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J.P.Morgan Global Composite PMI™

Including J.P.Morgan Global Services PMI™

Global economic growth edges higher in September

Key findings

J. P. Morgan Global PMI Composite Output Index at 53.0 in September

Growth of output and new orders remain subdued

Input cost and output price inflation accelerate

The latest PMI surveys signalled a marginal uptick in the rate of global economic expansion, the first acceleration for four months. The J.P.Morgan Global Composite Output Index – produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – rose to 53.0 in September, up from August's seven-month low of 52.5, to signal growth for the fifteenth successive month.

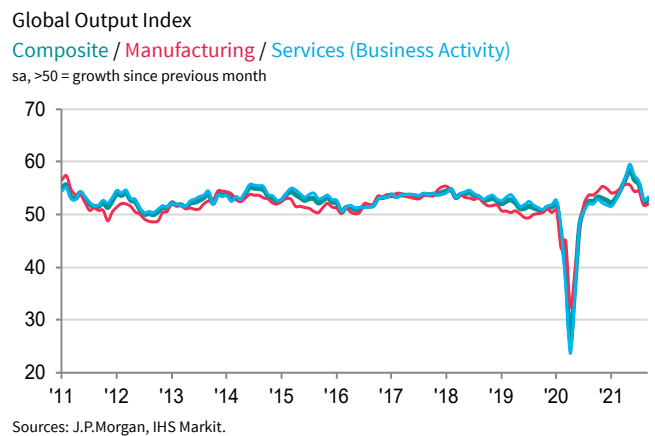
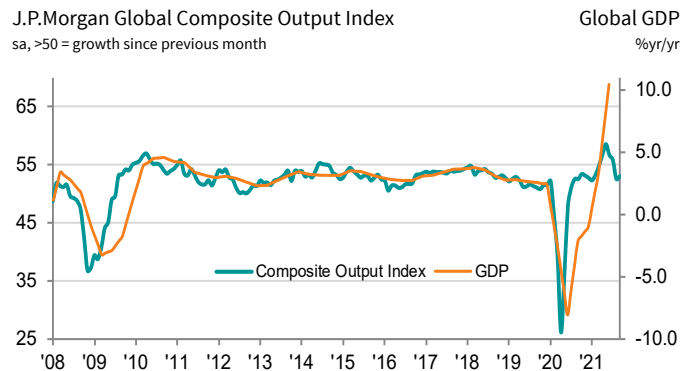
Note: due to a later-than-usual release date, data for the China Services PMI and China Composite PMI were not available for inclusion in the September global numbers.

National PMI data signalled that output continued to rise across much of the global economy. Expansions were seen in the US, the euro area, the UK, India, Brazil and Russia, offsetting contractions in Japan and Australia. Of the 11 nations for which growth was signalled, seven (including the US, Germany and India) saw slower rates of expansion than in August. The eurozone was an especially bright spot, with the top-four ranked countries part of the currency bloc.

Manufacturing output and services business activity rose at quicker rates in September, although in both cases growth remained weaker than that seen during much of the earlier part of the year. Output also rose across all six of the sub-sectors covered by the survey, with the strongest growth in the business services category, followed closely by financial services. Growth accelerations were seen in the business services, consumer goods and intermediate goods sectors.

Although improving slightly, the rate of increase in new order intakes remained subdued in September. New export business also rose for the eighth successive month. The inflow of new work received remained sufficient to test capacity, however, as backlogs of work expanded for the

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Composite Index summary

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

Index	Aug-21	Sep-21	Interpretation
Output	52.5	53.0	Growth, faster rate
New Business	53.2	53.3	Growth, faster rate
New Export Business	50.6	50.5	Growth, slower rate
Future Output*	65.8	67.1	Growth expected, better optimism
Employment	51.6	51.5	Growth, slower rate
Outstanding Business	52.8	53.1	Growth, faster rate
Input Prices	65.6	66.8	Inflation, faster rate
Output Prices	57.3	58.0	Inflation, faster rate

seventh month running and to a greater extent than in the prior month.

There remained reports that supply-chain issues were suppressing economic activity. These capacity issues also resulted in shortages and delays for raw materials and fed through to higher prices for many commodities. Average input costs rose at the sharpest pace for four months, while output charge inflation also remained elevated as a result.

Global employment rose for the thirteenth consecutive month in September, with modest jobs growth registered at both manufacturers and service providers. Staffing levels rose in the US, the euro area, Japan, the UK, India, Brazil and Australia.

The outlook for the global economy remained positive in September. Companies reported that they expect activity to increase (on average) over the coming 12 months, with the degree of positivity rising to a three-month high. Confidence levels were higher at service providers than their manufacturing counterparts.

Global Services Summary

The J.P.Morgan Global Services Business Activity Index rose to 53.4 in September, up from 52.8 in August, to signal expansion for the fifteenth month running. Growth was registered in the US, the euro area, the UK, Brazil, India and Russia. Japan and Australia saw contractions.

Incoming new orders continued to rise in September, despite a second successive decrease in new export business. Capacity remained under stress, leading to a further increase in outstanding business, encouraging firms to raise employment for the seventh month in a row. Inflation of output charges and input costs both accelerated.

Services Index summary

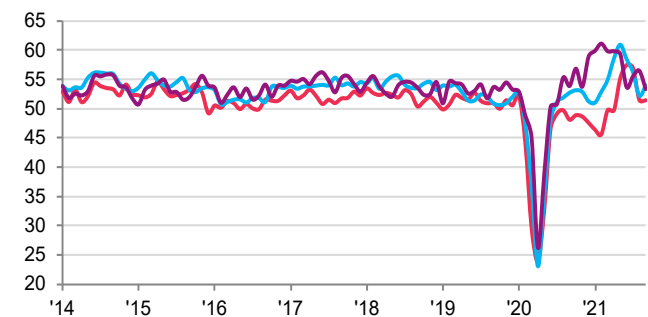
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Aug-21	Sep-21	Interpretation
Business Activity	52.8	53.4	Growth, faster rate
New Business	53.0	53.1	Growth, faster rate
New Export Business	49.6	48.8	Decline, faster rate
Future Activity*	66.5	68.2	Growth expected, better optimism
Employment	51.5	51.6	Growth, faster rate
Outstanding Business	52.1	52.1	Growth, same rate
Input Prices	63.8	65.2	Inflation, faster rate
Prices Charged	56.3	56.9	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.

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	-

*Survey 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.

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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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