

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1500 (UTC) August 1st 2018**

# J.P.Morgan Global Manufacturing PMI™

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

## Global manufacturing growth slows at start of third quarter

The rate of global manufacturing expansion slowed again at the start of the third quarter. At 52.7 in July, down from 53.0 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 – posted its lowest reading for one year.

The slowdown reflected weaker growth in the consumer and investment goods industries. PMI readings for these sub-sectors fell to 13- and ten-month lows respectively, as rates of expansion eased for both production and new orders. The intermediate goods sector PMI ticked up to a three-month high, with its output and new business components signalling stronger increases compared to June.

The US remained one of the strongest performing national manufacturing sectors in July. Although the US PMI dipped to a five-month low, it remained at a solid level and comfortably above the global average. The euro area was also a bright spot, achieving a rate of expansion close to that of the US. That said, the Eurozone PMI is currently much lower than the highs scaled before the turn of the year.

Growth across Asia remained subdued compared to that seen in Europe and the US. PMI readings for China, Japan, India, South Korea, Indonesia, Malaysia, the Philippines, Myanmar and Thailand were all below the global average. Among the two largest Asian economies, growth slowed to an eight-month low in China and 11-month low in Japan.

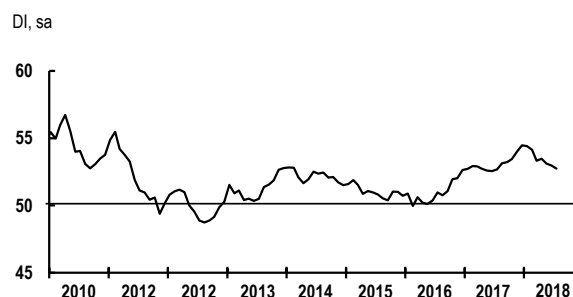
Global manufacturing production and new orders both continued to increase in July, albeit at the weakest rates since September 2016. Part of the slowdown in new business growth reflected a subdued picture for international trade flows. The pace of increase in new export orders eased to near-stagnation and was the weakest during the current two-year sequence of expansion. New export business declined in the US, China, France, Russia, Indonesia, Brazil, and Austria. A solid increase was signalled (on average) for the eurozone manufacturing sector.

Global manufacturing employment increased for the twenty-third month running in July. Among the largest industrial nations, staffing levels were raised in the euro area, the US and Japan, but reduced in China. Meanwhile, price pressures continued to ease, with rates of inflation slowing for both output charges and input prices.

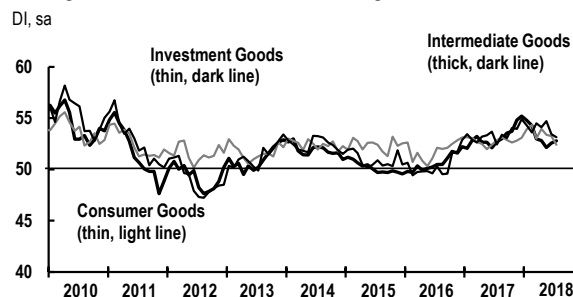
### Commenting on the survey, David Hensley, Director of Global Economic Coordination at J.P.Morgan, said:

“July PMI data signaled a further slowdown in the rates of expansion of both output and new orders. The manufacturing upturn has lost sizeable momentum since the start of the year. However, with final demand growth having firmed in recent months and signs that an inventory drag is nearing an end, we think output gains will strengthen in coming months.”

**JPMorgan Global Manufacturing PMI**



**JPMorgan Global PMI Sectors: Manufacturing PMI**



### Global Manufacturing PMI™ Summary

50 = no change on prior month.

| Index         | Jun. | Jul. | +/- | Summary                  |
|---------------|------|------|-----|--------------------------|
| Global PMI    | 53.0 | 52.7 | -   | Rising, slower rate      |
| Output        | 53.2 | 53.0 | -   | Rising, slower rate      |
| New Orders    | 52.9 | 52.5 | -   | Rising, slower rate      |
| New Exports   | 50.5 | 50.3 | -   | Rising, slower rate      |
| Employment    | 52.1 | 51.9 | -   | Rising, slower rate      |
| Input Prices  | 62.3 | 61.5 | -   | Rising, slower rate      |
| Output Prices | 55.0 | 54.4 | -   | Rising, slower rate      |
| Future Output | 61.9 | 62.0 | +   | Positive, greater 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 12,000 purchasing executives in over 40 countries. Together these countries account for an estimated 95% 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> :<br>After January 2010 | 22.2%                              | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>   |
| Before Feb-2010                                    | 22.2%                              | ISM         | –                            | <a href="http://www.ism.ws">www.ism.ws</a>   |
| China  | 11.9%                              | IHS Markit  | Caixin                       | <a href="http://www.caixin.com">www.caixin.com</a>   |
| Japan  | 7.6%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Germany  | 4.9%                               | IHS Markit  | BME                          | <a href="http://www.bme.de">www.bme.de</a>   |
| France   | 3.7%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>   |
| United Kingdom                                     | 3.6%                               | IHS Markit  | CIPS                         | <a href="http://www.cips.org">www.cips.org</a>   |
| Brazil   | 3.1%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>   |
| India  | 3.1%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Italy  | 2.7%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>   |
| Canada   | 2.4%                               | IHS Markit  | SCMA                         | <a href="http://www.scma.com">www.scma.com</a>   |
| Russia   | 2.2%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</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  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Mexico   | 1.6%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>   |
| Indonesia  | 1.3%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Turkey   | 1.2%                               | IHS Markit  | Istanbul Chamber of Industry | <a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>   |
| Netherlands (The)                                  | 1.2%                               | 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>                |
| Taiwan   | 0.8%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Poland   | 0.7%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.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>                          | 0.6%                               | IHS Markit  | Standard Bank                | <a href="http://www.standardbank.com">www.standardbank.com</a>   |
| Austria  | 0.5%                               | IHS Markit  | Unicredit Bank Austria       | <a href="http://www.bankaustria.at">www.bankaustria.at</a> , <a href="http://einkauf.opwz.com">http://einkauf.opwz.com</a>         |
| Thailand   | 0.5%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| UAE <sup>3</sup>                                   | 0.5%                               | IHS Markit  | Emirates NBD                 | <a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>   |
| Colombia   | 0.5%                               | IHS Markit  | Davivienda                   | <a href="http://www.davivienda.com">www.davivienda.com</a>   |
| Malaysia   | 0.4%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</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>            |
| Ireland  | 0.4%                               | IHS Markit  | Investec                     | <a href="http://www.investec.co.uk">www.investec.co.uk</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>   |
| 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">http://www.bankhapoalim.co.il</a> |
| Philippines (The)                                  | 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>   |
| Greece   | 0.3%                               | IHS Markit  | HPI                          | <a href="http://www.hpi.org">www.hpi.org</a>   |
| Czech Republic                                     | 0.3%                               | IHS Markit  | –                            | <a href="http://www.ihsmarkit.com">www.ihsmarkit.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>                |
| Vietnam  | 0.2%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Hungary  | 0.2%                               | HALPIM      | Hungarian National Bank      | <a href="http://www.logisztika.hu">www.logisztika.hu</a>   |
| Myanmar  | 0.1%                               | IHS Markit  | Nikkei                       | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>   |
| Kenya <sup>3</sup>                                 | 0.1%                               | IHS Markit  | Stanbic Bank                 | <a href="http://www.cfcstanbicbank.co.ke">www.cfcstanbicbank.co.ke</a>   |
| Lebanon <sup>3</sup>                               | 0.1%                               | IHS Markit  | BLOMINVEST Bank              | <a href="http://www.blominvestbank.com">www.blominvestbank.com</a>   |

<sup>1</sup> 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.

<sup>2</sup> Source: World Bank World Development Indicators (2015 data, constant US\$ measure).

<sup>3</sup> 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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