

News Release

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IHS MARKIT US SECTOR PMI™

Rapid downturn in private sector activity led by consumer services in March

KEY FINDINGS

All sectors except healthcare and consumer goods register survey-record falls in activity

Consumer services posts by far the steepest drop in activity

Technology and industrials sectors also signal sharp reductions in output

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.

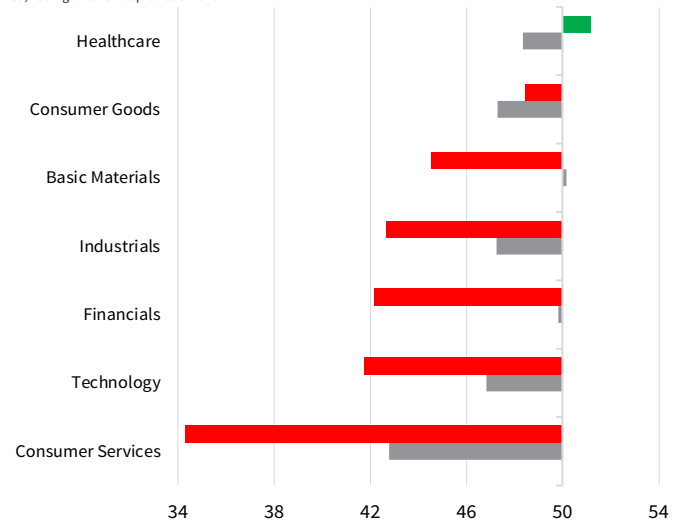
The latest data, collected between 12th and 27th March, signalled declines in activity across six of the seven broad categories amid the coronavirus disease 2019 (COVID-19) pandemic, with **healthcare** the only exception.

Survey-record reductions in business activity were reported by **consumer services, technology, industrials and financials** as emergency public health measures led to business closures and sharply reduced client demand. Survey data have been compiled in each month since October 2009.

March data pointed to a slower reduction in output volumes across the **basic materials sector** in comparison to most other non-healthcare categories of activity. Meanwhile, **consumer goods** production dropped only marginally, with the resilience of this sector driven by food and drink manufacturing.

Meanwhile, **healthcare** was the only pocket of growth recorded by the IHS Markit Sector PMI in March, stemming from the rapid escalation of the COVID-19 pandemic.

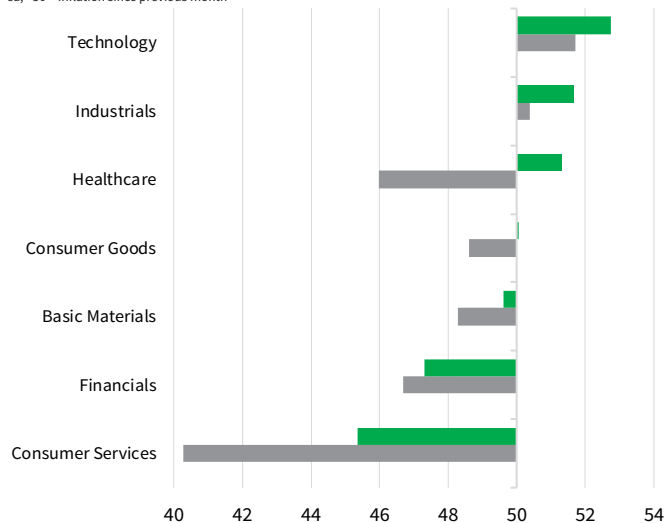
Output Index / Employment Index, Mar '20
sa, >50 = growth since previous month



Source: IHS Markit

Input Prices Index / Prices Charged Index, Mar '20

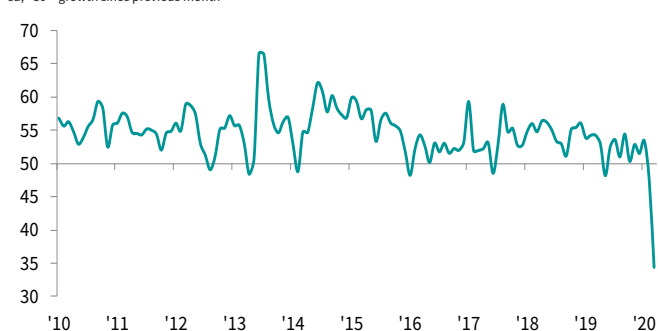
sa, >50 = inflation since previous month



Source: IHS Markit

US Consumer Services: Business Activity 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.

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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.

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