

## News Release

**MARKET SENSITIVE INFORMATION**  
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## J.P.Morgan Global Services PMI™

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

### Global services activity and new order growth slow in April

The upturn in global service sector activity slowed in April. At 52.7, down from 53.7 in March, the J.P.Morgan Global Services Business Activity Index – a composite index produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – dipped to a three-month low and stayed below its long-run average of 54.2. The headline index has signalled expansion throughout the past 117 months.

*Due to a later-than-usual release date, Japan Services PMI data were not available to include in the April 2019 global readings.*

Rates of output expansion eased across the three sub-industries covered by the survey, registering a 31-, two- and three-month lows at business, consumer and financial service providers respectively. All three categories also saw growth of new business weaken.

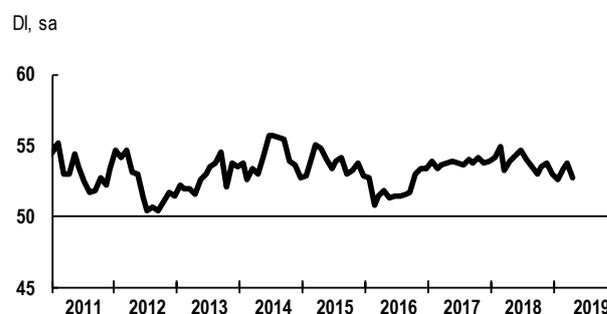
Germany (seven-month high), Ireland (three-month low) and China (15-month high) saw the fastest rates of expansion in business activity during April. The US and Spain also registered above-global-average growth. Brazil was the only nation to signal a contraction, although the pace of decline was only marginal.

April saw new work rise at the slowest pace in three months, despite a modest increase in new export orders. The pace of job creation ticked higher, but remained among the weakest over the past two years. Staffing levels were raised across the business, consumer and financial services sectors. Subdued new order growth combined with higher employment meant backlogs of work were broadly unchanged.

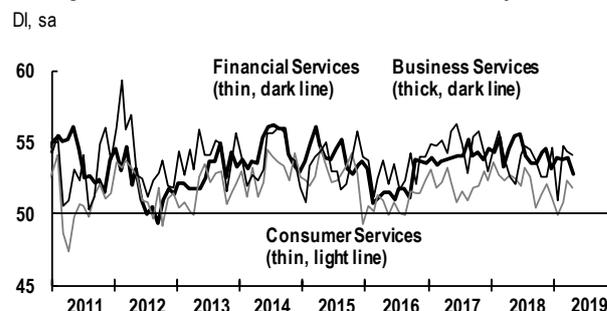
Employment increased in the US, Russia, the euro area, China and India, with rates of expansion improving in the latter three. In contrast, the UK, Australia and Brazil all reported job cuts during the latest survey month.

Price inflationary pressures moderated in April, with rates of increase in input costs and output charges the weakest for one-and-a-half years. Business optimism declined to a 34-month low, mainly due to weaker confidence at financial service providers. Sentiment improved in both the consumer and business service sectors.

Service sector business activity



JPMorgan Global PMI Sectors: Services Business Activity



### Global Services PMI™ Summary

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Output/Activity	53.7	52.7	-	Growth, slower rate
New Business	53.9	53.0	-	Growth, slower rate
New Export Business	50.8	50.9	+	Rising, faster rate
Backlogs of Work	50.6	50.1	-	Rising, slower rate
Input Prices	54.9	54.8	-	Rising, slower rate
Output Charges	52.4	51.9	-	Rising, slower rate
Employment	52.0	52.2	+	Rising, faster rate
Future Activity	61.6	61.5	-	Positive, lesser extent

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## Notes to Editors:

The Global Report on Services is based on the results of surveys covering over 7,000 executives carried out in the US by IHS Markit (after September 2009) and the ISM (before October 2009), and in China, Japan, Germany, France, the UK, India, Brazil, Italy, Russia, Spain, Australia, Saudi Arabia, Nigeria, South Africa, the UAE, Ireland, Singapore, Hong Kong, Egypt, Kenya and Lebanon by IHS Markit, and in New Zealand by Business NZ. These countries together account for an estimated 76% of global service sector gross value added (GVA)<sup>2</sup>.

For the US, data are taken from a combination of the IHS Markit US Services PMI™ and the ISM non-manufacturing survey. Global services PMI data points after September 2009 include data from the IHS Markit US services PMI survey in the calculation. For global services PMI data prior to October 2009, the calculation is based on data taken from the ISM non-manufacturing survey. Where appropriate, month-on-month changes in the ISM data series have been applied to the IHS Markit series to form a proxy back history.

In addition to the service sector included in the other countries, the ISM non-manufacturing definition also includes agriculture, construction, mining, public administration, retail, utilities and wholesale sectors.

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.

The services report is accompanied by a Global Report on Manufacturing and a Global Composite PMI™ Report.

## Data Sources:

Country	% Share of global GDP <sup>2</sup>	Producer	In association with	Website
United States <sup>1</sup> :	21.6%			
After Sep. 2009		IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Before Oct. 2009		ISM	–	<a href="http://www.ism.ws">www.ism.ws</a>
China	12.7%	IHS Markit	Caixin	<a href="http://www.caixin.com">www.caixin.com</a>
Japan	7.7%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Germany	4.8%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
France	3.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
United Kingdom	3.5%	IHS Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
India	3.3%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Brazil	2.8%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Italy	2.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Russia	2.1%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Spain	1.9%	IHS Markit	AERCE	<a href="http://www.aerce.org">www.aerce.org</a>
Australia	1.7%	IHS Markit	Commonwealth Bank	<a href="http://www.commbank.com.au">www.commbank.com.au</a>
Saudi Arabia <sup>3</sup>	0.9%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Nigeria <sup>3</sup>	0.6%	IHS Markit	Stanbic IBTC Bank	<a href="http://www.stanbicibtcbank.com/">www.stanbicibtcbank.com/</a>
South Africa <sup>3</sup>	0.5%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
UAE <sup>3</sup>	0.5%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Ireland	0.4%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Singapore <sup>3</sup>	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Hong Kong <sup>3</sup>	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Egypt <sup>3</sup>	0.3%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
New Zealand	0.2%	Business NZ	Bank of New Zealand	<a href="http://www.businessnz.org.nz">www.businessnz.org.nz</a> , <a href="http://www.bnz.co.nz">www.bnz.co.nz</a>
Kenya <sup>3</sup>	0.1%	IHS Markit	Stanbic Bank	<a href="http://www.stanbicbank.co.ke">www.stanbicbank.co.ke</a>
Lebanon <sup>3</sup>	0.1%	IHS Markit	BLOMINVEST Bank	<a href="http://www.blominvestbank.com">www.blominvestbank.com</a>

1 Data from the IHS Markit survey of US services are included in the global services PMI composition from October 2009 onwards (including the October 2009 data point). Data prior to that date are based on the ISM US non-manufacturing survey.

2 Source: World Bank World Development Indicators (2017 data, constant US\$ measure).

3 For these nations, service sector responses are extracted from whole economy PMI surveys for inclusion in the Global Services PMI.

## Methodology: Global Services PMI™ Indices

The Global Services 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 Services PMI™ indices are weighted according to national contributions to global services gross value added. Weights for the global indices are derived from the latest available World Bank data on the gross value added of services for each of the nations covered. World Bank data on value added are in constant US\$, with all national currencies converted to US\$ by the World Bank using DEC alternative conversion factors.

# J.P.Morgan

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