

News Release

MARKET SENSITIVE INFORMATION
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J.P.Morgan Global Manufacturing PMI™

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

Global PMI posts lowest reading since October 2012

Global PMI surveys signalled that manufacturing downshifted into contraction during May. Business conditions deteriorated to the greatest extent in over six-and-a-half years, as production volumes stagnated and new orders declined at the fastest pace since October 2012.

The trend in international trade continued to weigh on the sector, with new export business contracting for the ninth month running. Business optimism fell for the second month in a row and to its lowest level since future activity data were first collected in July 2012.

The J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted 49.8 in May, down from 50.4 in April, its lowest level since October 2012.

Later-than-usual release dates meant manufacturing PMI data for Colombia, Ireland and Thailand were not available to include in the May 2019 global readings.

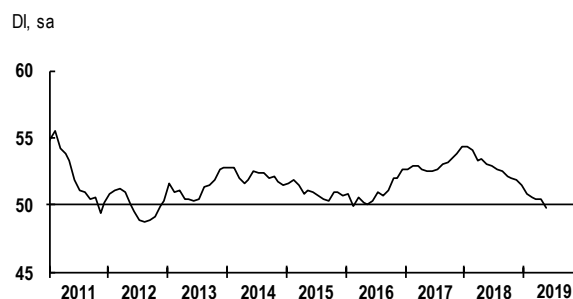
Downturns continued in the intermediate and investment goods industries, which both saw output and new orders fall further during May. Although the consumer goods sector fared better in comparison, with production and new business rising, rates of expansion eased.

National PMI data signalled deteriorating business conditions in several major industrial regions including the euro area, Japan, the UK, Canada, South Korea and Taiwan. PMI readings for the US, China and Brazil were only a few ticks above the benchmark 50.0 no-change mark. The downshift in growth in the US was the main driver of the slowdown in global manufacturing, as the US PMI slipped to its lowest level in almost a decade (September 2009).

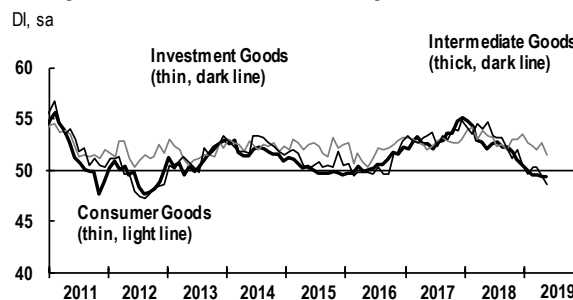
The lacklustre performance in terms of output and new orders filtered through to the labour market during May. Global manufacturing employment edged lower to register its first decline since August 2016. Staffing levels were lowered in China, the euro area, the UK, Brazil, Taiwan, South Korea, Mexico, Australia, Russia, Poland, Turkey, Vietnam, the Philippines and the Czech Republic.

Part of the reduction in employment reflected a surplus of spare capacity, as highlighted by a further drop in backlogs of work. Efforts to maintain competitiveness led to the weakest rise in selling prices since September 2016, while input costs rose at the slowest pace since August 2016.

JPMorgan Global Manufacturing PMI



JPMorgan Global PMI Sectors: Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Apr.	May	+/-	Summary
Global PMI	50.4	49.8	-	Falling, from rising
Output	50.6	50.1	-	Rising, slower rate
New Orders	50.1	49.5	-	Falling, from rising
New Exports	49.0	49.0	=	Falling, same rate
Employment	50.6	49.9	-	Falling, from rising
Input Prices	53.0	52.6	-	Rising, slower rate
Output Prices	51.3	51.1	-	Rising, slower rate
Future Output	59.9	58.0	-	Positive, lesser extent

Contact Information:

For economics comments, data and technical queries, please call:

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

IHS Markit Press Office
Joanna Vickers
Corporate Communications
Telephone: +44-207-260-2234
Email: joanna.vickers@ihsmarkit.com

J.P.Morgan Chase Bank
Olya Borichevska
Global Economic Research
Email: olya.e.borichevska@jpmorgan.com

Notes to Editors:

The Global Report on Manufacturing is compiled by IHS Markit based on the results of surveys covering over 13,500 purchasing executives in over 40 countries. Together these countries account for an estimated 98% of global manufacturing output². 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 ²	Producer	In association with	Website
United States ¹ : After January 2010 Before Feb-2010	21.6%	IHS Markit ISM	– –	www.ihsmarkit.com/products/pmi.html www.ism.ws
China	12.7%	IHS Markit	Caixin	www.caixin.com
Japan	7.7%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Germany	4.8%	IHS Markit	BME	www.bme.de
France	3.6%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
United Kingdom	3.5%	IHS Markit	CIPS	www.cips.org
India	3.3%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Brazil	2.8%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
Italy	2.6%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
Canada	2.4%	IHS Markit	SCMA	www.scma.com
Russia	2.1%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
Spain	1.9%	IHS Markit	AERCE	www.aerce.org
Australia	1.7%	IHS Markit	Commonwealth Bank	www.commbank.com.au
South Korea	1.7%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Mexico	1.6%	IHS Markit	–	www.ihsmarkit.com
Turkey	1.5%	IHS Markit	Istanbul Chamber of Industry	www.ihsmarkit.com/products/pmi.html
Indonesia	1.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Netherlands (The)	1.1%	IHS Markit	NEVI	www.nevi.nl
Saudi Arabia ³	0.9%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
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Taiwan	0.6%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Nigeria ³	0.6%	IHS Markit	Stanbic IBTC Bank	www.stanbicibtcbank.com/
Austria	0.5%	IHS Markit	Unicredit Bank Austria	www.bankaustria.at , www.opwz.com
South Africa ³	0.5%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
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Ireland	0.4%	IHS Markit	–	www.ihsmarkit.com/products/pmi.html
Denmark	0.4%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Singapore ³	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
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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 Source: World Bank World Development Indicators (2017 data, constant US\$ measure).
3 For these nations, manufacturing sector responses are extracted from whole economy PMI surveys for inclusion in the Global Manufacturing PMI

Methodology: Global Manufacturing PMI™ Indices

The Global Manufacturing PMI™ indices are all seasonally adjusted. The seasonal adjustment is applied at the national level (as opposed to at the global aggregate level) in order to account for differing seasonal patterns in each of the nations included. Global Manufacturing PMI™ indices are weighted according to national contributions to global manufacturing gross value added. 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 2010 US\$, with all national currencies converted to 2010 US\$ by the World Bank using DEC alternative conversion factors.

J.P.Morgan



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