

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1600 (UTC) March 5<sup>th</sup> 2019**

# J.P.Morgan Global Composite PMI™

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

## Global economic growth picks up in February

February saw a mild acceleration in the rate of global economic expansion. 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 to 52.6, up from January’s 28-month low of 52.1, as a slightly slower rate of expansion at manufacturers was offset by stronger growth at service providers.

*Please note that later-than-usual release dates meant Manufacturing PMI data for South Korea and Taiwan and Services PMI data for Brazil were not available to include in the February global readings.*

Economic activity rose in four of the six sub-sectors covered by the survey. Solid expansions were seen in the financial services, business services and consumer goods categories, while consumer service providers registered a modest increase. Contractions were seen in the intermediate and investment goods industries.

National PMI data signalled a further broad-based expansion of all-industry output. Growth was registered in the US, the euro area, China, Japan, the UK, India and Russia. Italy and Australia were the only nations, for which composite PMI data are compiled, to record a contraction of output during February.

The US was the main driver of global economic growth, seeing its rate of expansion accelerate to a seven-month high. Accelerations were also registered in the euro area (three-month high) and the UK (four-month high), but both remained below the global average. India and Russia saw their respective rates of increase improve, with expansions above the global average in both cases. Growth remained modest in Japan and China, and weakened from the prior survey month.

Growth of new orders picked up in February, after hitting a 28-month low in January. This was despite a marginal decrease in new export business, as an increase in services was offset by a contraction in manufacturing. Inflows of new work were sufficient to test capacity, however, as highlighted by a slight increase in backlogs of work for the first time in three months.

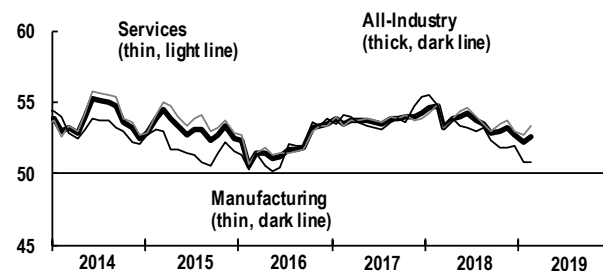
Price inflation accelerated in February, with stronger rises signalled for input costs and output charges. Increases in both price measures remained (on average) greater in developed nations compared to emerging markets.

**Commenting on the survey, David Hensley, Director of Global Economic Coordination at J.P.Morgan, said:**

“February saw the rate of global expansion accelerate for the first time in three months, led by stronger growth in the service sector. Improved intakes of new work and relatively stable business optimism should help support growth of output and employment during the months ahead, offsetting the continued weakness of international trade flows.”

**JPMorgan global PMI output**

Diffusion Index, sa



### Global Composite PMI™

50 = no change on prior month.

Index	Jan.	Feb.	+/-	Summary
Output	52.1	52.6	+	Expanding, faster rate
New Orders	51.9	52.5	+	Expanding, faster rate
New Export Orders	49.5	49.5	=	Falling, same rate
Employment	51.6	52.4	+	Rising, faster rate
Input Prices	54.7	55.1	+	Rising, faster rate
Output Charges	52.3	52.6	+	Rising, faster rate
Backlogs	49.9	50.4	+	Rising, from falling
Future Output	62.4	61.8	-	Positive, lesser extent

Companies maintained a positive outlook for economic growth over the coming year, although the degree of optimism dipped slightly. Ongoing output expansion combined with expectations of further growth led to stronger job creation, with the rate of expansion in employment at a four-month high. Staffing levels were raised in all nations covered except China and the UK.

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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)<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> :	21.6%			
IHS Markit		IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
ISM		ISM	–	<a href="http://www.ism.ws">www.ism.ws</a>
China	12.7%	IHS Markit	Caixin	<a href="http://www.caixin.com">www.caixin.com</a>
Japan	7.7%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Germany	4.8%	IHS Markit	BME	<a href="http://www.bme.de">www.bme.de</a>
France	3.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
United Kingdom	3.5%	IHS Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
India	3.3%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Brazil	2.8%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Italy	2.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Canada	2.4%	IHS Markit	SCMA	<a href="http://www.scma.com">www.scma.com</a>
Russia	2.1%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</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/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Turkey	1.5%	IHS Markit	Istanbul Chamber of Industry	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Indonesia	1.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Netherlands (The)	1.1%	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>
Poland	0.7%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Taiwan	0.6%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Nigeria <sup>3</sup>	0.6%	IHS Markit	Stanbic IBTC Bank	<a href="http://www.stanbicibtcbank.com/">www.stanbicibtcbank.com/</a>
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South Africa <sup>3</sup>	0.5%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
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Denmark	0.4%	DILF	Kairoscommodities	<a href="http://www.dilf.dk">www.dilf.dk</a> , <a href="http://www.kairoscommodities.com">www.kairoscommodities.com</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>
Philippines (The)	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">www.bankhapoalim.co.il</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.hellenicsupply.org">www.hellenicsupply.org</a>
Czech Republic	0.3%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</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>
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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.stanbicbank.co.ke">www.stanbicbank.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 (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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