

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 economy records solid expansion in February

February saw a slight moderation in the rate of global economic growth. 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 53.5, down from January’s 22-month high of 53.9 and back below the long-run average of 53.7.

Please note that later than usual release dates meant February 2017 Manufacturing PMI data for Brazil and South Korea were not available at the time the global manufacturing numbers were calculated. For the same reason, Brazil services data were not available for inclusion in the Global Services PMI.

The headline index has signalled expansions of economic activity throughout the past 53 months. February saw solid increases at manufacturers and service providers, with the sharper gain registered by the former.

Scratching further beneath the surface of the headline data emphasised the breadth of the slowdown. Of the six sub-categories covered by the survey, only one (intermediate goods) saw growth of output accelerate. The remaining sectors – business services, consumer goods, consumer services, financial services and investment goods – all recorded slower increases than in January.

The rate of economic expansion in the euro area gathered momentum in February. Output rose at the quickest pace since April 2011, with growth accelerating in each of the ‘big-four’ eurozone nations (Germany, France, Italy and Spain). Although rates of increase slowed in the US, the UK and Russia, they remained above the global average.

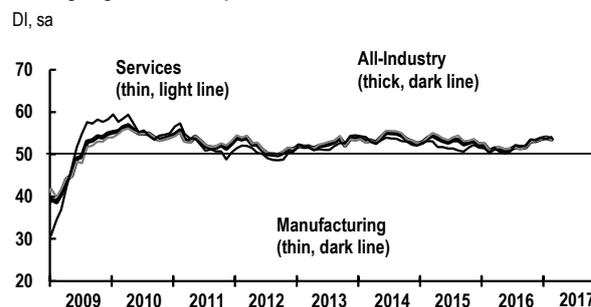
The performances of the main Asian economies covered by the survey were modest in comparison. Output growth remained below the global average in Japan, China and India. China nonetheless saw a mild acceleration, while India returned to expansion after three successive months of contraction.

Global employment rose again in February, extending the current sequence of job creation to seven years. Staffing levels were increased in the US, the euro area, China, Japan, the UK and Russia, but reduced slightly in India.

Commenting on the survey, Joseph Lupton, Senior Economist at J.P.Morgan, said:

“The latest PMI surveys suggest that the rate of global economic expansion slowed slightly in February, as a stronger increase in manufacturing production was more than offset by weaker growth in the service economy. However, the all-industry PMI remains at a level consistent with solid, above potential growth of global real GDP. Continued job creation and rising new order inflows suggest the current upturn maintains sufficient momentum to carry growth forward during the coming months.”

JPMorgan global PMI output



Global Manufacturing & Services PMI™

50 = no change on prior month.

Index	Jan.	Feb.	+/-	Summary
Output	53.9	53.5	-	Expanding, slower rate
New Orders	54.3	53.8	-	Expanding, slower rate
Employment	52.1	52.1	=	Rising, same rate
Input Prices	57.4	56.4	-	Rising, slower rate
Output Charges	52.2	51.7	-	Rising, slower rate
Backlogs	50.9	50.5	-	Rising, slower rate
Future Output	65.4	63.7	-	Positive, lesser extent

February saw a further solid increase in average input costs, reflecting a steep rise in manufacturing purchase prices and a solid gain in service sector costs. Part of the additional cost burden was passed on to clients, leading to higher average selling prices. Output charges have been raised in each of the past 12 months.

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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%	Markit	–	www.ihsmarkit.com
ISM	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) Data from the 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 Source: World Bank World Development Indicators (2015 data, constant US\$ measure).
- 4)

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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