

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1100 (New York) / 1600 (UTC) February 1st 2019**

# J.P.Morgan Global Manufacturing PMI™

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

## Global PMI sinks to near two-and-a-half year low at start of 2019

Growth of the global manufacturing sector slowed closer to stagnation in January. At 50.7, the J.P.Morgan Global Manufacturing PMI™ – a composite index<sup>1</sup> produced by J.P.Morgan and IHS Markit in association with ISM and IFPSM – fell for the ninth straight month to its lowest reading since August 2016.

*Due to a later-than-usual release date, data for the Malaysian Manufacturing PMI were not available to include in the global readings. Please also note that the back histories of the global manufacturing time series have been updated to reflect the annual review of the national weights applied to the data.*

The US remained one of the stronger performing nations in January, with its PMI rising to buck the slowing trend seen at the global level. Moreover, if US data were excluded from the Global Manufacturing PMI calculation the reading would have been 50.0, a level signalling stagnation. The slowdown in China manufacturing was the main drag, as the China PMI fell to a near three-year low. The euro area and Japan PMIs fell to 50- and 29-month lows respectively.

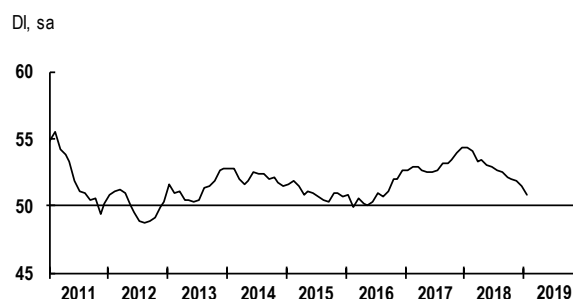
Sector data suggested that the consumer goods industry was the strongest performer, despite seeing its rate of expansion slow to a four-month low. The PMI for the intermediate goods sector fell to the stagnation mark of 50.0, while a slight contraction was signalled for investment goods producers.

The rate of expansion in global manufacturing production eased to a 31-month low in January. This mainly reflected a near-stalling in the rate of growth in new orders, as new business rose at the weakest pace during the current six-year sequence of expansion. New export work decreased for the fifth straight month and to the greatest extent since May 2016.

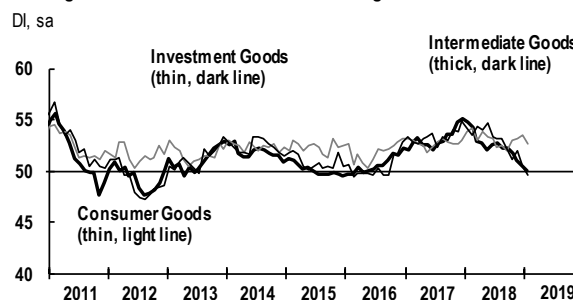
Better news was provided by the trends in employment and business confidence. Staffing levels rose for the twenty-ninth consecutive month, with the rate of job creation improving slightly. Meanwhile, manufacturers' optimism regarding the one-year outlook for the sector rose to a four-month high.

Input cost inflation eased to a 19-month low in January, with rates of increase slowing (on average) in both developed and emerging markets. The pricing power of manufacturers held up comparatively well, with average output charges rising at a slightly quicker pace than before the turn of the year. Although average vendor lead-times lengthened again, it was to the least marked extent in almost two years.

**JPMorgan Global Manufacturing PMI**



**JPMorgan Global PMI Sectors: Manufacturing PMI**



### Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Dec.	Jan.	+/-	Summary
Global PMI	51.4	50.7	-	Rising, slower rate
Output	51.9	50.8	-	Rising, slower rate
New Orders	51.1	50.1	-	Rising, slower rate
New Exports	49.7	49.4	-	Falling, faster rate
Employment	50.9	51.2	+	Rising, faster rate
Input Prices	55.3	54.2	-	Rising, slower rate
Output Prices	51.4	51.5	+	Rising, faster rate
Future Output	58.8	60.7	+	Positive, greater 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 13,500 purchasing executives in over 40 countries. Together these countries account for an estimated 98% of global manufacturing output<sup>2</sup>. 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 <sup>2</sup>	Producer	In association with	Website
United States <sup>1</sup> : After January 2010 Before Feb-2010	21.6%	IHS Markit ISM	– –	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a> <a href="http://www.ism.ws">www.ism.ws</a>
China	12.7%	IHS Markit	Caixin	<a href="http://www.caixin.com">www.caixin.com</a>
Japan	7.7%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Germany	4.8%	IHS Markit	BME	<a href="http://www.bme.de">www.bme.de</a>
France	3.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
United Kingdom	3.5%	IHS Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
India	3.3%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Brazil	2.8%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Italy	2.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Canada	2.4%	IHS Markit	SCMA	<a href="http://www.scma.com">www.scma.com</a>
Russia	2.1%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Spain	1.9%	IHS Markit	AERCE	<a href="http://www.aerce.org">www.aerce.org</a>
Australia	1.7%	IHS Markit	Commonwealth Bank	<a href="http://www.commbank.com.au">www.commbank.com.au</a>
South Korea	1.7%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Mexico	1.6%	IHS Markit	–	<a href="http://www.ihsmarkit.com">www.ihsmarkit.com</a>
Turkey	1.5%	IHS Markit	Istanbul Chamber of Industry	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Indonesia	1.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Netherlands (The)	1.1%	IHS Markit	NEVI	<a href="http://www.nevi.nl">www.nevi.nl</a>
Saudi Arabia <sup>3</sup>	0.9%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Switzerland	0.8%	procure.ch	Credit Suisse	<a href="http://www.procure.ch">www.procure.ch</a> , <a href="http://www.credit-suisse.ch">www.credit-suisse.ch</a>
Poland	0.7%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Taiwan	0.6%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Nigeria <sup>3</sup>	0.6%	IHS Markit	Stanbic IBTC Bank	<a href="http://www.stanbicibtcbank.com/">www.stanbicibtcbank.com/</a>
Austria	0.5%	IHS Markit	Unicredit Bank Austria	<a href="http://www.bankaustria.at">www.bankaustria.at</a> , <a href="http://www.opwz.com">www.opwz.com</a>
South Africa <sup>3</sup>	0.5%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Thailand	0.5%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
UAE <sup>3</sup>	0.5%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Colombia	0.5%	IHS Markit	Davivienda	<a href="http://www.davivienda.com">www.davivienda.com</a>
Malaysia	0.5%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Ireland	0.4%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
Denmark	0.4%	DILF	Kairoscommodities	<a href="http://www.dilf.dk">www.dilf.dk</a> , <a href="http://www.kairoscommodities.com">www.kairoscommodities.com</a>
Singapore <sup>3</sup>	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Philippines (The)	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Israel	0.4%	IPLMA	Bank Hapoalim Ltd	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.bankhapoalim.co.il">www.bankhapoalim.co.il</a>
Hong Kong <sup>3</sup>	0.4%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Egypt <sup>3</sup>	0.3%	IHS Markit	Emirates NBD	<a href="http://www.emiratesnbd.com">www.emiratesnbd.com</a>
Greece	0.3%	IHS Markit	HPI	<a href="http://www.hellenicsupply.org">www.hellenicsupply.org</a>
Czech Republic	0.3%	IHS Markit	–	<a href="http://www.ihsmarkit.com/products/pmi.html">www.ihsmarkit.com/products/pmi.html</a>
New Zealand	0.2%	Business NZ	Bank of New Zealand	<a href="http://www.businessnz.org.nz">www.businessnz.org.nz</a> , <a href="http://www.bnz.co.nz">www.bnz.co.nz</a>
Vietnam	0.2%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Hungary	0.2%	HALPIM	–	<a href="http://www.logisztika.hu">www.logisztika.hu</a>
Myanmar	0.1%	IHS Markit	Nikkei	<a href="http://www.nikkei.co.jp/nikkeiinfo/en/">www.nikkei.co.jp/nikkeiinfo/en/</a>
Kenya <sup>3</sup>	0.1%	IHS Markit	Stanbic Bank	<a href="http://www.stanbicbank.co.ke">www.stanbicbank.co.ke</a>
Lebanon <sup>3</sup>	0.1%	IHS Markit	BLOMINVEST Bank	<a href="http://www.blominvestbank.com">www.blominvestbank.com</a>

<sup>1</sup> 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.

<sup>2</sup> Source: World Bank World Development Indicators (2017 data, constant US\$ measure).

<sup>3</sup> 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.

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