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# J.P.Morgan Global Composite PMI™

Including J.P.Morgan Global Services PMI™

## Global economic growth accelerates to 11-year high as new orders and international trade rise at stronger rates

### Key findings

J. P. Morgan Global PMI Composite Output Index at 56.3 in April (132-month high)

US and UK lead output growth rankings

Output prices rise at series-record pace

Growth of global economic activity and new orders accelerated to 11-year highs in April. The upturn in output was led by solid expansions in the US – survey-record increase – and the UK, while growth was weak in Japan. Brazil was the only nation to register lower activity.

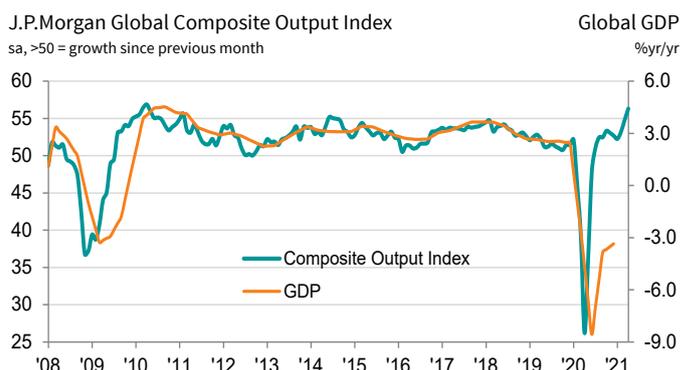
The J.P.Morgan Global Composite Output Index – which is produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – rose to a 132-month high 56.3 in April, up from 54.8 in March. The rate of increase in services activity outpaced that of manufacturing production for the first time since the current revival in global activity began last July.

*Notes: due to a later-than-usual release dates, manufacturing PMI data for Greece, Ireland, Kazakhstan, Poland, Russia, Thailand and Vietnam and services PMI data for China, Ireland, Kazakhstan and Russia were not available for inclusion in the latest global PMI readings. April 2021 reading for UK manufacturing and services, along with services data for Japan, are based on the flash estimates released on 23rd April.*

Five of the six sub-sectors covered saw expansions of output in April. The strongest performance was registered by financial services, followed by investment goods and then business services. Consumer and intermediate goods producers also saw solid growth of production volumes. The downturn in the consumer services sector extended to a fifteenth successive month.

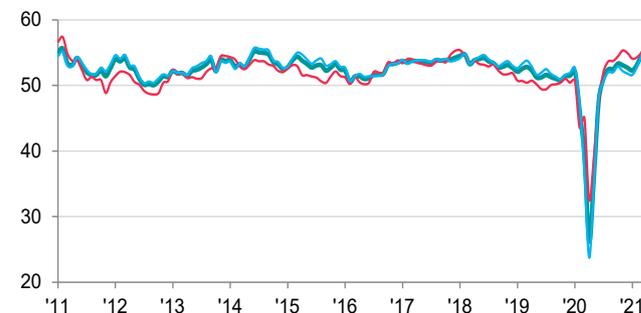
The level of incoming new business rose for the tenth straight month in April. All six of the sub-industries covered by the survey saw expansions, up from five in March, including the consumer services industry following a five-month sequence of contraction. Investment goods overtook financial services at the top of the new order growth rankings.

National PMI data signalled that the US saw the steepest



Sources: J.P.Morgan, IHS Markit.

Global Output Index  
Composite / Manufacturing / Services (Business Activity)  
sa, >50 = growth since previous month



Sources: J.P.Morgan, IHS Markit.

### Composite Index summary

sa, 50 = no change over previous month. \*50 = no change over next 12 months.

| Index                | Mar-21 | Apr-21 | Interpretation                   |
|----------------------|--------|--------|----------------------------------|
| Output               | 54.8   | 56.3   | Growth, faster rate              |
| New Business         | 54.4   | 56.3   | Growth, faster rate              |
| New Export Business  | 52.4   | 53.7   | Growth, faster rate              |
| Future Output*       | 67.7   | 67.0   | Growth expected, lesser optimism |
| Employment           | 51.6   | 53.1   | Growth, faster rate              |
| Outstanding Business | 51.0   | 52.3   | Growth, faster rate              |
| Input Prices         | 64.1   | 64.9   | Inflation, faster rate           |
| Output Prices        | 55.9   | 56.9   | Inflation, faster rate           |

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gain in new business during April, with new work increasing at a survey-record rate. The UK and Australia were in second and third place respectively, while Brazil was the only nation to register a downturn in new order intakes.

The trend in new export work strengthened in April. Although the rate of increase was weaker than for total new orders, it was nonetheless the fastest since trends in overall export demand were first tracked in September 2014. Growth at manufacturers hit a near 11-year high, while an increase was seen at service providers for the first time since July 2019.

Global employment increased for the eighth month running in April, with the pace of job creation accelerating to a 160-month high. Staffing levels rose at faster rates at both manufacturers and service providers. Headcounts increased at a near-record rate in the US, while strong growth was also signalled in Germany, the UK and Australia. Brazil, India and Italy were the only nations covered to see employment fall.

Cost inflationary pressures continued to build during April. Input costs rose at the quickest pace since mid-2008, with accelerated increases at manufacturers and service providers alike. Companies responded by raising their output charges, leading to the strongest increase in selling prices since data on charges were first collected in October 2009.

The outlook for global economic activity remained positive at the start of the second quarter, with companies (on average) forecasting that output would rise over the coming year. Although the overall degree of optimism dipped slightly, it remained close to March's seven-year record high.

**Global Services Summary**

The J.P.Morgan Global Services Business Activity Index rose to 56.6 in April, its highest reading since July 2007. Stronger output growth was underpinned by accelerated gains in new business and the first rise in new export orders for 21 months. The outlook also remained positive, leading companies to expand employment for the second month in a row. Rates of increase in input costs and output charges strengthened.

**Services Index summary**

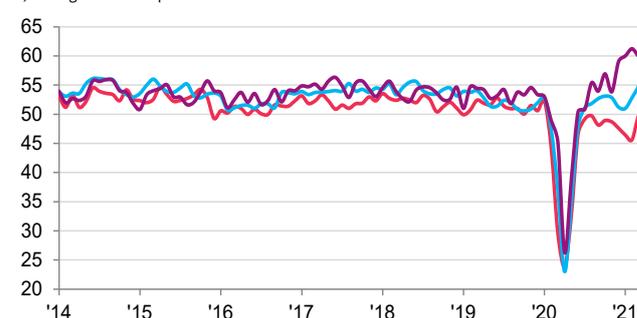
sa, 50 = no change over previous month. \*50 = no change over next 12 months.

| Index                | Mar-21 | Apr-21 | Interpretation                   |
|----------------------|--------|--------|----------------------------------|
| Business Activity    | 54.7   | 56.6   | Growth, faster rate              |
| New Business         | 53.8   | 56.2   | Growth, faster rate              |
| New Export Business  | 49.0   | 50.4   | Growth, from declining           |
| Future Activity*     | 68.2   | 67.1   | Growth expected, lesser optimism |
| Employment           | 51.6   | 53.4   | Growth, faster rate              |
| Outstanding Business | 49.7   | 51.4   | Growth, from declining           |
| Input Prices         | 62.5   | 63.1   | Inflation, faster rate           |
| Prices Charged       | 54.6   | 55.8   | Inflation, faster rate           |

**Business Activity Index**

Consumer services / Business services / Financial services

sa, >50 = growth since previous month



Sources: J.P.Morgan, IHS Markit.

**Comment**

Olya Borichevska, Global Economist at J.P.Morgan, said:

*“The April PMIs show that the rebound in global economic activity is gathering momentum, with rates of expansion in output and new orders hitting 11-year highs. International trade in goods and services is also showing signs of reviving, as lockdown restrictions ease across a number of key markets. Inflationary pressures are still on the ascent, however, with strong cost rises driving the rate of increase in selling prices to a record high.”*

## Methodology

The J.P.Morgan Global Composite PMI™ is produced by IHS Markit in association with ISM and IFPSM.

Global composite PMI indices are compiled by IHS Markit from responses to monthly questionnaires sent to companies in manufacturing and services survey panels in over 40 countries (see table, right for full coverage), totalling around 27,000 companies. These countries account for 89% of global gross domestic product (GDP)\*.

For manufacturing surveys, responses are collected for the following variables: output, new orders, new export orders, future output, backlogs of work, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, stocks of finished goods, input prices and output prices. For services surveys, responses are collected for the following variables: business activity, new business, new export business, future activity, outstanding business, employment, input prices and prices charged.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each manufacturing and services survey variable, at the country level. 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.

Global indices for manufacturing and services are calculated by weighting together the country indices using national manufacturing and services annual value added\*. Global Composite indices are then calculated by weighting together comparable global manufacturing and services indices using global manufacturing and services annual value added\*.

The headline figure is the Global Composite Output Index. This is a weighted average of the Global Manufacturing Output Index and the Global Services Business Activity Index.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

The J.P.Morgan Global Composite PMI provides the first indication each month of worldwide economic business conditions. The data enable decision makers in the financial world and in government to make better judgements much earlier than would otherwise be the case. The wide coverage of the indices, together with their speed of production, accuracy and direct comparability, make them unmatched as economic indicators. They provide truly "must have" information for financial institutions of all kinds and for major corporations worldwide.

\* Source: World Bank World Development Indicators.

## Data sources

| Country / territory <sup>1</sup> | Producer         | In association with           |
|----------------------------------|------------------|-------------------------------|
| Australia                        | IHS Markit       | -                             |
| Austria*                         | IHS Markit       | Unicredit Bank Austria / OPWZ |
| Brazil                           | IHS Markit       | -                             |
| Canada*                          | IHS Markit       | -                             |
| China (mainland)                 | IHS Markit       | Caixin                        |
| Colombia*                        | IHS Markit       | Davivienda                    |
| Czech Republic*                  | IHS Markit       | -                             |
| Denmark*                         | DILF             | Kairoscommodities             |
| Egypt**                          | IHS Markit       | -                             |
| France                           | IHS Markit       | -                             |
| Germany                          | IHS Markit       | BME                           |
| Greece*                          | IHS Markit       | HPI                           |
| Hong Kong SAR <sup>1**</sup>     | IHS Markit       | -                             |
| Hungary*                         | HALPIM           | -                             |
| India                            | IHS Markit       | -                             |
| Indonesia*                       | IHS Markit       | -                             |
| Ireland                          | IHS Markit       | AIB                           |
| Israel*                          | IPLMA            | Bank Hapoalim Ltd             |
| Italy                            | IHS Markit       | -                             |
| Japan                            | IHS Markit       | au Jibun Bank                 |
| Kazakhstan                       | IHS Markit       | Tengri Partners               |
| Kenya**                          | IHS Markit       | Stanbic Bank                  |
| Lebanon**                        | IHS Markit       | BLOMINVEST Bank               |
| Malaysia*                        | IHS Markit       | -                             |
| Mexico*                          | IHS Markit       | -                             |
| Myanmar*                         | IHS Markit       | -                             |
| Netherlands (The)*               | IHS Markit       | NEVI                          |
| New Zealand*                     | Business NZ      | Bank of New Zealand           |
| Nigeria**                        | IHS Markit       | Stanbic IBTC Bank             |
| Philippines (The)*               | IHS Markit       | -                             |
| Poland*                          | IHS Markit       | -                             |
| Russia                           | IHS Markit       | -                             |
| Saudi Arabia**                   | IHS Markit       | -                             |
| Singapore**                      | IHS Markit       | -                             |
| South Africa**                   | IHS Markit       | -                             |
| South Korea*                     | IHS Markit       | -                             |
| Spain                            | IHS Markit       | AERCE                         |
| Switzerland*                     | procure.ch       | Credit Suisse                 |
| Taiwan*                          | IHS Markit       | -                             |
| Thailand*                        | IHS Markit       | -                             |
| Turkey*                          | IHS Markit       | Istanbul Chamber of Industry  |
| UAE**                            | IHS Markit       | -                             |
| United Kingdom                   | IHS Markit       | CIPS                          |
| United States <sup>2</sup>       | IHS Markit / ISM | -                             |
| Vietnam*                         | IHS Markit       | -                             |

\*Survey coverage of manufacturing sector only

\*\*Manufacturing and services indices calculated from manufacturing and services responses extracted from survey panels covering the entire private sector economy.

<sup>1</sup>Hong Kong is a Special Administrative Region of China.

<sup>2</sup>US manufacturing data compiled by ISM pre-February 2010 and by IHS Markit post-January 2010. US services data compiled by ISM pre-October 2009 (non-manufacturing data) and by IHS Markit post-September 2009. ISM US non-manufacturing data also include responses from agriculture, mining, construction, utilities, wholesale, retail and public administration sectors. Where appropriate, month-on-month changes in ISM data have been applied to IHS Markit data to form a proxy back history.

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JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands [www.jpmorganchase.com](http://www.jpmorganchase.com).

### About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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## About ISM

Institute for Supply Management® (ISM®) serves supply management professionals in more than 90 countries. Its 50,000 members around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 as the first supply management institute in the world, ISM is committed to advancing the practice of supply management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. ISM leads the profession through the ISM Report On Business®, its highly regarded certification programs and the ISM Mastery Model®. [www.instituteforsupplymanagement.org](http://www.instituteforsupplymanagement.org)

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