

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1600 (UTC) December 6th 2018**

## J.P.Morgan Global Composite PMI™

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

### Global economic growth edges higher in November

November saw a further mild acceleration in the rate of global economic expansion, as output growth picked up slightly in both the manufacturing and service sectors.

The J.P.Morgan Global Composite Output Index<sup>1,2</sup> – which is produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – rose for the second successive month to reach a three-month high of 53.2, up from 53.0 in October. That said, the latest reading was still among the weakest registered over the past two years.

Forward-looking indicators for the survey raised some potential headwinds regarding the outlook for output growth. After a further slight easing in November, the rate of increase in new business received was the slowest since October 2016. The trend in new export orders was particularly weak, as a slight gain in the service sector was offset by a downturn at manufacturers. Business expectations regarding the outlook for economic activity during the year ahead dropped to the lowest level since September 2016.

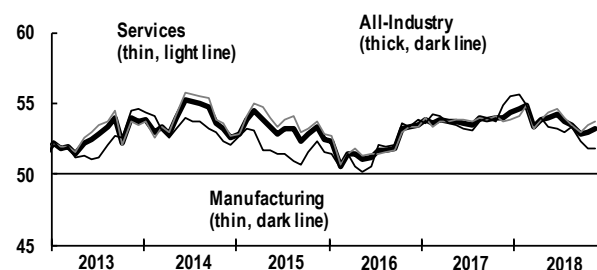
Five of the six sub-sectors covered by the survey saw improved rates of output expansion in November (business services, consumer goods, consumer services, financial services and investment goods). The exception was intermediate goods, where output growth was the weakest in almost three-and-a-half years.

November also saw a broad-based expansion by nation, with almost all of the nations for which all-industry data are compiled seeing economic activity increase. By virtue of its size, the US was the main contributor to the latest expansion (despite seeing growth slow slightly over the month). Above global average increases were also seen in France, Spain, India, Russia, Australia and Ireland.

Japan expanded at a broadly similar pace to that signalled in October. Output growth picked up in China and Brazil, but slowed in Germany and the UK. Italy was the only nation to register contraction, as a marginal recovery in service sector activity was offset by a deepening downturn in manufacturing. Measured on average, growth in the euro area was the weakest since September 2016.

**JPMorgan global PMI output**

Diffusion Index, sa



#### Global Composite PMI™

50 = no change on prior month.

Index	Oct	Nov.	+/-	Summary
Output	53.0	53.2	+	Expanding, faster rate
New Orders	53.5	53.2	-	Expanding, slower rate
New Export Orders	50.0	50.0	=	No change
Employment	52.6	52.0	-	Rising, slower rate
Input Prices	58.4	57.1	-	Rising, slower rate
Output Charges	53.7	52.8	-	Rising, slower rate
Backlogs	50.8	50.5	-	Rising, slower rate
Future Output	63.7	62.1	-	Positive, lesser extent

November saw backlogs of work rise at the second-slowest rate during the past two years. This encouraged a more cautious approach to hiring among companies, with staffing levels rising to the least marked extent since May 2017. Only China and Brazil reported job losses.

Input cost inflation slowed to a seven-month low in November, a factor underlying a slower increase in average output charges (the weakest since December 2017). Rates of increase for both price measures were generally higher (on average) 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 18,000 purchasing executives in over 40 countries. Together these countries account for an estimated 89% of global gross domestic product (GDP)<sup>4</sup>. 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 <sup>4</sup>	Producer	In association with	Website
United States <sup>1,2:</sup>				
Markit	22.2%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
ISM	22.2%	ISM	–	<a href="http://www.ism.ws">www.ism.ws</a>
China	11.9%	IHS Markit	Caixin	<a href="http://www.caixin.com">www.caixin.com</a>
Japan	7.6%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Germany	4.9%	IHS Markit	BME	<a href="http://www.bme.de">www.bme.de</a>
France	3.7%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
United Kingdom	3.6%	IHS Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
Brazil	3.1%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
India	3.1%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Italy	2.7%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Canada	2.4%	IHS Markit	SCMA	<a href="http://www.scma.com">www.scma.com</a>
Russia	2.2%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Spain	1.9%	IHS Markit	AERCE	<a href="http://www.aerce.org">www.aerce.org</a>
Australia	1.7%	IHS Markit	Commonwealth bank	<a href="http://www.commbank.com.au">www.commbank.com.au</a>
South Korea	1.7%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Mexico	1.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Indonesia	1.3%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Turkey	1.2%	IHS Markit	Istanbul Chamber of Industry	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Netherlands (The)	1.2%	IHS Markit	NEVI	<a href="http://www.nevi.nl">www.nevi.nl</a>
Saudi Arabia <sup>3</sup>	0.9%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Switzerland	0.8%	procure.ch	Credit Suisse	<a href="http://www.procure.ch">www.procure.ch</a> , <a href="http://www.credit-suisse.ch">www.credit-suisse.ch</a>
Taiwan	0.8%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Poland	0.7%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Nigeria <sup>3</sup>	0.6%	IHS Markit	Stanbic IBTC Bank	<a href="http://www.stanbicibtcbank.com/">www.stanbicibtcbank.com/</a>
South Africa <sup>3</sup>	0.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Austria	0.5%	IHS Markit	Unicredit Bank Austria/OPWZ	<a href="http://www.bankaustria.at">www.bankaustria.at</a> , <a href="http://einkauf.opwz.com">http://einkauf.opwz.com</a>
Thailand	0.5%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
UAE <sup>3</sup>	0.5%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Colombia	0.5%	IHS Markit	Davivienda	<a href="http://www.davivienda.com">www.davivienda.com</a>
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Ireland	0.4%	IHS Markit	Investec	<a href="http://www.investec.co.uk">www.investec.co.uk</a>
Singapore <sup>3</sup>	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Israel	0.4%	IPLMA	Bank Hapoalim Ltd	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.bankhapoalim.co.il">http://www.bankhapoalim.co.il</a>
Philippines (The)	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Hong Kong <sup>3</sup>	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Egypt <sup>3</sup>	0.3%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Greece	0.3%	IHS Markit	HPI	<a href="http://www.hpi.org">www.hpi.org</a>
Czech Republic	0.3%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
New Zealand	0.2%	Business NZ	Bank of New Zealand	<a href="http://www.businessnz.org.nz">www.businessnz.org.nz</a> , <a href="http://www.bnz.co.nz">www.bnz.co.nz</a>
Vietnam	0.2%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Hungary	0.2%	HALPIM	Hungarian National Bank	<a href="http://www.logisztika.hu">www.logisztika.hu</a>
Myanmar	0.1%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Kenya <sup>3</sup>	0.1%	IHS Markit	Stanbic Bank	<a href="http://www.cfcstanbicbank.co.ke">www.cfcstanbicbank.co.ke</a>
Lebanon <sup>3</sup>	0.1%	IHS Markit	BLOMINVEST Bank	<a href="http://www.blominvestbank.com">www.blominvestbank.com</a>

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 (2015 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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