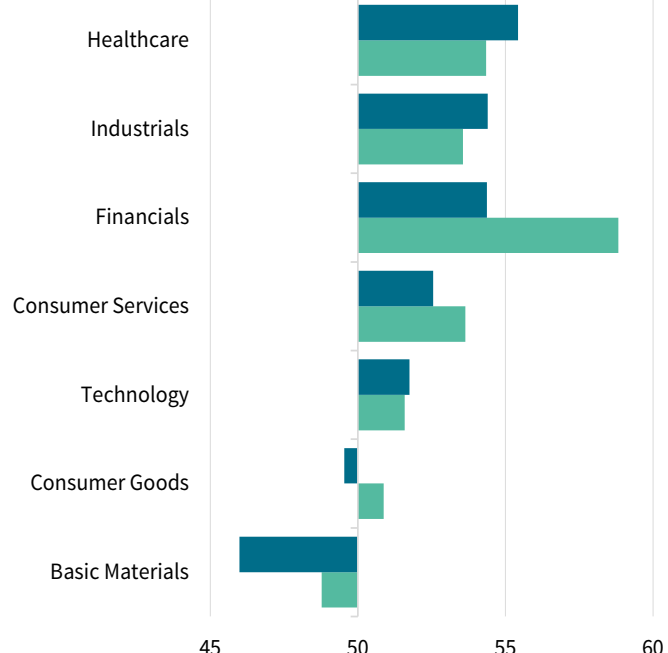
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index, Aug '24 /Jul '24

sa, >50 = growth since previous month



Source: S&P Global PMI.

PMI®

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Survey methodology

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

S&P Global 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@spglobal.com.

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