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J.P.Morgan Global Composite PMI™

Including J.P.Morgan Global Services PMI™

Global economy suffers worst month in PMI history as output, new orders and employment all fall at record rates

Key findings

J. P. Morgan Global PMI Composite Output Index falls to 26.5 in April (record low)

Record contractions across all six sub-sectors

International trade falls at series-record pace

The rate of global economic contraction accelerated to its sharpest in the near 22-year PMI survey history during April. Companies across the world were hit hard by the impact of lockdowns, shutdowns and other restrictions in place to combat the spread of coronavirus 2019 (COVID-19).

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 26.5 in April, down by a record 12.7 points from 39.2 in March and far below its previous low of 36.8 in November 2008 during the global financial crisis.

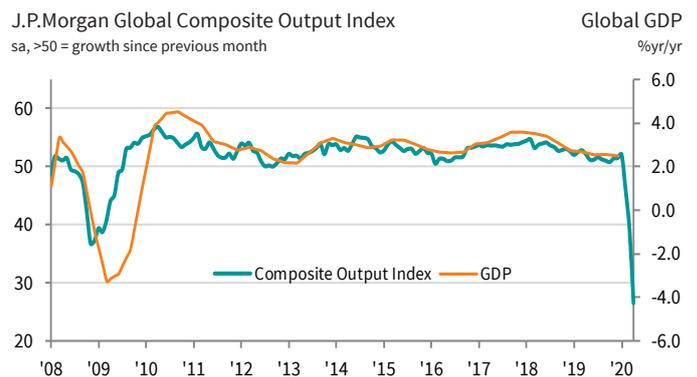
Notes: due to later-than-usual release dates, the Manufacturing PMI data for Thailand and Services PMI data for China and Russia are not included in the April Global PMI calculation. Japan Services Flash PMI data are included in the calculation due to a later release date for the final numbers.

Rates of decline in output, new orders, new export business, employment and backlogs of work all registered new series records in April. All of the nations for which April final data were available saw activity and new fall to the greatest extent on PMI record, including the US, Germany, the UK, France, Italy, Spain, India, Brazil and Australia. Flash Composite PMI data for Japan also signalled the steepest drop in output and second-sharpest fall in new work received.

Output indices for a number of nations fell to previously unimagined levels. Readings for India (7.2) and Spain (9.2) were in the single digits, while Italy (10.9), France (11.1) and the UK (13.8) were in the low double digits.

Sector PMI data further emphasised the widespread disruption caused by the outbreak of COVID-19. Global service sector business activity fell at a fresh survey-record pace, while manufacturing production declined at the third-fastest rate on record. The month-on-month declines in

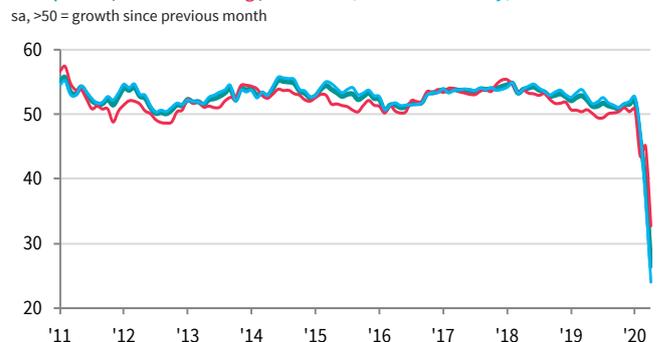
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Sources: J.P.Morgan, IHS Markit.

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	Mar-20	Apr-20	Interpretation
Output	39.2	26.5	Decline, faster rate
New Business	38.8	26.9	Decline, faster rate
New Export Business	41.1	26.1	Decline, faster rate
Future Output*	47.8	42.9	Decline expected, weaker sentiment
Employment	46.5	39.4	Decline, faster rate
Outstanding Business	44.0	36.4	Decline, faster rate
Input Prices	50.6	44.0	Decline, from rising
Output Prices	47.4	43.1	Decline, faster rate

both the Manufacturing Output Index (12.3 points) and Services Business Activity Index (12.8) were also the greatest so far. Record contractions in output and new business were registered across the six sub-sectors covered (consumer, intermediate and investment goods producers and business, consumer and financial service providers).

The uncertainty and economic disruption wreaked by the COVID-19 pandemic had noticeable impacts on business confidence, employment and international trade flows.

Global business sentiment fell to a series-record low, with confidence at its weakest level on PMI record in the US, Japan, France, Spain, Brazil, Ireland and Kazakhstan. Sentiment picked up slightly in Germany, the UK, Italy and Australia, but remained historically weak. The survey-record contraction in global employment included the steepest reductions in staffing levels in the US, the euro area, the UK, India and Australia so far.

April also saw marked decreases in average input costs (fastest since April 2009) and output charges (series-record). Rates of reduction in both price measures were faster at service providers than at manufacturers.

Global Services Summary.

The J.P.Morgan Global Services Business Activity Index fell to a record-low of 24.0 in April, down sharply from 36.8 in March. The index has now signalled contractions for three successive months. Employment and incoming new orders fell at the quickest rates in the survey history, while business confidence also slumped to a fresh record low.

The downturns in business activity, new business, new export orders and employment in the global service sector were deeper than the equivalent contractions signalled at manufacturers. Business confidence was also lower at service providers than their manufacturing counterparts.

Services Index summary

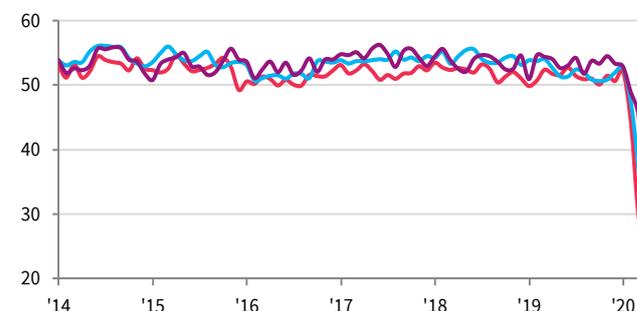
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Mar-20	Apr-20	Interpretation
Business Activity	36.8	24.0	Decline, faster rate
New Business	37.0	25.0	Decline, faster rate
New Export Business	35.3	22.0	Decline, faster rate
Future Activity*	46.2	41.1	Decline expected, weaker sentiment
Employment	46.1	38.6	Decline, faster rate
Outstanding Business	42.3	34.4	Decline, faster rate
Input Prices	50.8	42.6	Decline, from rising
Prices Charged	46.8	41.7	Decline, 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	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	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	-

¹Survey coverage of manufacturing sector only

²Manufacturing and services indices calculated from manufacturing and services responses extracted from survey panels covering the entire private sector economy.

³Hong Kong is a Special Administrative Region of China.

⁴US 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 IFPSM

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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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