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J.P.Morgan Global Composite PMI™

Including J.P.Morgan Global Services PMI™

Global economic expansion accelerates as growth improves in manufacturing and services

Key findings

J. P. Morgan Global PMI Composite Output Index at 54.8 in March (79-month high)

US leads upturn while Brazil lags behind

Consumer services shows signs of steadying

The pace of global economic expansion remained close to decade highs in March, as manufacturing growth stayed solid and the service sector shows signs of revival. Intakes of new business strengthened, supporting improved job creation and brighter business optimism.

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 79-month high of 54.8 in March and posted one of its best readings over the past decade. The headline index has now signalled expansion for nine consecutive months.

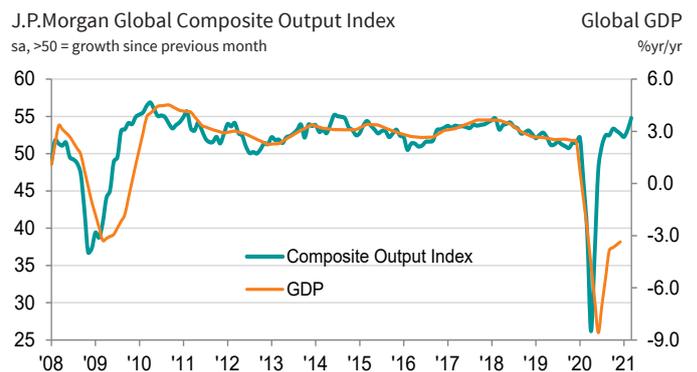
Notes: due to a later-than-usual release dates, manufacturing PMI data for Colombia, India, Mexico and the Philippines were not available for inclusion in the March global PMI readings.

Manufacturing production rose at one of the quickest rates since early-2011, despite the sector still being beset by severe supply-chain disruptions. Service sector business activity growth accelerated to a 33-month high.

Five out of the six broad sub-sectors covered by the survey registered expansions during March. The fastest growth was again seen at financial service providers. Rates of increase improved in the consumer goods, intermediate goods and business services categories, but slowed in the financial services and investment goods industries. The rate of contraction at consumer service providers eased to its weakest during the current 14-month downturn.

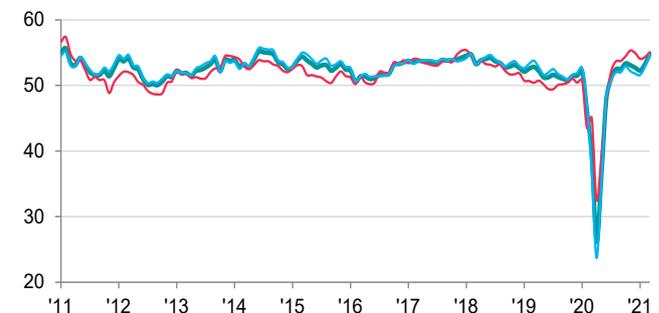
The US led the upturn, seeing output growth accelerate to a 79-month high. Germany, the UK, India and Australia also registered rates of expansion above the global average. Brazil fell to the bottom of the PMI rankings, with output contracting at the fastest pace in nine months. A downturn

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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	Feb-21	Mar-21	Interpretation
Output	53.2	54.8	Growth, faster rate
New Business	52.5	54.4	Growth, faster rate
New Export Business	50.2	52.4	Growth, faster rate
Future Output*	65.8	67.7	Growth expected, higher optimism
Employment	50.1	51.6	Growth, faster rate
Outstanding Business	49.9	51.0	Growth, from declining
Input Prices	61.6	64.0	Inflation, faster rate
Output Prices	54.0	55.9	Inflation, faster rate

was also seen in Japan, while France stabilised following a six-month sequence of decline.

Growth of new business hit a near three-year high in March, underpinned by solid demand in many domestic markets and the fastest increase in new export orders since February 2018. Business confidence improved to a seven-year record, supporting a strengthening of jobs growth.

March saw employment rise at the second-quickest pace since May 2019, with staffing levels increasing at similar rates at manufacturers and service providers alike. Job creation was seen in the US, China, Japan, Germany, the UK, France, Italy, Russia, Australia and Ireland.

Upward cost pressures continued to build during March, as average input prices rose to the greatest extent in over 12-and-a-half years. The pass-through of higher costs to clients contributed to a further acceleration in output charge inflation. Selling prices rose for the ninth straight month and at the steepest pace since data on charges were first tracked in October 2009.

Global Services Summary

The J.P.Morgan Global Services Business Activity Index posted 54.7 in March, a 33-month high, as the sector showed renewed signs of vigour. Inflows of new work were a major contributor to the growth revival, as total new business rose to the greatest extent for two years. International trade in services remained in the doldrums, however, decreasing for the twentieth month in a row (albeit at the weakest pace since January 2020).

The upturn encouraged stronger job creation and business optimism at the end of the first quarter. Employment rose at the second-quickest pace since July 2019, while business optimism hit levels last seen over seven years ago.

Services Index summary

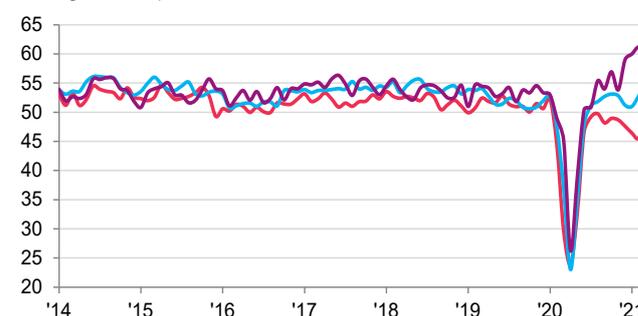
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Feb-21	Mar-21	Interpretation
Business Activity	52.8	54.7	Growth, faster rate
New Business	52.0	53.8	Growth, faster rate
New Export Business	47.6	49.0	Decline, slower rate
Future Activity*	65.2	68.2	Growth expected, higher optimism
Employment	50.0	51.6	Growth, from no change
Outstanding Business	49.3	49.8	Decline, slower rate
Input Prices	60.4	62.5	Inflation, faster rate
Prices Charged	53.4	54.6	Inflation, faster rate

Business Activity Index

Consumer services / Business services / Financial services

sa, >50 = growth since previous month



Sources: J.P.Morgan, IHS Markit.

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.

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 ¹	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 ^{1**}	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 ²	IHS Markit / ISM	-
Vietnam*	IHS Markit	-

¹Survey coverage of manufacturing sector only

²Manufacturing and services indices calculated from manufacturing and services responses extracted from survey panels covering the entire private sector economy.

³Hong Kong is a Special Administrative Region of China.

⁴US 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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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

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