

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 1100 (New York) / 1500 (UTC) August 1st 2017

J.P.Morgan Global Manufacturing PMI™

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

Global Manufacturing PMI at three-month high in July

The global manufacturing sector forged ahead in July, registering a further month of improved business conditions. Although output growth slowed to a ten-month low, the pace of expansion in new orders strengthened.

At 52.7 in July, up from 52.6 in June, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – signalled an improvement in operating performance for the seventeenth month in a row. The rate of expansion picked up to the fastest since April, but remained milder than at the start of the year.

Growth was again mainly led by European nations, while Asia continued to struggle in comparison. Eight of the ten best-performing countries were located in Europe, with Canada (fourth position) and Australia (tenth) the only other nations to break into the highest rankings.

European nations tended to benefit from strong inflows of new export business. The fastest rates of increase in foreign demand were seen in Germany, the UK, the Netherlands, Austria, Spain and France.

Around half of the Asian nations covered by the survey registered a contraction in July, including India, South Korea, Indonesia, Malaysia, Thailand and Myanmar. Growth gathered pace in China (despite remaining marginal), but slowed in Japan, Vietnam and the Philippines. Only Taiwan registered both a solid and accelerated rate of expansion in this region.

The US was in fourteenth position, despite seeing its PMI rise to a four-month high to signal a solid manufacturing sector upturn. Meanwhile, Brazil stagnated following three consecutive months of expansion.

Global manufacturing employment increased for the eleventh successive month in July, with the rate of jobs growth slightly above the average for this sequence. Among the largest industrial nations, staffing levels were raised in the US, in all of the euro area countries covered by the survey, Japan, the UK, Taiwan and South Korea. Cuts were registered in Brazil, Russia, India and China.

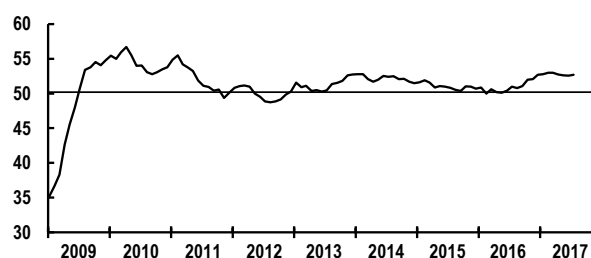
Input cost inflation accelerated for the first time in six

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

“The global manufacturing sector achieved further solid and steady growth during July. Although the rate of output expansion eased slightly, stronger inflows of new business and rising workforce numbers suggest that the current pace of increase should be broadly sustained going forward. Cost pressures saw a slight move higher though, as sustained growth stretched global supply chains and led to increased raw material prices.”

JPMorgan Global Manufacturing PMI

DI, sa



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Jun.	Jul.	+/-	Summary
Global PMI	52.6	52.7	+	Rising, faster rate
Output	53.2	53.1	-	Rising, slower rate
New Orders	53.3	53.6	+	Rising, faster rate
New Exports	52.6	52.5	-	Rising, slower rate
Employment	51.7	51.5	-	Rising, slower rate
Input Prices	54.1	55.0	+	Rising, faster rate
Output Prices	51.8	51.9	+	Rising, faster rate
Future Output	63.8	63.5	-	Positive, lesser extent

months during July. This was partly due to supply chains being stretched by the sustained steady expansion of the global manufacturing sector so far this year. Average vendor lead times lengthened to the greatest extent in over six years during the latest survey month.

Part of the increase in costs was passed on to clients in the form of higher charges. Subsequently, average output prices rose for the sixteenth successive month and at the fastest rate since April.

Contact Information:

For economics comments, data and technical queries, please call:

IHS Markit

Rob Dobson
Director
Telephone: +44-1491-461-095
Mobile: +44-7826-913-863
Email: rob.dobson@ihsmarkit.com

IHS Markit Press Office

Joanna Vickers
Corporate Communications
Telephone: +44-207-260-2234
Email: joanna.vickers@ihsmarkit.com

J.P.Morgan Chase Bank

David Hensley
Director of Global Economics
Coordination
Telephone: +1-212-834-5516
Email: david.hensley@jpmorgan.com

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%	IHS Markit	–	www.ihsmarkit.com
Before Feb-2010	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/
Turkey	1.2%	IHS Markit	Istanbul Chamber of Industry	www.ihsmarkit.com
Netherlands (The)	1.2%	IHS Markit	NEVI	www.nevi.nl
Saudi Arabia ³	0.9%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
Taiwan	0.8%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Poland	0.7%	IHS Markit	–	www.ihsmarkit.com
Nigeria ³	0.6%	IHS Markit	Stanbic IBTC Bank	www.stanbicibtcbank.com/
South Africa ³	0.6%	IHS Markit	Standard Bank	www.standardbank.com
Austria	0.5%	IHS Markit	Unicredit Bank Austria	www.bankaustria.at , http://einkauf.opwz.com
Thailand	0.5%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
UAE ³	0.5%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Malaysia	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Denmark	0.4%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Ireland	0.4%	IHS Markit	Investec	www.investec.co.uk
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
Philippines (The)	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Hong Kong ³	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Egypt ³	0.3%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Greece	0.3%	IHS Markit	HPI	www.hpi.org
Czech Republic	0.3%	IHS 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%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Hungary	0.2%	HALPIM	Hungarian National Bank	www.logisztika.hu
Myanmar	0.1%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Kenya ³	0.1%	IHS Markit	Stanbic Bank	www.cfcstanbicbank.co.ke
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 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



JPMorgan Chase & Co.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth. IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2017 IHS Markit Ltd. All rights reserved.



Institute for Supply Management™ (ISM)

Founded in 1915, the Institute for Supply Management™ (ISM) is the largest supply management association in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education. ISM's membership base includes more than 40,000 supply management professionals with a network of domestic and international affiliated associations. ISM is a not-for-profit association that provides opportunities for the promotion of the profession and the expansion of professional skills and knowledge. www.ism.ws



International Federation of Purchasing and Supply Management (IFPSM)

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 national purchasing associations worldwide. Within this circle, about 250,000 purchasing professionals can be reached. IFPSM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. www.ifpsm.org

The intellectual property rights to the Global Manufacturing PMI™ provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd.