

News Release

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

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

Global economic growth remains solid at start of second quarter

Growth of global economic output was maintained at a solid clip at the start of the second quarter. Stronger expansions in key developed nations such as the US, the euro area and the UK, offset weaker growth in Japan and in larger emerging markets like China, India and Russia. Brazil also returned to expansion, ending a 25-month sequence of decline.

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 53.7 in April, unchanged from March and identical to its long-run average. The headline index has remained above the 50.0 no-change mark – therefore signalling expansion – for 55 successive months.

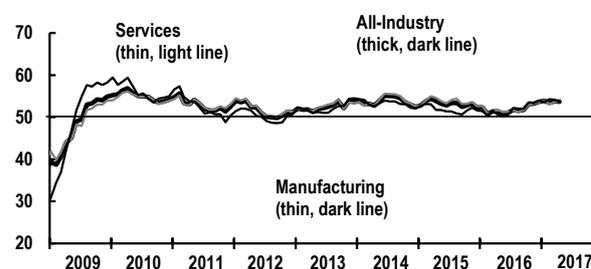
Please note that later than usual release dates meant April 2017 Manufacturing PMI data for Vietnam and Myanmar were not available at the time the global manufacturing numbers were calculated.

Output rose at manufacturers and service providers alike, with rates of growth broadly similar in each sector. In services, this represented a steadying of the pace of expansion following a mild acceleration in March. For manufacturing production the upturn was the weakest in three months.

Looking beneath the headline numbers further reinforced the picture of a solid and broad-based expansion of global economic activity in April. The six sub-sectors covered by the survey (consumer, intermediate and investment goods as well as business, consumer and financial services) all registered growth, with the spread between the respective output index readings the narrowest since sub-sector data were first compiled in October 2009.

Underlying the latest expansion of global economic output was a solid increase in new business. Rising demand tested capacity, leading to further accumulations in backlogs of work at both manufacturers and service providers. The ongoing economic upturn also had a positive effect on business confidence, with companies forecasting that levels of activity will be even higher in one year's time.

JPMorgan global PMI output
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Global Manufacturing & Services PMI™

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Output	53.7	53.7	=	Expanding, same rate
New Orders	53.6	53.5	-	Expanding, slower rate
Employment	51.8	51.5	-	Rising, slower rate
Input Prices	56.2	56.2	=	Rising, same rate
Output Charges	52.1	51.8	-	Rising, slower rate
Backlogs	50.9	50.8	-	Rising, slower rate
Future Output	64.4	64.1	-	Positive, lesser extent

Job creation was recorded again in April, albeit growth softened to the weakest since last November. Employment rose in the US, the euro area, Japan, the UK, India and Russia, but fell in China and Brazil.

The start of the second quarter saw price pressures remain on the upside. Average input costs continued to rise at a marked pace, leading to a further increase in output charges. Both price measures were signalling inflation at manufacturers and service providers.

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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	Unicredit 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

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