

News Release

MARKET SENSITIVE INFORMATION
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J.P.Morgan Global Composite PMI™

Produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM

Global economic growth slows at start of second quarter

The rate of global economic expansion eased to a three-month low in April. The J.P.Morgan Global Composite Output Index^{1,2} – which is produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted 52.1, down from March’s 52.7, to remain above the neutral 50.0 mark for 79 consecutive months.

Note: later-than-usual release dates meant PMI data for Japan (manufacturing and services) were not available to include in the April 2019 global readings.

The global service sector continued to outperform its manufacturing counterpart in April. This was despite output growth easing to a three-month low, with decelerations signalled across the business, consumer and financial services sub-industries.

Conditions in manufacturing remained lacklustre, with production still rising at a near-stagnant pace. The consumer goods sub-sector was a bright spot, seeing growth accelerate to a three-month high. In contrast, output contracted in both the intermediate and investment goods industries.

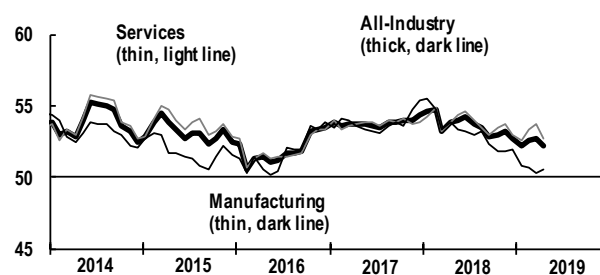
National PMI data signalled that the strongest rates of output growth were seen in Ireland, Russia, the US, Spain and China. Italy was the only nation covered to register contraction. Australia saw economic activity stagnate, while upturns were weak in the UK, France and Brazil.

Global composite new business rose at a slower pace in April. Consumer goods was the only category to see a stronger expansion, while contractions were signalled in the intermediate and investment goods sectors. Upturns continued at consumer, business and financial service providers, albeit at slower rates than in March.

Subdued international trade flows weighed on global economic growth in April, with all-industry new export business falling for the fifth straight month. A further drop in manufacturing new export orders was only partially offset by a modest increase at service providers. Germany saw a marked decrease in foreign demand, China a modest decline, and the US mild growth.

JPMorgan global PMI output

Diffusion Index, sa



Global Composite PMI™

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Output	52.7	52.1	-	Expanding, slower rate
New Orders	52.8	52.2	-	Expanding, slower rate
New Export Orders	49.4	49.4	=	Falling, same rate
Employment	51.7	51.7	=	Rising, same rate
Input Prices	54.5	54.4	-	Rising, slower rate
Output Charges	52.3	51.7	-	Rising, slower rate
Backlogs	50.0	49.7	-	Falling, from no change
Future Output	61.3	61.0	-	Positive, lesser extent

April saw an expansion in global employment. Although the rate of increase steadied, it remained among the weakest registered over the past two years. Job creation at manufacturers slowed closer to stagnation, but edged higher at service providers.

Business optimism dipped to a near three-year low in April, with confidence easing at manufacturers and service providers alike. Price inflationary pressures slowed, with rates of increase in output charges and input costs both moderating. Inflation of both price measures remained (on average) stronger in developed nations compared to emerging markets.

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Notes to Editors:

The Global Composite PMI Report is compiled by IHS Markit based on the results of manufacturing and service sector surveys covering over 20,000 purchasing executives in over 40 countries. Together these countries account for an estimated 89% of global gross domestic product (GDP)⁴. Questions are asked about real events and are not opinion based. Data are presented in the form of diffusion indices, where an index reading above 50.0 indicates an increase in the variable since the previous month and below 50.0 a decrease.

Data Sources:

Country	% Share of global GDP ⁴	Producer	In association with	Website
United States ^{1,2} :	21.6%			
IHS Markit		IHS Markit	–	www.ihsmarkit.com/products/pmi.html
ISM		ISM	–	www.ism.ws
China	12.7%	IHS Markit	Caixin	www.caixin.com
Japan	7.7%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
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France	3.6%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
United Kingdom	3.5%	IHS Markit	CIPS	www.cips.org
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Brazil	2.8%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
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- 1) Data from the IHS Markit survey of US manufacturing are included in the global manufacturing PMI composition from February 2010 onwards. Data prior to that date are based on the ISM US manufacturing survey.
- 2) Data from the IHS Markit survey of US services are included in the global services PMI composition from October 2009 onwards (including the October 2009 data point). Data prior to that date are based on the ISM US non-manufacturing survey.
- 3) For these nations, manufacturing and service sector responses are extracted from whole economy PMI surveys for inclusion in the Global PMI
- 4) Source: World Bank World Development Indicators (2017 data, constant US\$ measure).

Methodology: Global Composite PMI™ Indices

The Global Composite PMI™ indices are seasonally adjusted with the exception of the Future Output Index. The seasonal adjustment, where applied, is undertaken at the national sector level (as opposed to at the global aggregate level) in order to account for differing seasonal patterns in each of the nations included. Where comparable indices (such as output) are available for both the global manufacturing PMI and global services PMI surveys, the index for each sector is weighted together to produce a combined manufacturing & services (“composite”) reading. The weight applied is calculated according to the relative contributions of the service and manufacturing sectors to overall global GDP. Weights for the global indices are derived from the latest available World Bank data on the gross value added of manufacturing for each of the nations covered. World Bank data on value added are in constant US\$, with all national currencies converted to US\$ by the World Bank using DEC alternative conversion factors.

J.P.Morgan

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