

Embargoed until 11 EDT (1500 UTC) 3 October 2019

J.P.Morgan Global Composite PMI™

Including J.P.Morgan Global Services PMI™

Global economic expansion eases to joint-weakest rate since mid-2016

Key findings

Global growth edges lower in September

New order inflows rise at slower pace as international trade flows deteriorate again

Jobs growth grinds to near-stagnation

The rate of global economic expansion edged lower in September, as growth of new business slowed and the downturn in international trade continued. This filtered through to the labour market, with the pace of job creation easing to near-stagnation.

The J.P.Morgan Global Composite Output Index – which is produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – fell to 51.2 in September, its joint-lowest reading since mid-2016 (identical figures were posted in May and June of this year). The headline index has now remained above the neutral 50.0 mark for 84 consecutive months.

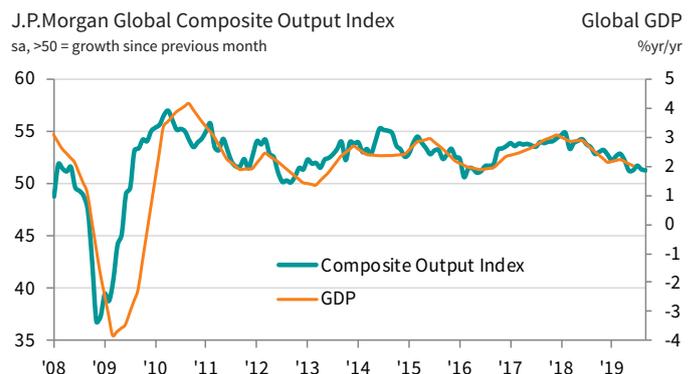
Among the nations for which September PMI data were available, rates of growth improved in the US, Italy and Brazil, while Australia returned to expansion following a contraction in August. Rates of increase slowed in France, Spain, Russia and Ireland, while downturns were signalled for Germany and the UK.

Please note that due to later-than-usual release dates, services PMI data for China and India were not available for inclusion in the September 2019 global services and composite PMI numbers.

The service sector continued to outperform its manufacturing counterpart, despite seeing growth slow over the month. The Global Services Business Activity Index eased to 51.6 in September, its joint-weakest reading in over three years. Manufacturing production was broadly unchanged, as signalled by the Global Manufacturing Output Index posting 50.1, up from 50.0 in August.

Four out of the six sub-industries covered by the survey saw output rise during September. The best performance was in financial services, which registered the fastest rate of expansion and a solid growth acceleration. Consumer

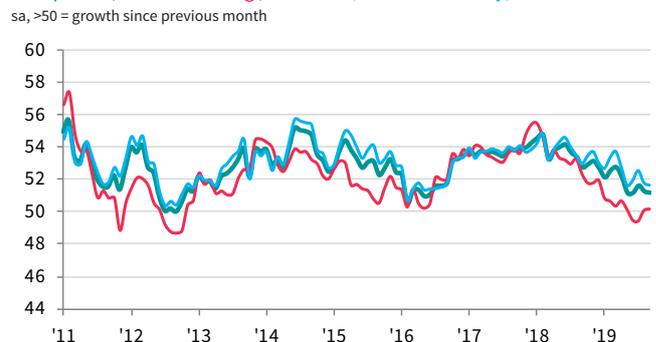
continued on page 2...



Sources: J.P.Morgan, IHS Markit.

Global Output Index

Composite / Manufacturing / Services (Business Activity)



Sources: J.P.Morgan, IHS Markit.

Composite Index summary

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

Index	Aug-19	Sep-19	Interpretation
Output	51.3	51.2	Growth, slower rate
New Business	51.1	50.9	Growth, slower rate
New Export Business	47.9	48.2	Decline, slower rate
Future Output*	57.2	57.4	Growth expected, firmer sentiment
Employment	50.7	50.1	Growth, slower rate
Outstanding Business	48.8	48.7	Decline, faster rate
Input Prices	52.3	51.9	Inflation, slower rate
Output Prices	50.2	50.4	Inflation, faster rate

services was the only other category to see an improved rate of expansion. Slower growth was recorded in both the consumer goods and business services sectors, but downturns continued at producers of both intermediate and investment goods.

The main drag on global economic growth was a weaker increase in the volume of new business generated during September. New work rose moderately and at the slowest pace in almost seven years (since November 2012), while new export business decreased for the tenth successive month.

The slowdown in new order growth was mainly centred on manufacturers, as service providers saw a further (albeit slower) expansion of new business. Manufacturing new work contracted for the fifth straight month, dragged lower by a further solid decrease in new export business. Global service providers also saw export demand decline.

The subdued trend in global economic growth filtered through to both the labour market and business confidence in September. The Global Composite Future Activity Index posted 57.4, remaining close to August's series-record low of 57.2. Optimism was at, or close to, respective record lows in the manufacturing and service sectors respectively.

September saw the rate of increase in global employment slow to near-stagnation. Alongside weaker expansions in output and new orders, companies linked the decline in staffing levels to reduced backlogs of work. Service sector job creation was the weakest in seven years, while the pace of cuts in manufacturing accelerated slightly. Among the nations for which September data were available, employment rose in Japan, Germany, France, Italy, Spain, Brazil, Russia and Ireland, but fell in the US and the UK.

Price inflationary pressures remained relatively contained in the global economy during September. Input costs rose only moderately and to the weakest extent since February 2016. Although a slower increase at service providers offset an acceleration in manufacturing, the rate of cost inflation in the former remained higher overall. Meanwhile, average selling prices rose at a mild pace that was broadly unchanged from August's near three-and-a-half year low. Output charges rose in the service sector and were unchanged in manufacturing.

Services Index summary

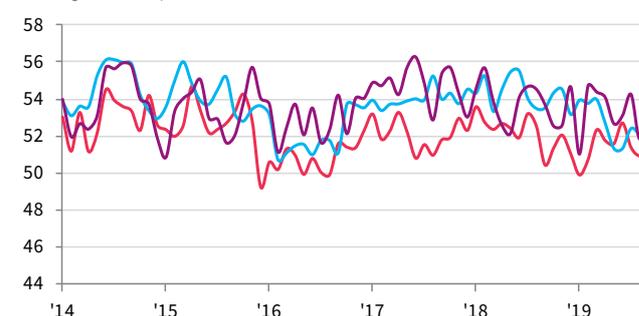
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Aug-19	Sep-19	Interpretation
Business Activity	51.8	51.6	Growth, slower rate
New Business	51.9	51.4	Growth, slower rate
New Export Business	49.5	48.8	Decline, faster rate
Future Activity*	57.4	57.7	Growth expected, firmer sentiment
Employment	51.2	50.4	Growth, slower rate
Outstanding Business	49.1	48.8	Decline, faster rate
Input Prices	53.0	52.3	Inflation, slower rate
Prices Charged	50.5	50.6	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, 2017.

Data sources

Country / territory ¹	Producer	In association with
Australia	IHS Markit	Commonwealth Bank
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	Jibun Bank
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

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

¹Hong Kong is a Special Administrative Region of China.

²US 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.

Contact

Olya Borichevska
Economic & Policy Research
J.P.Morgan Chase Bank
New York
olya.e.borichevska@jpmorgan.com

Rob Dobson
Director
IHS Markit
T: +44 1491 461 095
rob.dobson@ihsmarkit.com

Joanna Vickers
Corporate Communications
IHS Markit
T: +44-207-260-2234
joanna.vickers@ihsmarkit.com

About J.P.Morgan

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands www.jpmorganchase.com.

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.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2019 IHS Markit Ltd. All rights reserved.

If you prefer not to receive news releases from IHS Markit, please email joanna.vickers@ihsmarkit.com. To read our privacy policy, click [here](#).

About IFPSM

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 National and Regional Purchasing Associations worldwide. Within this circle, about 250,000 Purchasing Professionals can be reached. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. The term procurement is taken to embrace purchasing, materials management, logistics, supply chain management and strategic sourcing. IFPSM is a non-political, independent and non-profit oriented International Organization. www.ifpsm.org

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

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.