

News Release

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S&P Global US Sector PMI™

Five out of seven US sectors experience lower output in July

Key findings

Number of sectors reporting falling activity is the most since May 2020

Only Industrials and Technology signal higher output in July

Financials remains weakest-performer, with downturn recorded for third month in a row

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.

July PMI data highlighted a broadening of the slowdown in US private sector output, with five out of seven categories pointing to lower business activity. This was up from only two in June and the highest number since May 2020.

Financials (index at 45.3) recorded the steepest rate of decline. This sector has seen lower volumes of business activity during each of the past three months and the latest downturn was the fastest for more than two years. Healthcare also signalled a relatively steep fall in output (index at 45.9), with the rate of contraction the greatest since the survey began in October 2009.

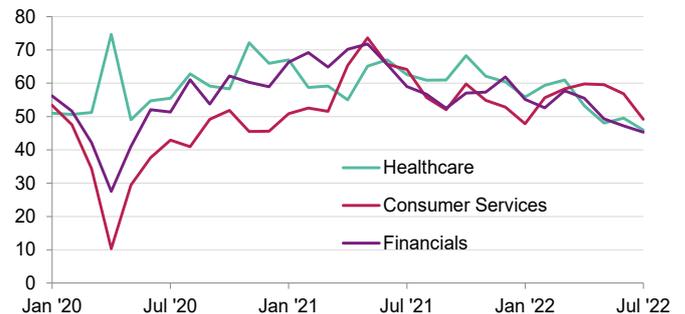
Manufacturers of Basic Materials (48.7) and Consumer Goods (48.9) registered falling production in July, for the first time in 22 and eight months respectively. That said, rates of output decline were only marginal in both sectors.

Consumer Services experienced a considerably turnaround in momentum during July. The sector was the best-performing category throughout the second quarter of 2022, but the latest index reading (49.2) signalled a fall in business activity for the first time since January.

Industrials (50.7) and Technology (53.0) were the only categories to signal a rise in activity during July, although the former posted its weakest pace of expansion for six months. Only the Technology sector gained momentum during the latest survey period, with output growth accelerating slightly from June's four-month low.

Business Activity Index

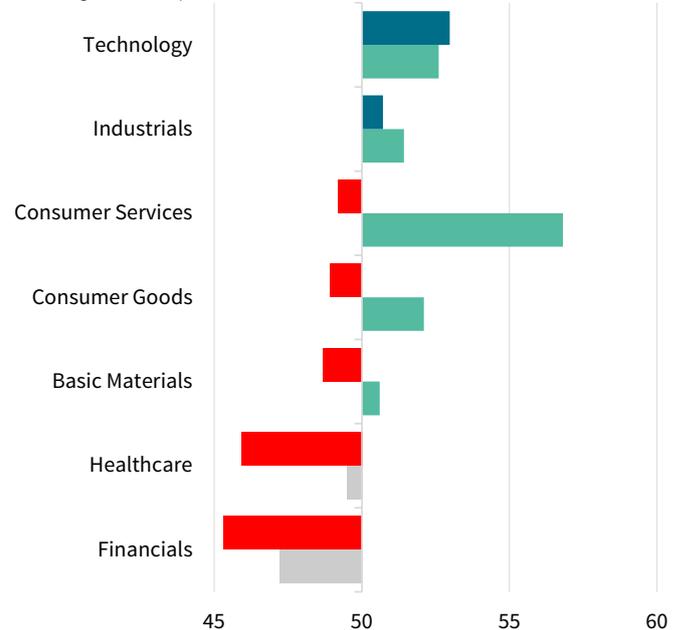
sa, >50 = growth since previous month



Source: S&P Global.

Output Index, Jul '22 / Jun '22

sa, >50 = growth since previous month



Source: S&P Global.

PMI™

by 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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