

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 1100 (New York) / 1500 (UTC) June 5th 2018

J.P.Morgan Global Manufacturing & Services PMI™

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

Global economic growth edges higher in May

May saw the rate of global economic expansion improve, as an acceleration at service providers offset slower growth in manufacturing. The US overtook the euro area as the principal growth engine. The expansion in the former gathered pace, whereas the upturn in the latter cooled further from highs seen around the turn of the year.

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 – rose to a three-month high of 54.0 in May, up marginally from 53.9 in April. The index has signalled expansion for 68 months in a row.

Please note that, due to later-than-usual release dates, PMI data for Indonesian manufacturing, Malaysian manufacturing and Irish services were not available for inclusion in the May 2018 global PMI numbers.

Service sector business activity increased at the second-strongest pace in over three years during May. Growth accelerated at business service providers, in contrast to weaker expansions in both the consumer and financial service sectors. Worldwide manufacturing production increased at a slower, yet still solid, pace. Slower growth in the consumer and intermediate goods sectors were only partly offset by a sharper expansion of output in the investment goods category.

National all-industry PMI data signalled that the US was the prime driver of global economic expansion in May. Output in the US rose at the fastest pace in over three years to overtake the growth rate of the euro area for the first time since January 2017. Activity across the eurozone still increased at a solid clip (on average), despite slower rates of expansion in Germany and France.

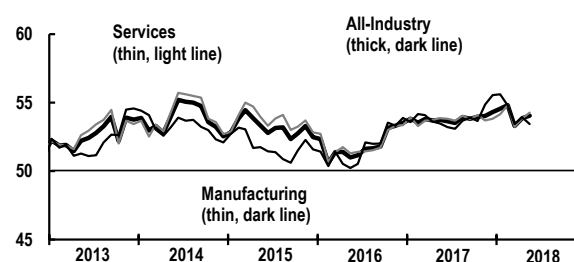
Slower growth was signalled in Japan, India and Russia, while the rate of increase in China steadied at April's modest pace. The upturn in Australia accelerated to a ten-month high, while Brazil registered a contraction of economic activity for the first time in five months.

Global all-industry new business rose at a solid pace, albeit the joint-weakest in the past seven months. The increase was also sufficient to test capacity, as highlighted by a further expansion in outstanding business.

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

“May PMI data signalled a further uptick in the rate of global economic growth. The service sector upturn is gathering pace and, although slower than in April, the rate of expansion in manufacturing output remains solid. Robust inflows of new work, rising employment and positive business sentiment should all support further output growth during the coming months.”

JPMorgan global PMI output
 Diffusion Index, sa



Global Manufacturing & Services PMI™

50 = no change on prior month.

Index	Apr.	May	+/-	Summary
Output	53.9	54.0	+	Expanding, faster rate
New Orders	55.0	54.2	-	Expanding, slower rate
Employment	52.9	52.6	-	Rising, slower rate
Input Prices	56.8	57.6	+	Rising, faster rate
Output Charges	53.0	53.0	=	Rising, unchanged rate
Backlogs	51.6	51.3	-	Rising, slower rate
Future Output	66.0	65.1	-	Positive, lesser extent

Job creation was registered again in May. The rate of growth remained solid, despite easing to its lowest since last October. Staffing levels were raised in the majority of the nations covered by the survey. The exceptions were reductions in Russia and Brazil, while employment was unchanged in China.

Input price inflation accelerated to a three-month high in May. This in turn led to an increase in average output charges. Rates of inflation in both price measures were generally faster (on average) in developed nations compared to emerging markets.

Contact Information:

For economics comments, data and technical queries, please call:

IHS Markit

Rob Dobson
Director
Telephone: +44-1491-461-095

IHS Markit Press Office

Joanna Vickers
Corporate Communications
Telephone: +44-207-260-2234

J.P.Morgan Chase Bank

David Hensley
Director of Global Economics
Coordination
Telephone: +1-212-834-5516
Email: david.hensley@jpmorgan.com

Email: rob.dobson@ihsmarkit.com

Email: joanna.vickers@ihsmarkit.com

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%	IHS Markit	–	www.ihsmarkit.com
ISM	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/OPWZ	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
Colombia	0.5%	IHS Markit	Davivienda	www.davivienda.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) Data from the IHS 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

JPMorgan Chase & Co.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. www.ihsmarkit.com
IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners.
© 2018 IHS Markit Ltd. All rights reserved.



Institute for Supply Management™ (ISM)

Founded in 1915, the Institute for Supply Management™ (ISM) is the largest supply management association in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education. ISM's membership base includes more than 40,000 supply management professionals with a network of domestic and international affiliated associations. ISM is a not-for-profit association that provides opportunities for the promotion of the profession and the expansion of professional skills and knowledge. www.ism.ws



International Federation of Purchasing and Supply Management (IFPSM)

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 national purchasing associations worldwide. Within this circle, about 250,000 purchasing professionals can be reached. IFPSM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. www.ifpsm.org

The intellectual property rights to the Global Manufacturing & Services PMI™ provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.