

## News Release

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

## J.P.Morgan Global Manufacturing PMI™

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

### Global manufacturing output growth at two-year low

The end of the third quarter saw a slowdown in the rate of expansion of the global manufacturing sector. 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 a 22-month low of 52.2 in September, down from 52.6 in August. Although the PMI has remained above the neutral 50.0 mark since March 2016, its level has now declined in each of the past five months.

*Please note that, due to a later-than-usual release date, September readings from the Australia PMI survey were not included in the global numbers.*

Modest rates of expansion were signalled for the consumer, intermediate and investment goods sectors in September. PMI levels fell in the consumer and investment categories, but rose slightly in the intermediate goods industry.

The US remained a bright spot. The US PMI rose to a four-month high and was beaten only by the readings registered by the Netherlands and Ireland. The euro area also posted above the global PMI average, despite slipping to a two-year low, as did Japan (which was unchanged compared to its August level).

The performance of emerging markets (on average) was the main drag on global manufacturing growth. The China PMI posted at the stagnation mark of 50.0 to register its lowest reading since May 2017. Russia stabilised following a four-month sequence of contraction, while upturns slowed in Taiwan, Brazil, Colombia, Indonesia and Vietnam. Turkey and Myanmar remained in contraction.

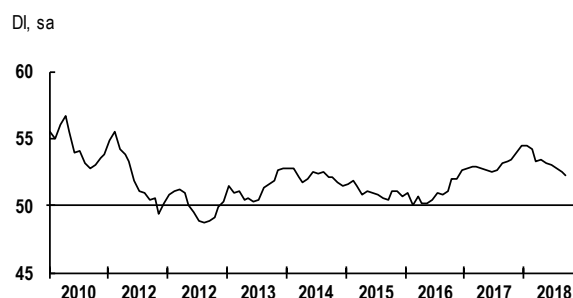
Growth of global manufacturing output and new orders both eased to two-year lows in September. The weaker trend in total new orders was partly driven by the first decline in global trade volumes since June 2016. The level of new export work decreased (on average) in emerging markets for the sixth straight month, while the rate of increase signalled for developed nations eased closer to the stagnation mark.

September saw a further increase in global manufacturing employment, as companies responded to higher production needs and rising backlogs of work. However, the rate of jobs growth eased to a 14-month low. Staffing levels increased in almost all of the nations covered, the exceptions being cuts in China, Brazil, Turkey and Myanmar. On the price front, rates of inflation in purchasing costs and output charges both slowed further.

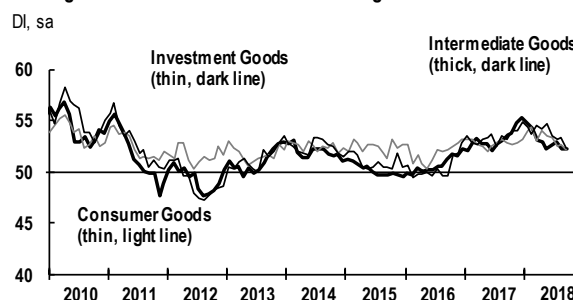
#### Commenting on the survey, David Hensley, Director of Global Economic Coordination at J.P.Morgan, said:

“September PMI data signalled a further growth slowdown in the global manufacturing sector, with rates of expansion in production and new order volumes both easing to two-year lows. The trend in new exports remained especially weak, with international trade flows declining for the first time since June 2016. Both domestic demand and export orders will need to strengthen if output growth is to regain lost traction in the coming months.”

**JPMorgan Global Manufacturing PMI**



**JPMorgan Global PMI Sectors: Manufacturing PMI**



#### Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Aug.	Sep.	+/-	Summary
Global PMI	52.6	52.2	–	Rising, slower rate
Output	53.3	52.4	–	Rising, slower rate
New Orders	52.5	52.1	–	Rising, slower rate
New Exports	50.3	49.7	–	Falling, from rising
Employment	51.6	51.5	–	Rising, slower rate
Input Prices	61.2	60.7	–	Rising, slower rate
Output Prices	54.3	54.1	–	Rising, slower rate
Future Output	61.7	61.0	–	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 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> :				
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>
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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.

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