

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1500 (UTC) April 3<sup>rd</sup> 2019**

## J.P.Morgan Global Services PMI™

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

### Global service sector gains further growth momentum in March

The rate of expansion in global service sector activity accelerated for the second successive month in March. At 53.7, up from 53.3 in February, the J.P.Morgan Global Services Business Activity Index – a composite index produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted its highest reading since November last year.

*Due to a later-than-usual release date, India Services PMI data were not available to include in the March 2019 global readings.*

The strongest increase in output was registered in the financial services sector, despite this being the only category to see slower growth than in the prior survey month. Rates of expansion accelerated to four- and seven-month highs at business services and consumer services firms respectively.

The majority of the nations covered saw activity increase during March, the exceptions being the UK, France and Australia. The strongest growth was seen in Spain (13-month high), followed by Germany (six-month high). Ireland and the US together ranked third, although rates of expansion softened in both cases. Growth improved to a four-month high in the euro area, 14-month record in China, joint-fastest in over six years in Brazil, but slowed slightly in Japan.

Underlying the improved growth of global services activity was a faster expansion in new order intakes. New business rose at the fastest pace in five months, aided by stronger domestic market conditions in several nations and a modest gain in new export work.

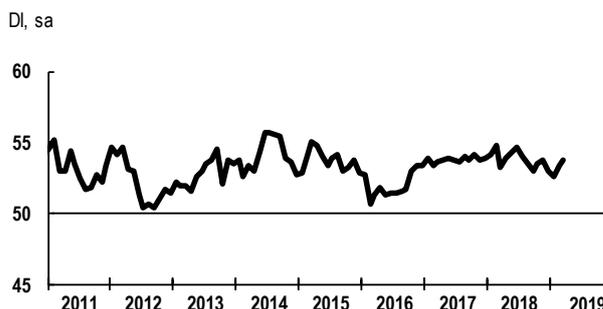
Staffing levels rose again in March, albeit to the second-weakest extent in almost two years. Employment increased in almost all of the nations covered by the survey, except for a slight decrease in Brazil. Job creation reflected higher new order intakes and backlogs of work.

Price inflationary pressures eased during March, with rates of increase in input costs and output charges slowing to two- and three-month lows respectively. The pace of inflation signalled for both price measures remained stronger (on average) in developed nations compared to emerging markets.

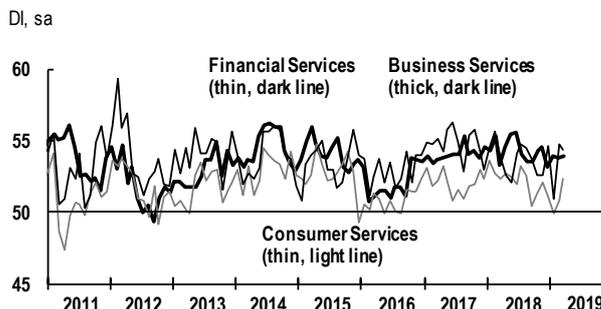
**Commenting on the survey, David Hensley, Director of Global Economic Coordination at J.P.Morgan, said:**

“The global PMI indicates that the upturn in the global service sector gathered pace in March, with rates of expansion in output and new business both accelerating. Output and new order growth are also broad-based by sub-sector, with solid increases seen across the business, consumer and financial services categories. This breadth should hopefully aid efforts to build on the improving performance during the months ahead.”

**Service sector business activity**



**JPMorgan Global PMI Sectors: Services Business Activity**



### Global Services PMI™ Summary

50 = no change on prior month.

| Index               | Feb. | Mar. | +/- | Summary                 |
|---------------------|------|------|-----|-------------------------|
| Output/Activity     | 53.3 | 53.7 | +   | Growth, faster rate     |
| New Business        | 53.5 | 53.9 | +   | Growth, faster rate     |
| New Export Business | 50.9 | 50.7 | -   | Rising, slower rate     |
| Backlogs of Work    | 50.8 | 50.6 | -   | Rising, slower rate     |
| Input Prices        | 55.6 | 54.9 | -   | Rising, slower rate     |
| Output Charges      | 52.8 | 52.4 | -   | Rising, slower rate     |
| Employment          | 53.0 | 52.0 | -   | Rising, slower rate     |
| Future Activity     | 63.0 | 61.5 | -   | Positive, lesser extent |

## Contact Information:

For economics comments, data and technical queries please call:

### IHS Markit

Rob Dobson  
 Director  
 Telephone: +44-1491-461-095

Email: [rob.dobson@ihsmarkit.com](mailto:rob.dobson@ihsmarkit.com)

### IHS Markit Press Office

Joanna Vickers  
 Corporate Communications  
 Telephone: +44-207-260-2234

Email: [joanna.vickers@ihsmarkit.com](mailto: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](mailto:david.hensley@jpmorgan.com)

## Notes to Editors:

The Global Report on Services is based on the results of surveys covering over 7,000 executives carried out in the US by IHS Markit (after September 2009) and the ISM (before October 2009), and in China, Japan, Germany, France, the UK, India, Brazil, Italy, Russia, Spain, Australia, Saudi Arabia, Nigeria, South Africa, the UAE, Ireland, Singapore, Hong Kong, Egypt, Kenya and Lebanon by IHS Markit, and in New Zealand by Business NZ. These countries together account for an estimated 76% of global service sector gross value added (GVA)<sup>2</sup>.

For the US, data are taken from a combination of the IHS Markit US Services PMI™ and the ISM non-manufacturing survey. Global services PMI data points after September 2009 include data from the IHS Markit US services PMI survey in the calculation. For global services PMI data prior to October 2009, the calculation is based on data taken from the ISM non-manufacturing survey. Where appropriate, month-on-month changes in the ISM data series have been applied to the IHS Markit series to form a proxy back history.

In addition to the service sector included in the other countries, the ISM non-manufacturing definition also includes agriculture, construction, mining, public administration, retail, utilities and wholesale sectors.

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.

The services report is accompanied by a Global Report on Manufacturing and a Global Composite PMI™ Report.

## Data Sources:

| Country                      | % Share of global GDP <sup>2</sup> | Producer    | In association with | Website   |
|------------------------------|------------------------------------|-------------|---------------------|---|
| United States <sup>1</sup> : | 21.6%                              |             |                     |   |
| After Sep. 2009              |                                    | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>                        |
| Before Oct. 2009             |                                    | ISM         | –                   | <a href="http://www.ism.ws">www.ism.ws</a>  |
| China                        | 12.7%                              | IHS Markit  | Caixin              | <a href="http://www.caixin.com">www.caixin.com</a>  |
| Japan                        | 7.7%                               | IHS Markit  | Nikkei              | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>                                |
| Germany                      | 4.8%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>                        |
| France                       | 3.6%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>                        |
| United Kingdom               | 3.5%                               | IHS Markit  | CIPS                | <a href="http://www.cips.org">www.cips.org</a>  |
| India                        | 3.3%                               | IHS Markit  | Nikkei              | <a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>                                |
| Brazil                       | 2.8%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>                        |
| Italy                        | 2.6%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>                        |
| Russia                       | 2.1%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</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>  |
| Saudi Arabia <sup>3</sup>    | 0.9%                               | IHS Markit  | Emirates NBD        | <a href="http://www.emiratesnbd.com">www.emiratesnbd.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>    | 0.5%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>                        |
| UAE <sup>3</sup>             | 0.5%                               | IHS Markit  | Emirates NBD        | <a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>  |
| Ireland                      | 0.4%                               | IHS Markit  | –                   | <a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</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>                                |
| 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>  |
| 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> |
| Kenya <sup>3</sup>           | 0.1%                               | IHS Markit  | Stanbic Bank        | <a href="http://www.stanbicbank.co.ke">www.stanbicbank.co.ke</a>  |
| Lebanon <sup>3</sup>         | 0.1%                               | IHS Markit  | BLOMINVEST Bank     | <a href="http://www.blominvestbank.com">www.blominvestbank.com</a>  |

1 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.

2 Source: World Bank World Development Indicators (2017 data, constant US\$ measure).

3 For these nations, service sector responses are extracted from whole economy PMI surveys for inclusion in the Global Services PMI.

## Methodology: Global Services PMI™ Indices

The Global Services 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 Services PMI™ indices are weighted according to national contributions to global services gross value added. Weights for the global indices are derived from the latest available World Bank data on the gross value added of services 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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