

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 1100 (New York) / 1500 (UTC) May 4th 2018

J.P.Morgan Global Manufacturing & Services PMI™

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

Global growth remains solid at start of second quarter

The start of the second quarter saw a modest acceleration in the rate of expansion of global private sector economic activity. Although growth failed to recover and match the highs seen around the turn of the year, it remained solid and was in line with its long-run trend.

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 53.8 in April, up from 53.3 in March. The index has signalled expansion in each of the past 67 months.

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

Concurrent upturns continued in the manufacturing and service sectors, with output increasing at slightly faster rates in both categories. The breadth of the expansion also extended across the six sub-industries covered by the survey. Activity rose across the consumer, intermediate and investment goods industries and at providers of business, consumer and financial services.

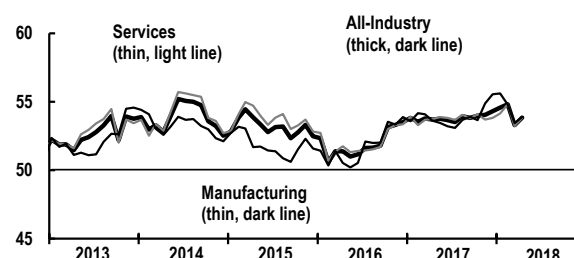
The pattern of the expansion appears to be changing, however, with the US taking a firmer driving role as the upturn in the euro area cools. Output growth accelerated in the US to a two-month high and was among the best seen over the past two-and-a-half years. The rate of expansion in the eurozone remained robust, but has eased noticeably since hitting a near 12-year high in January. Australia also saw an above global-average increase in economic activity.

Growth improved in China, Japan, the UK and India, but remained below the world average in all four cases. The upturn in Brazil also continued, although the pace of expansion was only modest and the weakest during the current four-month sequence of increase.

Incoming new business rose again in April, extending the current run of growth to 106 consecutive months.

JPMorgan global PMI output

Diffusion Index, sa



Global Manufacturing & Services PMI™

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Output	53.3	53.8	+	Expanding, faster rate
New Orders	54.2	55.0	+	Expanding, faster rate
Employment	52.8	52.9	+	Rising, faster rate
Input Prices	56.5	56.6	+	Rising, faster rate
Output Charges	52.9	52.9	=	Rising, unchanged rate
Backlogs	51.3	51.6	+	Rising, faster rate
Future Output	64.9	66.0	+	Positive, greater extent

Moreover, the pace of expansion strengthened and remained sufficient to test capacity. Backlogs of work increased for the twenty-first month in a row.

Employment rose again in April. The rate of jobs growth remained among the best registered over the past decade. Staffing levels increased in the US, the euro area, Japan, the UK, India and Australia. Employment was unchanged in China and fell again in Brazil.

Input price inflation remained solid during April, leading to a further increase in average output charges. Rates of increase in both price measures were (on average) faster in developed nations compared to emerging markets.

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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
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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
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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
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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
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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) 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

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