

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

Growth of global manufacturing slips to six-month low in May

The rate of expansion in the global manufacturing sector eased to a six-month low in May. 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 – posting 52.6, down slightly from 52.7 in April, but still above the long-run series average of 51.4.

Please note that later than usual release date meant May 2017 PMI data were not available for Indonesia.

Developed nations again tended to outperform emerging markets in May. Growth across emerging nations slowed to a pace only marginally above the stagnation mark. The Developed Markets PMI continued to signal solid and steady expansion.

Among the largest nations covered by the survey, the US PMI slipped to an eight-month low and the China PMI dipped below the critical 50.0 no-change mark for the first time in 11 months. The UK PMI remained close to April's three-year high. Rates of improvement strengthened in the euro area (six-year high) and Japan (three-month high).

Worldwide manufacturing production rose for the fifty-fifth successive month in May, underpinned by a solid increase in new work received. However, the rate of expansion in output moderated further to its weakest since last November. Growth of new business steadied at April's five-month low.

The upturn remained broad-based by sub-sector. Similar rates of output expansion were seen across consumer, intermediate and investment goods producers. There was greater variation between the trends in new orders. The investment goods sector saw the strongest increase, with the pace of expansion the second-fastest in almost three years. Growth also accelerated at intermediate goods producers, but eased to an 11-month low for consumer goods.

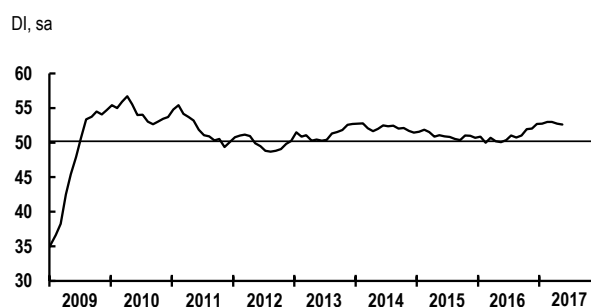
Companies maintained a positive one-year ahead outlook for production volumes in May. Meanwhile, rising levels of work-in-hand suggested current capacity was still being tested.

The combination of higher order intakes, an optimistic

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

“The global manufacturing sector continued to expand in May, achieving further steady growth. The underlying dynamics of the survey, such as fuller order books, rising employment and positive business sentiment, also bode well for the future performance of manufacturing.”

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Apr.	May	+/-	Summary
Global PMI	52.7	52.6	–	Rising, slower rate
Output	53.6	53.5	–	Rising, slower rate
New Orders	53.6	53.6	=	Rising, same rate
New Exports	52.5	52.3	–	Rising, slower rate
Employment	51.6	51.5	–	Rising, slower rate
Input Prices	59.0	55.1	–	Rising, slower rate
Output Prices	52.9	51.6	–	Rising, slower rate
Future Output	63.8	63.5	–	Positive, lesser extent

outlook and rising backlogs of work encouraged further job creation in May. Employment rose for the ninth month in a row and at a pace above the average for that sequence.

Price pressures continued to ease in May. This was highlighted by the rates of increase in both input costs and output charges easing to eight-month lows. Both price measures also tended to signal sharper increases for developed nations (on average) than in 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%	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
Australia	1.7%	AiGroup	–	www.aigroup.asn.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/
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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
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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/
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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 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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