

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 Manufacturing PMI at 69-month high in February

The rate of expansion in global manufacturing production accelerated to a three-year high in February, underpinned by stronger growth of total new orders and rising levels of international trade. Business confidence also improved, encouraging faster job creation.

The headline J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – rose to a 69-month record of 52.9 in February, up from 52.7 in January. The PMI, which provides a single-figure summary of manufacturing performance, has remained above the neutral 50.0 mark for 12 successive months.

Please note that later than usual release dates meant February 2017 PMI data were not available for South Korea and Brazil.

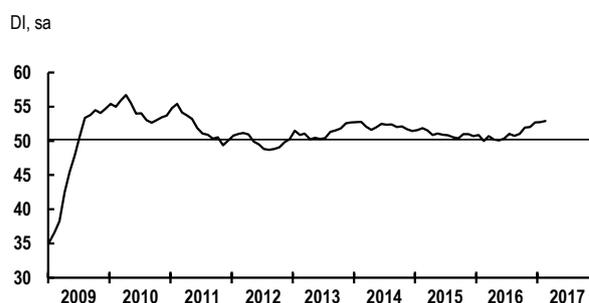
PMI indices tracking trends at consumer, intermediate and investment goods producers pointed to a broad-based improvement in operating conditions. Rates of expansion were broadly similar across all three sectors. Growth was led slightly by the consumer goods industry, whereas intermediate goods was the only category to register a faster rate of expansion than in January.

National data suggested that developed nations tended to fare better than emerging markets during February. PMI levels edged higher in the euro area (70-month high) and Japan (35-month high) to offset mild decelerations in the rates of expansion in the US and the UK.

Although the rate of improvement across emerging markets remained weaker than that for developed nations, it was nonetheless slightly faster than in January. This stronger upturn mainly reflected growth accelerations in China, India, Vietnam and the Czech Republic.

Global manufacturing employment increased for the sixth successive month in February, with the rate of job creation the sharpest for five-and-a-half years. Among the larger industrial nations, staffing levels rose in the US, the euro area, Japan and the UK, but fell in China. Part of the increase in worldwide manufacturing employment was to cope with rising backlogs of work, which accumulated for the ninth straight month.

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Jan.	Feb.	+/-	Summary
Global PMI	52.7	52.9	+	Rising, faster rate
Output	53.6	54.1	+	Rising, faster rate
New Orders	54.0	54.1	+	Rising, faster rate
New Exports	52.2	52.8	+	Rising, faster rate
Employment	51.3	51.7	+	Rising, faster rate
Input Prices	62.1	61.0	-	Rising, slower rate
Output Prices	53.6	53.5	-	Rising, slower rate
Future Output	64.1	64.5	+	Positive, greater extent

February saw international trade flows strengthen, as highlighted by new export orders rising to the greatest extent in almost six years. Improved rates of growth were signalled by both developed and emerging nations.

Average input prices continued to rise at a marked pace in February, with the rate of inflation remaining close to January's 68-month record. Companies passed on part of the increase in costs to clients, leading to higher selling prices. Moreover, rates of increase in output charges during the past four months have been the fastest registered by the survey since mid-2011.

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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 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	22.2%	Markit	–	www.ihsmarkit.com
Before Feb-2010	22.2%	ISM	–	www.ism.ws
China	11.9%	Markit	Caixin	www.caixin.com
Japan	7.6%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Germany	4.9%	Markit	BME	www.bme.de
France	3.7%	Markit	–	www.ihsmarkit.com
United Kingdom	3.6%	Markit	CIPS	www.cips.org
Brazil	3.1%	Markit	–	www.ihsmarkit.com
India	3.1%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Italy	2.7%	Markit	–	www.ihsmarkit.com
Canada	2.4%	Markit	SCMA	www.scma.com
Russia	2.2%	Markit	–	www.ihsmarkit.com
Spain	1.9%	Markit	AERCE	www.aerce.org
Australia	1.7%	AiGroup	–	www.aigroup.asn.au
South Korea	1.7%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Mexico	1.6%	Markit	–	www.ihsmarkit.com
Indonesia	1.3%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Turkey	1.2%	Markit	Istanbul Chamber of Industry	www.ihsmarkit.com
Netherlands (The)	1.2%	Markit	NEVI	www.nevi.nl
Saudi Arabia ³	0.9%	Markit	Emirates NBD	www.emiratesnbd.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
Taiwan	0.8%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Poland	0.7%	Markit	–	www.ihsmarkit.com
Nigeria ³	0.6%	Markit	Stanbic IBTC Bank	www.stanbicibtcbank.com/
South Africa ³	0.6%	Markit	Standard Bank	www.standardbank.com
Austria	0.5%	Markit	Bank Austria/OPWZ	www.bankaustria.at , http://einkauf.opwz.com
Thailand	0.5%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
UAE ³	0.5%	Markit	Emirates NBD	www.emiratesnbd.com
Malaysia	0.4%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Denmark	0.4%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Ireland	0.4%	Markit	Investec	www.investec.co.uk
Singapore ³	0.4%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Israel	0.4%	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il , http://www.bankhapoalim.co.il
Philippines (The)	0.4%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Hong Kong ³	0.4%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Egypt ³	0.3%	Markit	Emirates NBD	www.emiratesnbd.com
Greece	0.3%	Markit	HPI	www.hpi.org
Czech Republic	0.3%	Markit	–	www.ihsmarkit.com
New Zealand	0.2%	Business NZ	Bank of New Zealand	www.businessnz.org.nz , www.bnz.co.nz
Vietnam	0.2%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Hungary	0.2%	HALPIM	Hungarian National Bank	www.logisztika.hu
Myanmar	0.1%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Kenya ³	0.1%	Markit	Stanbic Bank	www.cfcstanbicbank.co.ke
Lebanon ³	0.1%	Markit	BLOMINVEST Bank	www.blominvestbank.com

¹ Data from the 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 (2015 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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