

News Release

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S&P Global US Sector PMI™

Technology sector tops the output growth rankings in February

Key findings

Three out of seven US sectors record higher levels of business activity

Technology leads the way, with growth hitting a four-month high

Financials remains the weakest performing area, but downturn eases considerably

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.

Three out of seven US sectors registered an increase in business activity during February, up from two in January and the highest number since October 2022. Latest data highlighted a return to growth for the Consumer Services and Industrials categories, whereas businesses in the Healthcare segment saw a renewed decline in activity.

Output growth was strongest in the Technology sector (index at 53.5 in February), with the latest reading the highest for four months. Higher levels of business activity have been recorded since September 2022.

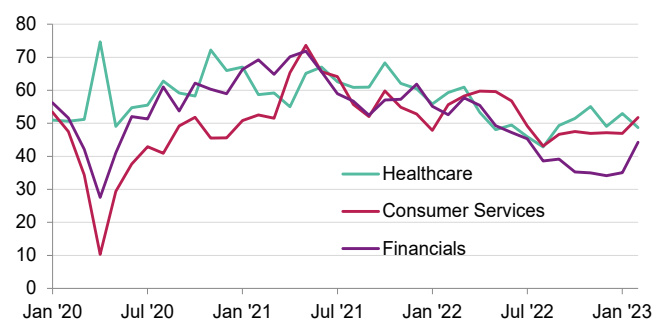
Industrials (index 52.2) was the second-highest ranked sector in February as output volumes increased to the largest extent since May 2022. A broadly similar pace of expansion was seen for Consumer Services (index at 51.8). This sector registered an upturn in business activity for the first time since June 2022.

At the other end of the scale, Financials (index at 44.3) remained the worst-performing category in February. Lower levels of business activity have been recorded in each of the past 10 months, although the rate of decline eased considerably to the least marked since July 2022.

Finally, latest survey data highlighted further solid decreases in output volumes at producers of Basic Materials and Consumer Goods, with the former posting the sharper pace of contraction.

Business Activity Index

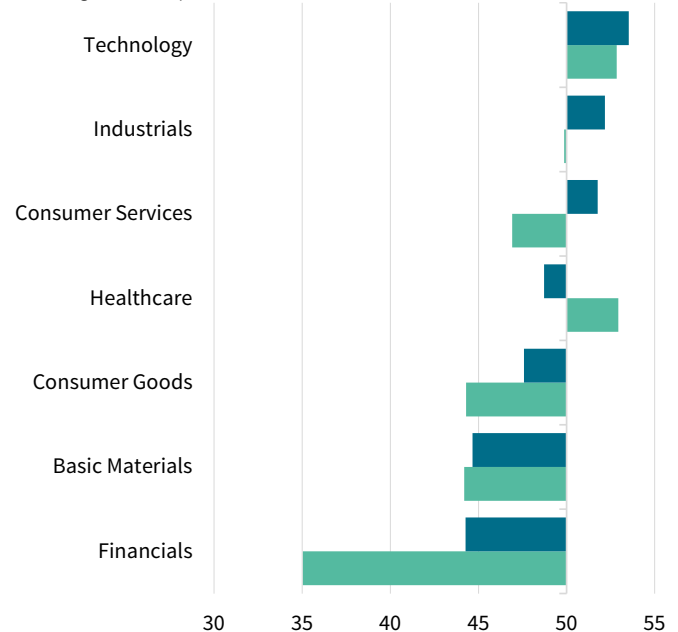
sa, >50 = growth since previous month



Source: S&P Global.

Output Index, Feb '23 / Jan '23

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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