

Embargoed until 1100 EST (1600 UTC) 3 December 2021

J.P.Morgan Global Composite PMI™

Including J.P.Morgan Global Services PMI™

Global economic growth rises to four-month high in November

Key findings

J. P. Morgan Global Composite Output Index at 54.8 in November (54.5 in October)

Output, new orders and employment all rise

Near-record increases in costs and output prices

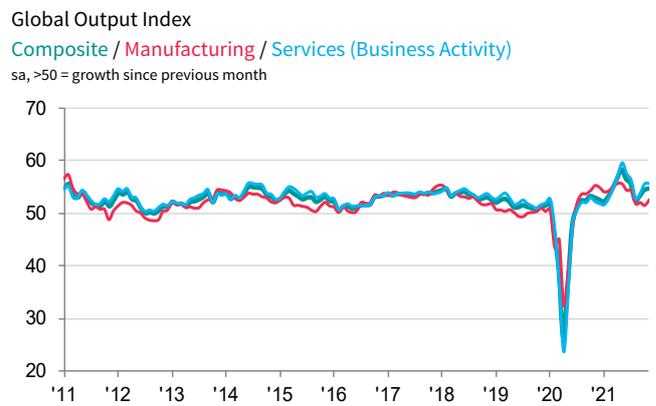
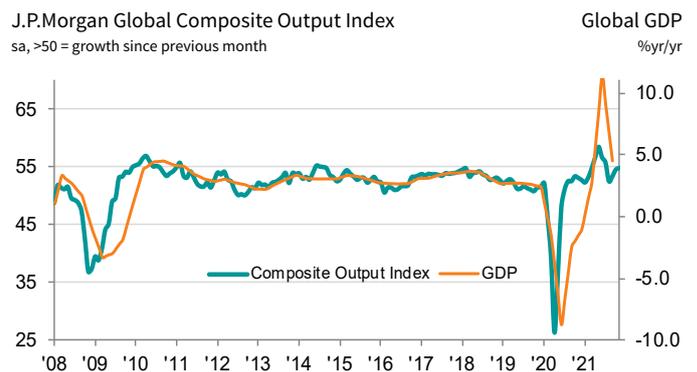
The rate of global economic expansion edged higher in November, as output rose at the quickest pace for four months. Growth was underpinned by rising intakes of new business, stronger inflows of new export business and continued job creation. Price pressures remained elevated, however, with rates of increase in input costs and output charges holding close to recent highs.

The J.P.Morgan Global Composite Output Index – produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted a four-month high of 54.8 in November, up from 54.5 in October. The headline index has signalled expansion throughout the past 17 months.

Growth of service sector business activity held steady at October's three-month high and has now outpaced that of manufacturing production for eight successive months. Although manufacturing output rose at a slightly quicker pace than the prior survey month, the rate remained modest compared to that seen through late-2020 and early-2021.

All six of the sub-sectors covered by the survey registered increases in economic activity during November. Growth was led by the financial services and business services categories, while consumer goods was the best performer among the manufacturing sub-industries. Four of the sectors (business services, consumer goods, financial services and intermediate goods) saw faster expansions. Investment goods returned to growth following October's contraction, while the upturn weakened at consumer service providers.

Russia was the only nation for which composite PMI were available to register a contraction of output in November. Growth accelerated in the euro area, Japan, India and



Composite Index summary

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

Index	Oct-21	Nov-21	Interpretation
Output	54.5	54.8	Growth, faster rate
New Business	54.3	54.2	Growth, slower rate
New Export Business	50.3	51.4	Growth, faster rate
Future Output*	65.2	67.2	Growth expected, better optimism
Employment	52.7	52.6	Growth, slower rate
Outstanding Business	52.8	52.7	Growth, slower rate
Input Prices	67.9	69.3	Inflation, faster rate
Output Prices	60.3	59.5	Inflation, slower rate

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Australia, but slowed in the US, China, the UK and Brazil.

Underpinning the continued expansion of global economic activity was a further solid improvement in new order intakes. Growth of overall new work slowed marginally – with rates easing at both manufacturers and service providers. This mainly reflected a weaker increase in new work received in China. Growth also eased in the euro area and US (but to lesser degrees than China) but improved in Japan, the UK, India, Brazil and Australia. Russia posted a faster decline. The rate of increase in global new export business hit a four-month high.

Business optimism rose to a five-month high in November, with optimism improving in five of the sub-industries covered by the survey (business services, consumer goods, consumer services, financial services and investment goods) and was unchanged in the other (intermediate goods).

The combination of current growth, positive expectations and rising backlogs of work contributed to further job creation. Employment rose at a rate little-changed from October's four-months high, with China (which saw a minor decrease) the only nation covered to report a decline.

Price inflationary pressure remained substantial in November. Average input costs rose at the fastest rate since July 2008, while output charges increased at a pace close to October's series-record high.

Global Services Summary

The J.P.Morgan Global Services Business Activity Index posted 55.6 in November, unchanged from October. Higher output was underpinned by increased intakes of new business, rising backlogs of work and the first increase in new export orders for four months. Job creation was registered for the ninth month running, while business optimism hit its highest level since June.

Price inflation remained elevated in November. Costs rose at the fastest pace in over 13 years (since July 2008), the main factor underlying a near-record increase in average output charges.

Services Index summary

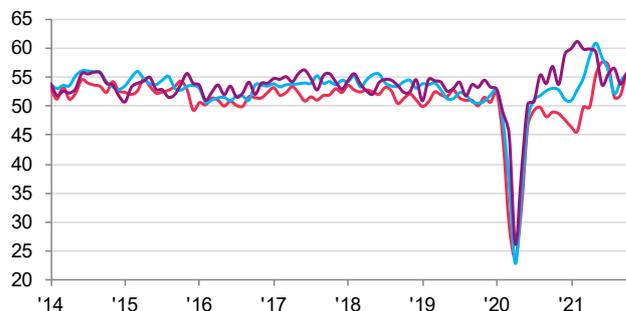
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Oct-21	Nov-21	Interpretation
Business Activity	55.6	55.6	Growth, same rate
New Business	54.6	54.5	Growth, slower rate
New Export Business	49.3	51.4	Growth, from declining
Future Activity*	65.9	68.3	Growth expected, better optimism
Employment	53.0	53.1	Growth, faster rate
Outstanding Business	52.2	52.4	Growth, faster rate
Input Prices	65.4	68.5	Inflation, faster rate
Prices Charged	59.0	58.8	Inflation, slower 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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