

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

Global service sector shows renewed vigour in April

Business activity in the global service sector increased at a slightly faster pace in April. At 53.8, 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 – rose from March’s 17-month low of 53.2, but failed to recoup fully the momentum lost since February’s recent high. The index has signalled growth in each of the past 105 months.

Please note that, due to a later-than-usual release date, PMI data for Russian services were not available for inclusion in the April 2018 global PMI numbers.

Sector and national PMI data continued to point to a broad-based expansion. Output rose across the business, consumer and financial services categories, with rates of increase also improving in the first two.

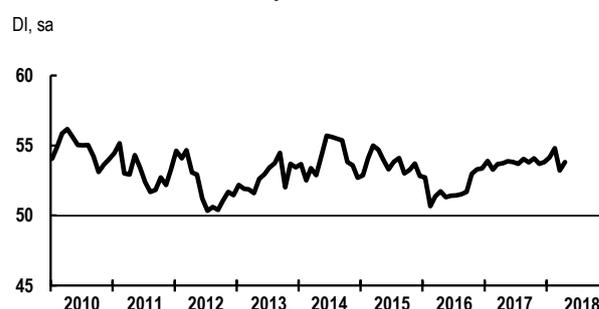
Business activity rose in almost all of the nations covered by the survey, the exception being stagnation in Brazil. Rates of growth strengthened to two-month highs in the US, China and the UK, to a six-month high in Japan and the quickest in three months in India. The upturns in the euro area and Australia remained solid, and faster than the global average, despite easing to eight- and two-month lows respectively.

The outlook for the global service sector remained positive in April. Inflows of new business rose at the sharpest pace in over three-and-a-half years, leading to a further modest increase in backlogs of work. Business confidence about the coming 12 months similarly improved to its highest since June 2014. Companies in the business, consumer and financial services sectors also registered an improved degree of optimism during the latest survey month.

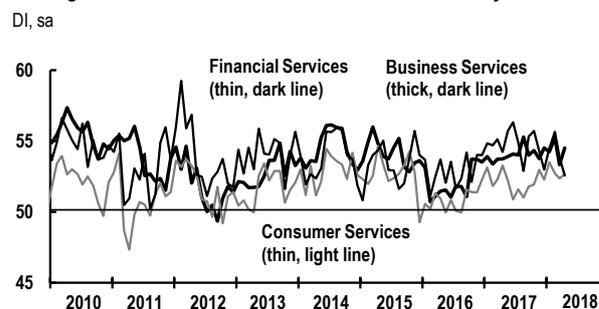
Solid current and expected future growth of output and new business encouraged firms to take on additional staff in April. Jobs growth hit a 46-month high, with employment rising at faster rates in the euro area, China, India and Australia. The pace of increase was unchanged in the US, but slowed in Japan and the UK. Job losses continued to be registered in Brazil.

Price inflation steadied in April, as input costs and output charges rose at the same rates as in the prior survey month. Increases in both price measures remained sharper (on average) in developed nations compared to their emerging market counterparts.

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	53.2	53.8	+	Growth, faster rate
New Business	54.4	55.5	+	Growth, faster rate
Backlogs of Work	51.1	51.3	+	Rising, faster rate
Input Prices	55.2	55.2	=	Rising, unchanged rate
Output Charges	52.5	52.5	=	Rising, unchanged rate
Employment	53.0	53.1	+	Rising, faster rate
Future Activity	64.9	66.7	+	Positive, greater 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 IHS 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 IHS Markit, 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 IHS Markit US Services PMI™ and the ISM non-manufacturing survey. Global services PMI data points after September 2009 include data from the IHS 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 IHS 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	IHS Markit	–	www.ihsmarkit.com
Before Oct. 2009	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	–	www.ihsmarkit.com
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
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
Saudi Arabia ³	0.9%	IHS Markit	Emirates NBD	www.emiratesnbd.com
UAE ³	0.5%	IHS Markit	Emirates NBD	www.emiratesnbd.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
Ireland	0.4%	IHS Markit	Investec	www.investec.co.uk
Singapore ³	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
New Zealand	0.2%	Business NZ	Bank of New Zealand	www.businessnz.org.nz , www.bnz.co.nz
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 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

JPMorgan Chase & Co.

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