

News Release

MARKET SENSITIVE INFORMATION
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J.P.Morgan Global Manufacturing PMI™

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

Global Manufacturing PMI at 75-month high in August

August saw a further acceleration in the rate of expansion of the global manufacturing sector. The J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – rose to a 75-month high of 53.1, up from 52.7 in July, and has now remained above the neutral 50.0 mark throughout the past one-and-a-half years.

Please note that, due to later than usual release dates, August data for Turkey, Indonesia, Malaysia and the Philippines were not available for inclusion in the Global Manufacturing PMI numbers.

Growth was evenly distributed across the consumer, intermediate and investment goods sectors during August, with similar PMI readings registered for each of these categories. Moreover, rates of improvement picked up in all three cases.

Developed nations outperformed (on average) emerging markets again in August. The euro area Manufacturing PMI matched June's six-year record, while growth in the UK was among the best seen since mid-2014. Expansions were also registered in the US, Japan and Canada.

Growth across the emerging markets also accelerated during August. PMI readings hit six- and four-month highs in China and Taiwan respectively, and moved back into expansion territory in both Brazil and India. Growth slowed slightly in Russia, whereas contractions were seen in Thailand and Myanmar.

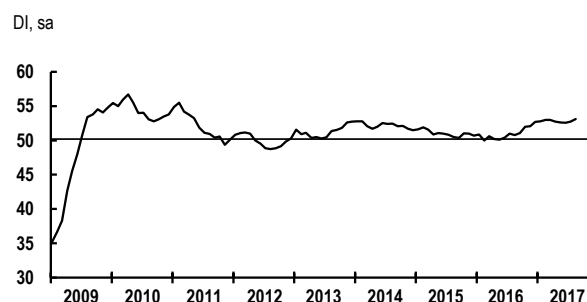
Global manufacturing production rose at the fastest pace in four months, underpinned by the steepest upturn in new work since March. International trade flows also strengthened, as new export business rose at the fastest pace in almost six-and-a-half years.

The upswing in new order intakes exerted pressure on capacity, leading to rising backlogs of work and improved jobs growth. Employment increased at the quickest pace since June 2011, as staffing levels rose in almost all of the nations covered by the August survey. Notable exceptions were job losses in China, Russia, Brazil and Thailand.

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

“The upturn in the global manufacturing sector is gathering pace in the third quarter, with August seeing the Manufacturing PMI rise to its highest level in over six years. Rates of expansion in output and new orders also accelerated, underpinning a further solid bounce in job creation. Although price pressures and supply-side constraints are rising, the sector should have sufficient momentum to sustain its current robust expansion.”

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Jul.	Aug.	+/-	Summary
Global PMI	52.7	53.1	+	Rising, faster rate
Output	53.1	53.6	+	Rising, faster rate
New Orders	53.7	54.2	+	Rising, faster rate
New Exports	52.5	53.4	+	Rising, faster rate
Employment	51.6	52.0	+	Rising, faster rate
Input Prices	55.0	56.5	+	Rising, faster rate
Output Prices	51.9	53.0	+	Rising, faster rate
Future Output	63.5	63.5	=	Positive, same extent

Price pressures strengthened slightly during August. Cost inflation rose to a four-month high, while output charges increased at the quickest pace since March. Part of the gain in input prices reflected growing supply-side constraints, as highlighted by the sharpest lengthening in average vendor lead times for over six years.

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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 output². 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 ²	Producer	In association with	Website
United States ¹ :				
After January 2010	22.2%	IHS Markit	–	www.ihsmarkit.com
Before Feb-2010	22.2%	ISM	–	www.ism.ws
China	11.9%	IHS Markit	Caixin	www.caixin.com
Japan	7.6%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Germany	4.9%	IHS Markit	BME	www.bme.de
France	3.7%	IHS Markit	–	www.ihsmarkit.com
United Kingdom	3.6%	IHS Markit	CIPS	www.cips.org
Brazil	3.1%	IHS Markit	–	www.ihsmarkit.com
India	3.1%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Italy	2.7%	IHS Markit	–	www.ihsmarkit.com
Canada	2.4%	IHS Markit	SCMA	www.scma.com
Russia	2.2%	IHS Markit	–	www.ihsmarkit.com
Spain	1.9%	IHS Markit	AERCE	www.aerce.org
Australia	1.7%	IHS Markit	Commonwealth Bank	www.commbank.com.au
South Korea	1.7%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Mexico	1.6%	IHS Markit	–	www.ihsmarkit.com
Indonesia	1.3%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
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Saudi Arabia ³	0.9%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
Taiwan	0.8%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Poland	0.7%	IHS Markit	–	www.ihsmarkit.com
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South Africa ³	0.6%	IHS Markit	Standard Bank	www.standardbank.com
Austria	0.5%	IHS Markit	Unicredit Bank Austria	www.bankaustria.at , http://einkauf.opwz.com
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Denmark	0.4%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Ireland	0.4%	IHS Markit	Investec	www.investec.co.uk
Singapore ³	0.4%	IHS 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%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Hong Kong ³	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Egypt ³	0.3%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Greece	0.3%	IHS Markit	HPI	www.hpi.org
Czech Republic	0.3%	IHS 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%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
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Lebanon ³	0.1%	IHS Markit	BLOMINVEST Bank	www.blominvestbank.com

1 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.

2 Source: World Bank World Development Indicators (2015 data, constant US\$ measure).

3 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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