

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1600 (UTC) January 2nd 2019**

## J.P.Morgan Global Manufacturing PMI™

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

### Global Manufacturing PMI at lowest level since September 2016

The global manufacturing sector continued to register a subdued performance at the close of 2018. Output growth remained weak, while rates of expansion in new orders and employment both slowed. The trend in international trade flows also remained weak, with new export business declining for the fourth straight month.

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 27-month low of 51.5 in December, down from 52.0 in November. The average reading over the fourth quarter (51.8) was the lowest since quarter three of 2016.

*Due to a later-than-usual release date, final data for the Japan Manufacturing PMI were not available to include in the global readings. Flash PMI data for Japan were used instead.*

The consumer goods sector was the brightest spot for the global manufacturing industry, with its PMI rising to an eight-month high following a solid acceleration in output growth. In contrast, PMI readings at intermediate and investment goods producers fell to 28- and 27-month lows respectively and levels consistent with only mild growth. Investment goods output stagnated as new order inflows decreased for the second time in the past three months.

Developed nations (on average) outperformed emerging markets in December, although growth eased in both cases. PMI readings were above 50.0 for 20 out of the 30 nations for which December data were available, including the US, the euro area, Japan, the UK, India, Brazil and Australia. Countries with PMI figures below the neutral 50.0 mark included China, France, Italy, Taiwan and South Korea.

The rate of expansion in global manufacturing production stayed close to October's 28-month low in December. New order growth was the weakest since August 2016, while new export business fell for the fourth month in a row. This filtered through to the labour market and business confidence. The pace of job creation slipped to its lowest in over two years, while the degree of optimism among firms was the weakest in the series history.

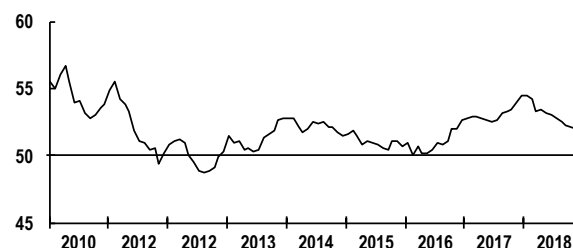
Price inflationary pressures eased further at the end of 2018. Input costs rose at the slowest rate in 17 months, while the pace of increase in output charges was the weakest since May 2017. Selling price inflation eased (on average) in developed nations, while charges fell in emerging markets for the first time in almost three years.

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

“The December PMI surveys signalled that the global manufacturing sector ended 2018 on a subdued footing. Output growth remained stubbornly low, rates of increase in new orders and employment slowed and international trade flows deteriorated. The outlook also remains relatively lacklustre, as business confidence dropped to its lowest level in the series history.”

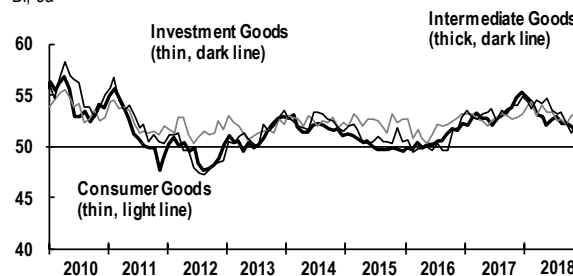
**JPMorgan Global Manufacturing PMI**

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**JPMorgan Global PMI Sectors: Manufacturing PMI**

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#### Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Nov.	Dec.	+/-	Summary
Global PMI	52.0	51.5	–	Rising, slower rate
Output	51.9	51.9	=	Rising, same rate
New Orders	52.0	51.3	–	Rising, slower rate
New Exports	49.8	49.6	–	Falling, faster rate
Employment	51.7	51.1	–	Rising, slower rate
Input Prices	58.6	55.6	–	Rising, slower rate
Output Prices	52.8	51.6	–	Rising, slower rate
Future Output	59.7	58.9	–	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	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
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UAE <sup>3</sup>	0.5%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.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.

# J.P.Morgan



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