

News Release

MARKET SENSITIVE INFORMATION
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J.P.Morgan Global Manufacturing & Services PMI™

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

Global growth holds steady at two-and-a-half year high

November saw the rate of expansion in global economic output remain at its joint-highest over the past two-and-a-half years. The outlook also remained positive, with new business intakes rising at the strongest pace since September 2014 and backlogs of work increasing to the greatest extent in four years.

The J.P.Morgan Global All-Industry Output Index^{1,2} – which is produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted 54.0 in November, to remain above the neutral 50.0 mark for the sixty-second successive month. The rate of expansion was solid and slightly above its long-run average.

November saw an upswing in the rate of increase in manufacturing production, which rose to the greatest extent since February 2011. Service sector business activity also rose at a solid clip, albeit the weakest in four months.

Growth at service providers was again led by the financial and business categories, while increases in manufacturing output were strongest in the intermediate and investment goods sectors. The consumer category was the weakest performer in both the services and manufacturing industries.

National PMI data indicated that the euro area remained a prime growth engine for the global economy in November. Output across the eurozone expanded at the quickest pace in over six-and-a-half years, with accelerations seen across each of the currency union's 'big-four' economies (Germany, France, Italy and Spain).

Rates of expansion also improved in China, Russia and Australia, but slowed in the US, Japan, the UK and India. Brazil was the only major nation to signal a contraction in economic activity, as ongoing weakness in services more than offset a strong growth acceleration at manufacturers.

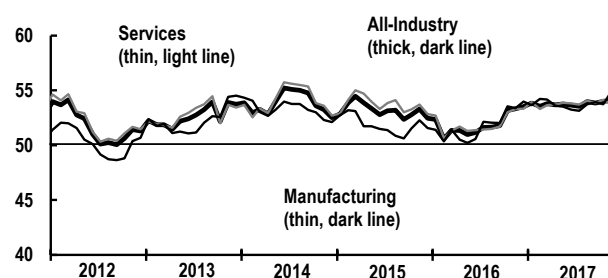
Inflows of new business rose at the fastest pace in over three years in the world economy. The solid trend in new orders tested capacity and contributed to further accumulation of backlogs of work. This encouraged job creation, with the rate of expansion equalling October's near six-and-a-half-year high.

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

“November saw the global economy maintain a robust and steady rate of output expansion, as a solid upswing in growth of manufacturing production offset a slightly weaker upturn in service sector activity. The outlook for global growth also remains positive, as manufacturing looks set to sustain its recent bounce and rising order intakes boost service providers.”

JPMorgan global PMI output

Diffusion Index, sa



Global Manufacturing & Services PMI™

50 = no change on prior month.

Index	Oct.	Nov.	+/-	Summary
Output	54.0	54.0	=	Expanding, same rate
New Orders	54.1	54.7	+	Expanding, faster rate
Employment	52.7	52.7	=	Rising, same rate
Input Prices	56.6	57.3	+	Rising, faster rate
Output Charges	52.2	53.2	+	Rising, faster rate
Backlogs	51.4	51.5	+	Rising, faster rate
Future Output	63.9	63.3	-	Positive, lesser extent

Employment increased in almost all of the nations covered by the survey, with faster jobs growth signalled in seven (Germany, the UK, France, Spain, Russia, Australia and Ireland). Staffing levels fell in Brazil and were unchanged in China.

Price pressures increased in November, as rates of inflation in input costs and output charges strengthened. Both price measures were higher (on average) in developed nations than emerging markets.

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Notes to Editors:

The Global Report on Manufacturing & Services is compiled by IHS Markit based on the results of surveys covering over 18,000 purchasing executives in over 40 countries. Together these countries account for an estimated 89% of global gross domestic product (GDP)⁴. 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 ⁴	Producer	In association with	Website
United States ^{1,2} :				
Markit	22.2%	IHS Markit	–	www.ihsmarkit.com
ISM	22.2%	ISM	–	www.ism.ws
China	11.9%	IHS Markit	Caixin	www.caixin.com
Japan	7.6%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Germany	4.9%	IHS Markit	BME	www.bme.de
France	3.7%	IHS Markit	–	www.ihsmarkit.com
United Kingdom	3.6%	IHS Markit	CIPS	www.cips.org
Brazil	3.1%	IHS Markit	–	www.ihsmarkit.com
India	3.1%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Italy	2.7%	IHS Markit	–	www.ihsmarkit.com
Canada	2.4%	IHS Markit	SCMA	www.scma.com
Russia	2.2%	IHS Markit	–	www.ihsmarkit.com
Spain	1.9%	IHS Markit	AERCE	www.aerce.org
Australia	1.7%	IHS Markit	Commonwealth bank	www.commbank.com.au
South Korea	1.7%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Mexico	1.6%	IHS Markit	–	www.ihsmarkit.com
Indonesia	1.3%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
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Denmark	0.4%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
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Singapore ³	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Israel	0.4%	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il , http://www.bankhapoalim.co.il
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Lebanon ³	0.1%	IHS Markit	BLOMINVEST Bank	www.blominvestbank.com

- 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) 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.
- 3) For these nations, manufacturing and service sector responses are extracted from whole economy PMI surveys for inclusion in the Global PMI
- 4) Source: World Bank World Development Indicators (2015 data, constant US\$ measure).

Methodology: Global Manufacturing & Services PMI™ Indices

The Global Manufacturing & Services PMI™ indices are all seasonally adjusted. The seasonal adjustment is applied at the national sector level (as opposed to at the global aggregate level) in order to account for differing seasonal patterns in each of the nations included. Where comparable indices (such as output) are available for both the global manufacturing PMI and global services PMI surveys, the index for each sector is weighted together to produce a combined manufacturing & services reading. The weight applied is calculated according to the relative contributions of the service and manufacturing sectors to overall global GDP. 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 US\$, with all national currencies converted to US\$ by the World Bank using DEC alternative conversion factors.

J.P.Morgan

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