

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 growth solid and steady through second quarter

At 52.6 in June, unchanged from May, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – signalled a further solid and steady improvement in manufacturing operating conditions. The average reading over the second quarter as a whole (52.7) was slightly below that for quarter one (52.9).

Please note that the global PMI is now calculated using data from the Commonwealth Bank Australia Manufacturing PMI, produced by IHS Markit. Previously published historical time series values have been restated to reflect this change. A later than usual release date also meant that June 2017 PMI data were not available for Canada.

Developed markets tended (on average) to outperform emerging nations in June. This was mainly due to the ongoing improvement in the euro area manufacturing sector, where the PMI rose to its highest level in over six years. Rates of expansion accelerated in almost all of the euro area nations covered – the sole exception being Spain – with the strongest growth registered in Austria, Germany and the Netherlands.

PMI readings eased to a nine-month low in the US and three-month lows in both Japan and the UK. Although the rate of expansion signalled (on average) for emerging nations ticked higher, this was mainly due to an improvement in the China Manufacturing PMI. Growth slowed in India, Brazil and Russia, while a stagnation was signalled (on average) for the ASEAN group of nations.

Rates of expansion accelerated in both the consumer and investment goods sectors, with the sharper growth signalled in the latter. The PMI reading for the intermediate goods category fell to a five-month low.

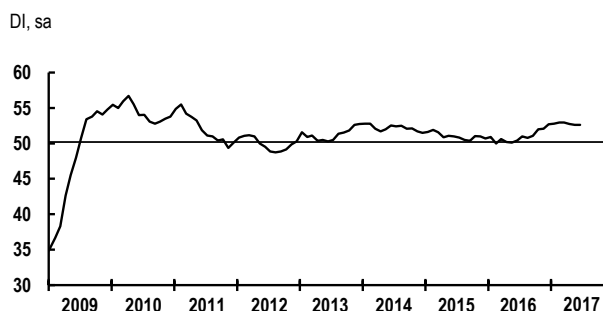
June saw the rate of increase in worldwide manufacturing new orders slow to a seven-month low, but remain above the long-run survey average. This was despite a slight acceleration in growth of new export orders. The expansion in new business was still sufficient to exert pressure on capacity, leading to an increase in backlogs of work. Companies responded by raising employment at the quickest pace since February.

Staffing levels rose across the majority of the nations

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

“The Global Manufacturing PMI was unchanged in June and continues to point to solid, steady gains in global industry at mid-year. At the same time, firming new orders and broadly based production gains across consumer goods and business equipment suggest factory output is well supported heading into the second half of the year.”

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	May	Jun.	+/-	Summary
Global PMI	52.6	52.6	=	Rising, same rate
Output	53.5	53.3	-	Rising, slower rate
New Orders	53.5	53.3	-	Rising, slower rate
New Exports	52.4	52.6	+	Rising, faster rate
Employment	51.5	51.7	+	Rising, faster rate
Input Prices	55.0	54.2	-	Rising, slower rate
Output Prices	51.6	51.8	+	Rising, faster rate
Future Output	63.6	63.8	+	Positive, greater extent

covered, including the US, the euro area, Japan, India and the UK, but fell in China, South Korea, Brazil and Russia.

Cost inflationary pressures eased in June. Average input prices rose to the weakest extent since last September and at a much slower pace than those seen around the turn of the year. In contrast, output charge inflation accelerated for the first time in four months and remained above the long-run series average. Both price measures were higher (on average) in developed markets compared to emerging nations.

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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/
Turkey	1.2%	IHS Markit	Istanbul Chamber of Industry	www.ihsmarkit.com
Netherlands (The)	1.2%	IHS Markit	NEVI	www.nevi.nl
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
Nigeria ³	0.6%	IHS Markit	Stanbic IBTC Bank	www.stanbicibtcbank.com/
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
Thailand	0.5%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
UAE ³	0.5%	IHS Markit	Emirates NBD	www.emiratesnbd.com
Malaysia	0.4%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
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/
Hungary	0.2%	HALPIM	Hungarian National Bank	www.logisztika.hu
Myanmar	0.1%	IHS Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Kenya ³	0.1%	IHS Markit	Stanbic Bank	www.cfcstanbicbank.co.ke
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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