

News Release

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

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

Service sector growth steadies at solid pace in April

The global service sector made a solid start to the second quarter. The rate of expansion in business activity remained close to January's 17-month record, as growth of new orders ticked higher.

The J.P.Morgan Global Services Business Activity Index – a composite index produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted 53.6 in April, unchanged from March, and has now signalled an expansion of output in each of the past 93 months.

Sector data signalled broad-based growth of business activity, with output rising across the business, consumer and financial service categories. Although the latter was the only sector to see its rate of expansion slow, it nonetheless continued to outperform the other two.

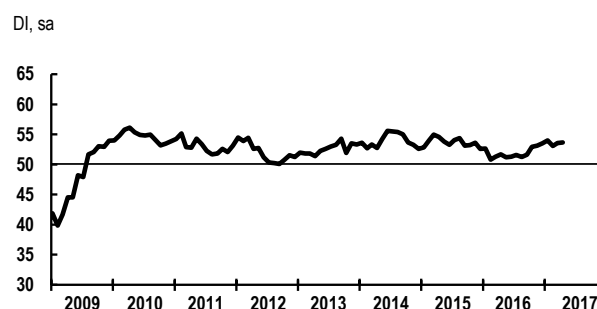
By nation, growth of output was recorded across all of the national service sector surveys covered. Rates of increase accelerated in the US, the euro area and the UK, but slowed in China, Japan, India and Russia. Positive news was also provided for Brazil, where output rose marginally to end a 25-month sequence of contraction.

Underpinning the latest expansion of global service sector business activity was a further increase in new work received. New order volumes rose at a slightly quicker pace than in March, reflecting gains in all of the nations covered by the survey. Business sentiment also remained positive as, on average, companies forecast an increase in output over the coming 12 months.

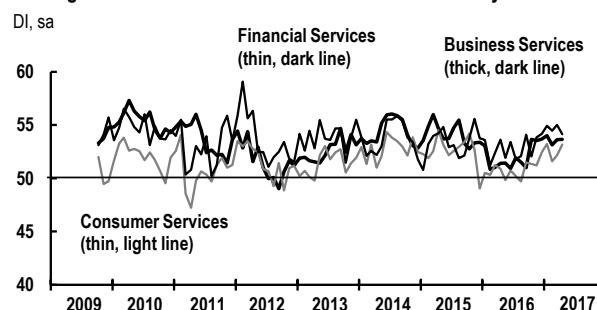
Jobs growth was recorded again during April. Staffing levels have risen in each of the past 86 months, although the latest expansion was the weakest since last November. Increases were seen in the US, the euro area, Japan, China, the UK, India and Russia. Further losses were registered in Brazil.

Input price inflation accelerated to a three-month high in April. This was the main factor underlying a further increase in average service charges. However, the rate of cost inflation remained below the long-run survey average.

Service sector business activity



JPMorgan Global PMI Sectors: Services Business Activity



Global Services PMI™ Summary

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Output/Activity	53.6	53.6	=	Growth, same rate
New Business	53.3	53.5	+	Growth, faster rate
Backlogs of Work	50.5	50.4	-	Rising, slower rate
Input Prices	54.8	55.1	+	Rising, faster rate
Output Charges	51.6	51.4	-	Rising, slower rate
Employment	52.0	51.4	-	Rising, slower rate
Future Activity	64.7	64.2	-	Positive, lesser extent

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Notes to Editors:

The Global Report on Services is based on the results of surveys covering over 6,500 executives carried out in the US by Markit (after September 2009) and the ISM (before October 2009), and in China, Japan, Germany, France, the UK, Brazil, India, Italy, Russia, Spain, Saudi Arabia, the UAE, Nigeria, South Africa, Ireland, Singapore, Hong Kong, Egypt, Kenya and Lebanon by Markit, in Australia by AiG and in New Zealand by Business NZ. These countries together account for an estimated 76% of global service sector gross value added (GVA)².

For the US, data are taken from a combination of the Markit US Services PMI™ and the ISM non-manufacturing survey. Global services PMI data points after September 2009 include data from the Markit US services PMI survey in the calculation. For global services PMI data prior to October 2009, the calculation is based on data taken from the ISM non-manufacturing survey. Where appropriate, month-on-month changes in the ISM data series have been applied to the Markit series to form a proxy back history.

In addition to the service sector included in the other countries, the ISM non-manufacturing definition also includes agriculture, construction, mining, public administration, retail, utilities and wholesale sectors.

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.

The services report is accompanied by a Global Report on Manufacturing and a Global All-Industry PMI™ Report.

Data Sources:

Country	% Share of global GDP ²	Producer	In association with	Website
United States ¹ :				
After Sep. 2009	22.2	Markit	–	www.ihsmarkit.com
Before Oct. 2009	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	–	www.ihsmarkit.com
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
Russia	2.2%	Markit	–	www.ihsmarkit.com
Spain	1.9%	Markit	AERCE	www.aerce.org
Australia	1.7%	AiG	–	www.aigroup.asn.au
Saudi Arabia ³	0.9%	Markit	Emirates NBD	www.emiratesnbd.com
UAE ³	0.5%	Markit	Emirates NBD	www.emiratesnbd.com
Nigeria ³	0.6%	Markit	Stanbic IBTC Bank	www.stanbicibtcbank.com/
South Africa ³	0.6%	Markit	Standard Bank	www.standardbank.com
Ireland	0.4%	Markit	Investec	www.investec.co.uk
Singapore ³	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
New Zealand	0.2%	Business NZ	Bank of New Zealand	www.businessnz.org.nz , www.bnz.co.nz
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 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.

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

3 For these nations, service sector responses are extracted from whole economy PMI surveys for inclusion in the Global Services PMI.

Methodology: Global Services PMI™ Indices

The Global Services 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 Services PMI™ indices are weighted according to national contributions to global services gross value added. Weights for the global indices are derived from the latest available World Bank data on the gross value added of services 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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