

News Release

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S&P Global US Sector PMI™

Financials remains weakest-performing sector. Technology activity bucks the contraction seen elsewhere

Key findings

Six out of seven sectors indicate declining output, with Technology the exception

Sharpest fall in activity across the Financials category for 32 months

Basic Materials records its fastest drop in output since May 2020

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.

Business activity declined in six out of seven US sectors monitored by S&P Global PMI data in December 2022. Technology was the exception, with output volumes increasing for the fourth consecutive month. The rate of growth was nonetheless only modest and eased to its weakest since last September.

Financials remained by far the weakest-performing category in December, with the latest survey indicating a sharp and accelerated decline in business activity. Moreover, the rate of contraction was the steepest since April 2020.

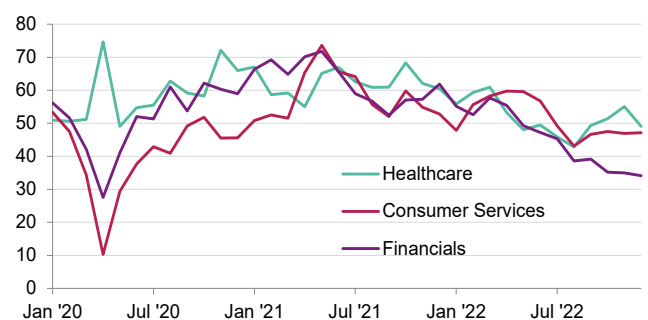
Basic Materials and Consumer Goods both posted relatively steep reductions in production volumes during December. In each category, the rate of decline was the fastest since May 2020.

The Industrials category reported a second consecutive monthly fall in output and the downturn was also the steepest since May 2020. Meanwhile, business activity decreased at a moderate pace in the Consumer Services sector during December, which extended the current period of decline to six months.

Finally, the latest survey signalled only a marginal decline in activity across the Healthcare segment. This represented a change of direction, following growth in each of the previous two months.

Business Activity Index

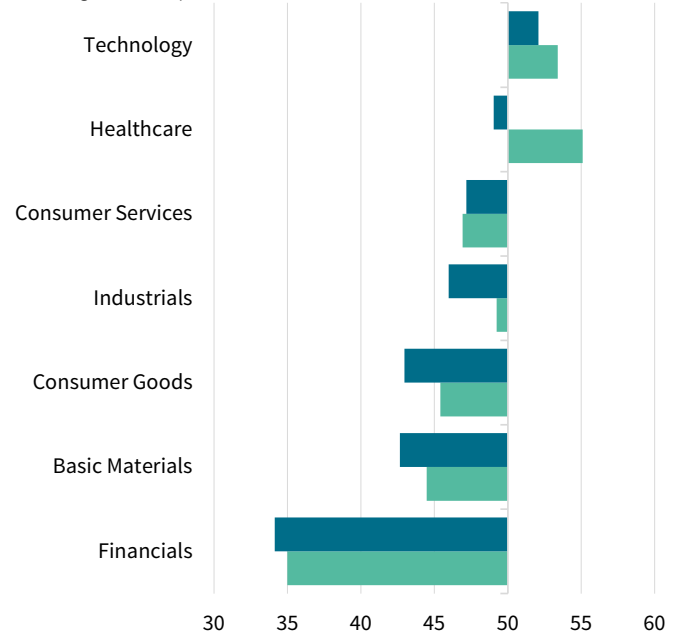
sa, >50 = growth since previous month



Source: S&P Global.

Output Index, Dec '22 / Nov '22

sa, >50 = growth since previous month



Source: S&P Global.

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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@ihsmarkit.com.

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