

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 1100 (New York) / 1600 (UTC) February 3rd 2017

J.P.Morgan Global Manufacturing & Services PMI™

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

Global economic growth accelerates to 22-month high in January

The global economy made a positive start to the new year, with rates of expansion in output and new orders both gathering pace. Input price pressures continued to build, with cost inflation the strongest in over five-and-a-half 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 53.9 in January, its best reading since March 2015 and up from 53.6 in December. The index has now signalled expansion for 52 consecutive months.

Please note that later than usual release dates meant January 2017 Manufacturing PMI data for China, Taiwan, Vietnam and Malaysia were not available at the time the global manufacturing numbers were calculated. For the same reason, China services data were not available for inclusion in the Global Services PMI.

Previously published readings for the global manufacturing, services and composite indices have also been restated following the annual review of the weights applied to the national PMI data.

Growth of global service sector business activity improved to a 17-month high in January, offsetting a minor easing in the rate of expansion of manufacturing production. By nation, the acceleration in the rate of increase in all-industry output was led by the US and Russia. US growth was the sharpest since November 2015, while Russia registered its quickest expansion of economic activity for over eight-and-a-half years.

The euro area saw output growth steady at December's 67-month record, while rates of increase slowed in Japan and the UK. India and Brazil both saw all-industry activity decline at the start of 2017.

Global employment rose again in January, with the pace of job creation matching December's 19-month record. Staffing levels increased in the US, the eurozone, Japan, the UK, Russia and India, but fell further in Brazil.

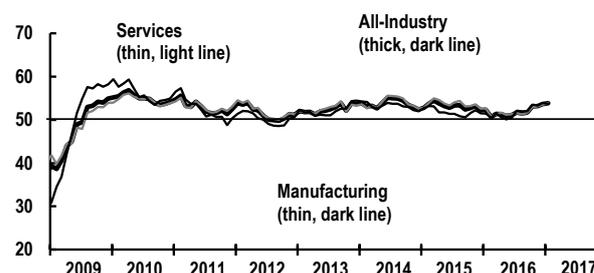
Cost inflationary pressures continued to build in January. Steeper input price rises were seen at both manufacturers and service providers, although the rate of increase was far more severe in the manufacturing sector. Meanwhile, average output charges rose for the eleventh straight month, albeit to a lesser extent than in December.

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

“January PMI data provide a positive picture for the global economy at the start of 2017. Rates of expansion improved for both output and new orders, leading to further job creation and rising levels of business confidence. The global economy looks well set to build on this solid start during the remainder of the quarter.”

JPMorgan global PMI output

DI, sa



Global Manufacturing & Services PMI™

50 = no change on prior month.

Index	Dec.	Jan.	+/-	Summary
Output	53.6	53.9	+	Expanding, faster rate
New Orders	53.8	54.3	+	Expanding, faster rate
Employment	52.0	52.0	=	Rising, same rate
Input Prices	57.1	57.4	+	Rising, faster rate
Output Charges	52.4	52.2	-	Rising, slower rate
Backlogs	50.6	50.9	+	Rising, faster rate
Future Output	63.4	65.2	+	Positive, greater extent

The latest release sees the launch of a new time series tracking business sentiment – the Composite Future Output Index. The index is based on separate questions asking manufacturers and service providers whether they expect output to be higher, the same or lower in 12 months' time, that are weighted together to produce the composite reading.

January saw business confidence rise to a 20-month high. Positive sentiment improved at manufacturers and service providers, with the slightly higher degree of optimism seen in the service economy.

Contact Information:

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

IHS Markit

Rob Dobson
 Director, Senior Economist
 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 & 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
- 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

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

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 & Services 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.