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# J.P.Morgan Global Manufacturing PMI™

## Global Manufacturing PMI edges back into expansion territory

### Key findings

Global Manufacturing PMI posts 50.3 (7-month high)

Output and new orders rise, but new exports fall

Expansion centred on consumer goods industry

Global manufacturing showed tentative signs of recovery in November. Output and new orders saw marginal gains, while the trend in employment stabilised after job cuts in the prior six months. International trade remained a drag on the sector, however, as new export business decreased for the fifteenth successive month.

The J.P.Morgan Global Manufacturing PMI – a composite index produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted a seven-month high of 50.3 in November, moving back above the 50.0 line dividing expansion from contraction for the first time since April. That said, the level of the PMI is consistent with only a slight improvement in overall operating performance.

The recovery was centred on the consumed goods sector. The Consumer Goods PMI rose to a four-month high following accelerated growth of both output and new orders. In contrast, PMI readings for the intermediate and investment goods industries both signalled contraction.

Eleven of the nations for which November PMI data were available registered expansions, with the strongest growth signalled for Greece, Colombia and Brazil. The USA, China and France were also among the nations seeing an improvement. Germany and the Czech Republic remained at the bottom of the growth rankings.

Global manufacturing production increased for the third successive month in November. Companies' willingness to raise output further reflected a mild uptick in new order inflows, the first increase in seven months. Rates of expansion in both production and new work were the fastest during the year-to-date. However, this mainly reflected the lacklustre performance seen so far in 2019, as growth was still low overall.

J.P.Morgan Global Manufacturing PMI™

sa, >50 = improvement since previous month

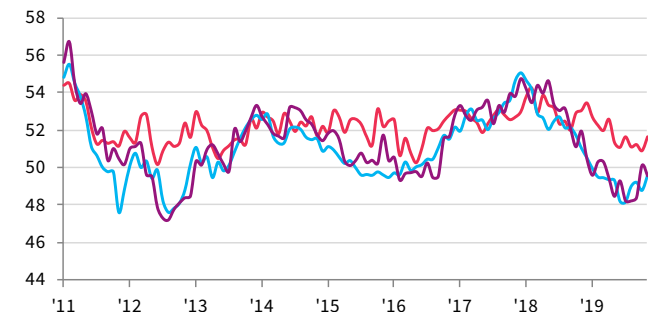


Sources: J.P.Morgan, IHS Markit.

PMI by goods sector

Consumer / Intermediate / Investment

sa, >50 = improvement since previous month



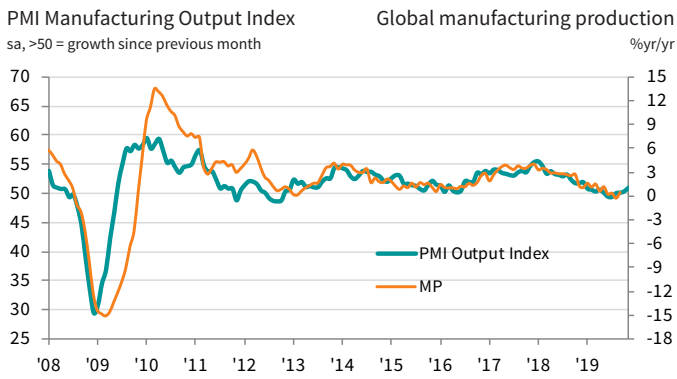
Sources: J.P.Morgan, IHS Markit.

Index summary

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

Index	Oct-19	Nov-19	Interpretation
PMI	49.8	50.3	Improvement, from deterioration
Output	50.3	50.9	Growth, faster rate
New Orders	50.0	50.4	Growth, from no change
New Export Orders	48.9	48.9	Decline, same rate
Future Output	57.5	57.2	Growth expected, lesser extent
Employment	49.2	50.0	No change, from declining
Input Prices	50.4	50.4	Inflation, same rate
Output Prices	49.7	50.1	Inflation, from declining

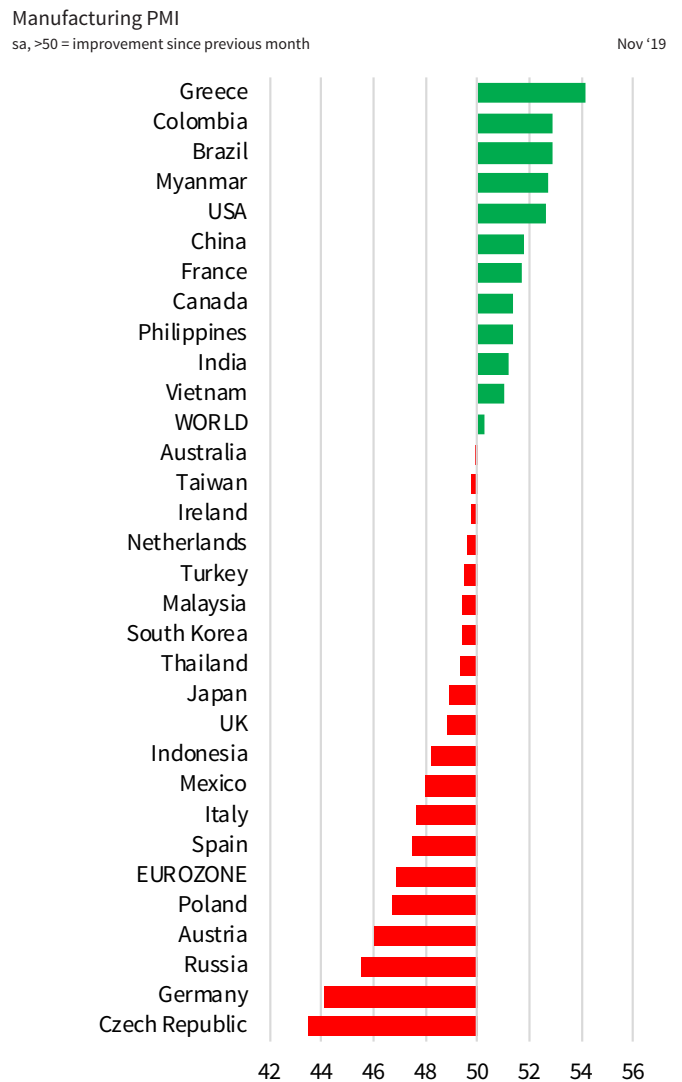
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The trend in global manufacturing employment stabilised in November, halting a six-month sequence of job losses. Staffing levels rose in the consumer goods industry, edged higher at investment goods producers but fell in the intermediate goods category. Job creation was strongest in Greece, France and the US. Losses were seen in the euro area (on average), India, South Korea, Thailand, the UK, Poland, Turkey, Indonesia, Czech Republic, Mexico and Russia. China saw little change in employment, while staff headcounts rose in Japan.

Purchase price pressures remained contained in the global manufacturing sector during November, as input costs rose at the joint second-lowest rate during the current 44-month sequence of increase. Output charges ticked higher for the first time in five months.

Business optimism stayed relatively subdued in November, continuing the recent trend of lacklustre confidence. The lowest readings for the Future Output Index (which was first compiled in July 2012) have all been recorded during the past seven months. The overall degree of optimism was (on average) higher across emerging markets than their developed nation counterparts. That said, the former saw the degree of positivity fall, in contrast to reaching a five-month high in the latter.



### Comment

Olya Borichevska, from Global Economic Research at J.P.Morgan, said:

*“November saw further signs of recovery in the global manufacturing sector. The headline PMI moved back into expansion territory for the first time since April, as output growth picked up and new orders posted an additional increase. The Employment PMI bounced back suggesting possible stabilization in employment growth. The sector should hopefully build on this platform heading into the new year.”*

## Methodology

The J.P.Morgan Global Manufacturing PMI™ is produced by IHS Markit in association with ISM and IFPSM.

Global manufacturing PMI indices are compiled by IHS Markit from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added\*.

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 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.

Indices are calculated 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.

Global manufacturing indices are calculated by weighting together the country indices. Country weights are calculated from annual manufacturing value added\*.

The headline figure is the Global Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five global indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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](mailto:economics@ihsmarkit.com).

The J.P.Morgan Global Manufacturing PMI provides the first indication each month of world manufacturing 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 world-wide.

\* Source: World Bank World Development Indicators, 2017.

## Data sources

Region	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 <sup>1*</sup>	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 <sup>2</sup>	IHS Markit / ISM	-
Vietnam	IHS Markit	-

\*Indices calculated from manufacturing responses extracted from survey panels covering the entire private sector economy.

<sup>1</sup>Hong Kong is a Special Administrative Region of China.

<sup>2</sup>US data compiled by ISM pre-February 2010 and by IHS Markit post-January 2010.

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## 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](http://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.

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## 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](http://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](http://www.instituteforsupplymanagement.org)

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