

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 edges higher in April

The start of the second quarter saw a mild improvement in the rate of expansion of the global manufacturing sector. Growth of production and new orders both ticked higher, supporting further solid and steady job creation. However, the upturn remained subdued compared to the start of the year, in part reflecting a recent slowdown in growth of new export orders.

The J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – posted 53.5 in April, up from March’s six-month low of 53.3. The headline PMI has signalled expansion in each of the past 26 months.

Please note that due to later than usual release dates the PMI data for Russia and Myanmar manufacturing were not available for inclusion in the April 2018 global PMI numbers.

April data indicated that developed nations (on average) continued to outperform emerging markets. The US saw growth improve to a three-and-a-half year high. The rate of expansion also remained solid in the euro area, despite the PMI falling to a 13-month low and staying well below December 2017’s record high. Growth accelerated in Japan and Australia, but slowed in the UK.

Among the largest emerging nations, China, India and Brazil all registered an improvement in operating performance during April. Rates of expansion strengthened slightly in China and India, but slowed to a three-month low in Brazil.

The rate of expansion in global manufacturing production improved slightly in April. However, the upturn in output remained subdued, as growth of new orders stayed modest and international trade flows eased closer to stagnation. There were also signs that capacity pressures may be constraining the expansion of the manufacturing sector, as backlogs of work increased and suppliers’ delivery times (an indicator of stress on supply-chain capacity) lengthened.

Pressure on vendors resulting from demand for some raw materials exceeding supply also contributed to a further marked increase in purchase prices in April. Input costs rose at a marginally quicker pace, leading to a slightly sharper increase in average selling prices.

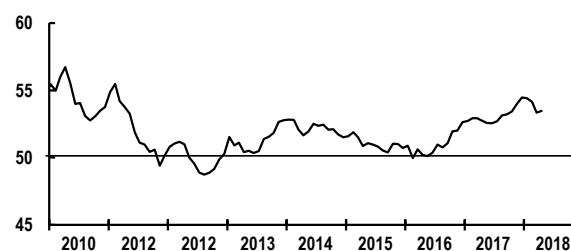
Manufacturing employment rose for the twentieth successive month in April, with the rate of jobs growth matching that of March. Staffing levels were raised in almost all of the nations covered, the exceptions being reductions in China, South Korea, Turkey and Thailand and no change in Indonesia.

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

“April PMI data signaled a marginal pick-up in the rate of expansion of the global manufacturing sector, the first growth acceleration seen since the turn of the year. Forward-looking orders data point to solid output gains in coming months, constrained by a cooling in the inventory cycle.”

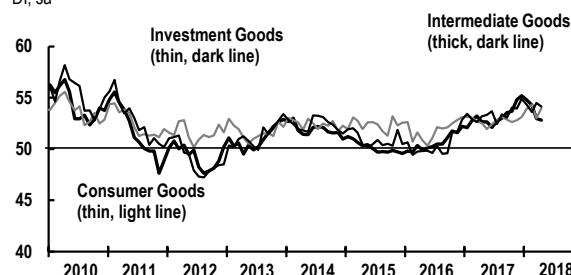
JPMorgan Global Manufacturing PMI

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JPMorgan Global PMI Sectors: Manufacturing PMI

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Global Manufacturing PMI™ Summary

50 = no change on prior month.

| Index | Mar. | Apr. | +/- | Summary |
|---------------|------|------|-----|-------------------------|
| Global PMI | 53.3 | 53.5 | + | Rising, faster rate |
| Output | 53.4 | 53.9 | + | Rising, faster rate |
| New Orders | 53.7 | 53.9 | + | Rising, faster rate |
| New Exports | 51.8 | 50.9 | - | Rising, slower rate |
| Employment | 52.3 | 52.3 | = | Rising, unchanged rate |
| Input Prices | 59.9 | 60.1 | + | Rising, faster rate |
| Output Prices | 53.8 | 54.0 | + | Rising, faster rate |
| Future Output | 65.0 | 64.2 | - | Positive, lesser extent |

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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 |
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| 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/ |
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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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