

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 slips to three-month low

The rate of growth of the global manufacturing sector slowed to a three-month low at the start of the second quarter. This was signalled by the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – falling to 52.8 in April, down from 53.0 in March.

The slowdown indicated by the headline index was only mild, however, with the pace of improvement still close to the average for the opening quarter. The PMI has registered above the no-change mark of 50.0 in each of the past 14 months.

Please note that later than usual release dates meant April 2017 PMI data were not available for Vietnam or Myanmar.

Sector data highlighted solid improvements in operating conditions across the consumer, intermediate and investment goods categories. Rates of expansion slowed in the first two industries, but accelerated to a three-month high in the latter.

In most cases, developed nations recorded stronger rates of improvement than emerging markets. Although the US saw a mild deceleration, this was offset by accelerations in the euro area (six-year high) Japan (one of the fastest seen over the past three years) and the UK (three-year high). The slowdown in emerging markets was mainly centred on China, which expanded only marginally and at the weakest pace in seven months.

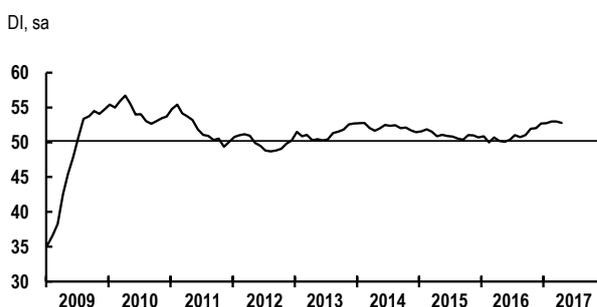
April data pointed to slower growth of both global manufacturing production and new orders. However, there was slightly better news regarding international trade flows, as the rate of increase in new export business edged higher. There were signs that current new order growth was still sufficient to test capacity, as backlogs of work rose for the eleventh straight month.

Business confidence remained positive in April. Although the degree of optimism was unchanged from March's three-month low, it was in line with the long-run series average. Alongside rising inflows of new work and outstanding business, this encouraged firms to further increase in employment. Jobs growth was recorded for the eighth time in as many months.

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

“The start of the second quarter saw a slight loss of growth momentum in the global manufacturing sector. Rates of increase eased for both production and new orders, although the outlook remains positive given a backdrop of solid business confidence and rising backlogs of work. The continued upturn is also feeding through to the labour market, with jobs added for the eighth straight month.”

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Global PMI	53.0	52.8	–	Rising, slower rate
Output	54.2	53.7	–	Rising, slower rate
New Orders	54.2	53.7	–	Rising, slower rate
New Exports	52.4	52.6	+	Rising, faster rate
Employment	51.4	51.5	+	Rising, faster rate
Input Prices	60.0	59.1	–	Rising, slower rate
Output Prices	53.3	52.9	–	Rising, slower rate
Future Output	63.8	63.8	=	Positive, same extent

Price pressures stayed elevated in April. Although rates of increase in average input costs and output charges both eased further from recent highs, they remained above the respective long-run averages. For both measures, the increases signalled were stronger in developed nations compared to emerging markets.

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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%	Markit	–	www.ihsmarkit.com
Before Feb-2010	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	Unicredit Bank Austria	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 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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