

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1500 (UTC) July 1st 2019**

## J.P.Morgan Global Manufacturing PMI™

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

### Global Manufacturing PMI at lowest level since October 2012

The performance of the global manufacturing sector continued to weaken at the end of the second quarter. Production fell for the first time since October 2012, as new order contracted at the fastest pace for almost seven years. Business optimism slumped to a series-record low.

At 49.4 in June, the J.P.Morgan Global Manufacturing PMI™ – a composite index<sup>1</sup> produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – fell to its lowest level for over six-and-a-half years and posted back-to-back sub-50.0 readings for the first time since the second half of 2012.

*Later-than-usual release dates meant manufacturing PMI data for Canada and Colombia were not available to include in the June 2019 global readings.*

Of the 30 nations for which a June PMI reading was available, the majority (18) signalled contraction. China, Japan, Germany, the UK, Taiwan, South Korea, Italy and Russia were among those countries experiencing downturns. The US, India, Brazil and Australia were some of the larger industrial nations to register an expansion.

Sub-sector data indicated that operating conditions deteriorated again in the intermediate and investment goods industries. The consumer goods category fared better in comparison, despite seeing growth ease to a three-year low.

The trend in international trade flows continued to weaken at the end of the second quarter. June saw new export business decline for the tenth straight month and at the joint-fastest pace for six years. Among the largest industrial economies covered, declines were registered in the euro area, China and Japan. Increases were seen in the US and India.

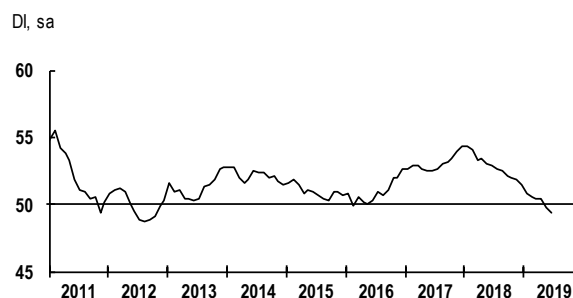
June data signalled a mild decrease in global manufacturing employment for the second month running. Reduced workloads and ample available capacity (emphasised by a further solid drop in backlogs of work) were the prime factors underlying the latest round of job cuts.

Inflationary pressures remained contained in June. Rates of increase in input costs and output charges both ticked lower and remained below their respective long-run averages. Average vendor lead times (a bellwether of supply-chain price pressures) also improved for the first time in six years as purchasing activity among manufacturers fell for the fifth straight month.

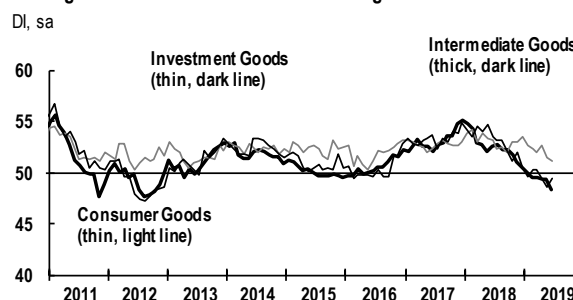
#### Commenting on the survey, Olya Borichevska, from Global Economic Research at J.P.Morgan, said:

“The global manufacturing sector downshifted again at the end of the second quarter. The PMI surveys signalled that output stopped growing, as inflows of new business shrank at the fastest pace since September 2012. This impacted hiring and business optimism, with the latter at a series-record low. Conditions will need to stage a marked recovery if manufacturing is to revive later in the year.”

#### JPMorgan Global Manufacturing PMI



#### JPMorgan Global PMI Sectors: Manufacturing PMI



#### Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	May	Jun.	+/-	Summary
Global PMI	49.8	49.4	–	Falling, faster rate
Output	50.1	49.5	–	Falling, from rising
New Orders	49.5	49.0	–	Falling, faster rate
New Exports	49.0	48.8	–	Falling, faster rate
Employment	49.9	49.8	–	Falling, faster rate
Input Prices	52.6	52.0	–	Rising, slower rate
Output Prices	51.1	50.9	–	Rising, slower rate
Future Output	58.1	57.7	–	Positive, lesser extent

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## 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 output<sup>2</sup>. 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 <sup>2</sup>	Producer	In association with	Website
United States <sup>1</sup> : After January 2010 Before Feb-2010	21.6%	IHS Markit ISM	– –	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a> <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	Jibun Bank	<a href="http://www.jibunbank.co.jp">www.jibunbank.co.jp</a>
Germany	4.8%	IHS Markit	BME	<a href="http://www.bme.de">www.bme.de</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	–	–
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>
Canada	2.4%	IHS Markit	SCMA	<a href="http://www.scma.com">www.scma.com</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>
South Korea	1.7%	IHS Markit	–	–
Mexico	1.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Turkey	1.5%	IHS Markit	Istanbul Chamber of Industry	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Indonesia	1.4%	IHS Markit	–	–
Netherlands (The)	1.1%	IHS Markit	NEVI	<a href="http://www.nevi.nl">www.nevi.nl</a>
Saudi Arabia <sup>3</sup>	0.9%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Switzerland	0.8%	procure.ch	Credit Suisse	<a href="http://www.procure.ch">www.procure.ch</a> , <a href="http://www.credit-suisse.ch">www.credit-suisse.ch</a>
Poland	0.7%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Taiwan	0.6%	IHS Markit	–	–
Nigeria <sup>3</sup>	0.6%	IHS Markit	Stanbic IBTC Bank	<a href="http://www.stanbicibtcbank.com/">www.stanbicibtcbank.com/</a>
Austria	0.5%	IHS Markit	Unicredit Bank Austria	<a href="http://www.bankaustria.at">www.bankaustria.at</a> , <a href="http://www.opwz.com">www.opwz.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>
Thailand	0.5%	IHS Markit	–	–
UAE <sup>3</sup>	0.5%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
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Malaysia	0.5%	IHS Markit	–	–
Ireland	0.4%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Denmark	0.4%	DILF	Kairoscommodities	<a href="http://www.dilf.dk">www.dilf.dk</a> , <a href="http://www.kairoscommodities.com">www.kairoscommodities.com</a>
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Israel	0.4%	IPLMA	Bank Hapoalim Ltd	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.bankhapoalim.co.il">www.bankhapoalim.co.il</a>
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Greece	0.3%	IHS Markit	HPI	<a href="http://www.hellenicsupply.org">www.hellenicsupply.org</a>
Czech Republic	0.3%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</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>
Vietnam	0.2%	IHS Markit	–	–
Hungary	0.2%	HALPIM	–	<a href="http://www.logisztika.hu">www.logisztika.hu</a>
Myanmar	0.1%	IHS Markit	–	–
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 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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