

Embargoed until 1100 EDT (1500 UTC) 3 June 2024

J.P.Morgan Global Manufacturing PMI®

Growth of global manufacturing production improves in May, as upturn in new work intakes accelerates

Key findings

Global Manufacturing PMI at 50.9

Output and new orders rise at quicker rates

Input cost and selling price inflation strengthen

The upturn in the global manufacturing sector gathered pace in May, with rates of expansion in output and new orders both strengthening. Signs of recovery were broad-based by nation, with output growth accelerating in the US, China and the UK, while rates of contraction eased in Japan and the euro area.

The J.P.Morgan Global Manufacturing PMI® – a composite index produced by J.P.Morgan and S&P Global Market Intelligence in association with ISM and IFPSM – rose to a 22-month high of 50.9 in May, to remain above the neutral 50.0 mark for the fourth successive month. Three out of the five PMI sub-indices were at levels indicative of an improvement in operating conditions (output, new orders and employment).

May saw manufacturing production increase at the quickest pace since December 2021. Output has now expanded for five consecutive months. Growth accelerated to a near three-year high in the intermediate goods industry and output expanded for the third time in the past four months in the investment goods sector. Consumer goods remained the best performing category overall despite seeing growth ease slightly over the month.

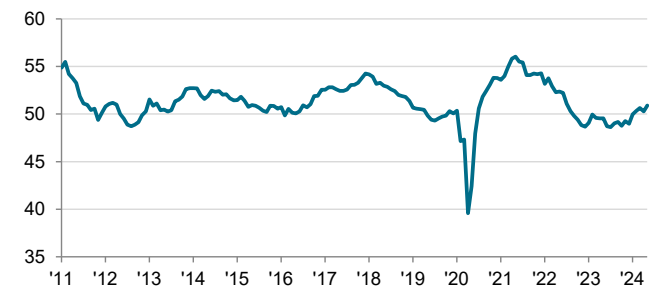
The latest expansion of worldwide manufacturing output was underpinned by rising intakes of new business, completion of backlogs of work and improved international trade flows.

New business rose for the fourth month running and to the greatest extent since March 2022. Concurrent growth was registered across the consumer, intermediate and investment goods industries for the first time in over two years. Levels of outstanding business were reduced for the twenty-third successive month, albeit at one of the weakest rates during that sequence.

Recent months have seen a tentative return to growth in new export business. International trade volumes rose for the second month running in May, following a prolonged

J.P.Morgan Global Manufacturing PMI

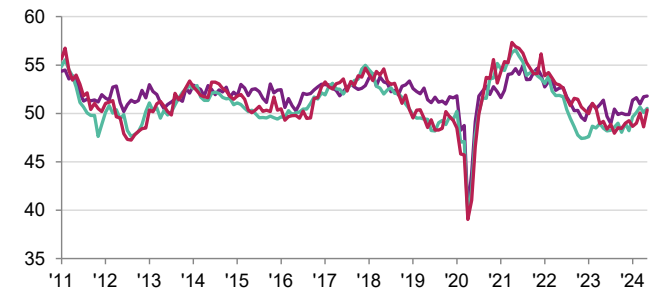
sa, >50 = improvement since previous month



Source: J.P.Morgan, S&P Global PMI.

Consumer Goods PMI
Intermediate Goods PMI
Investment Goods PMI

sa, >50 = improvement since previous month

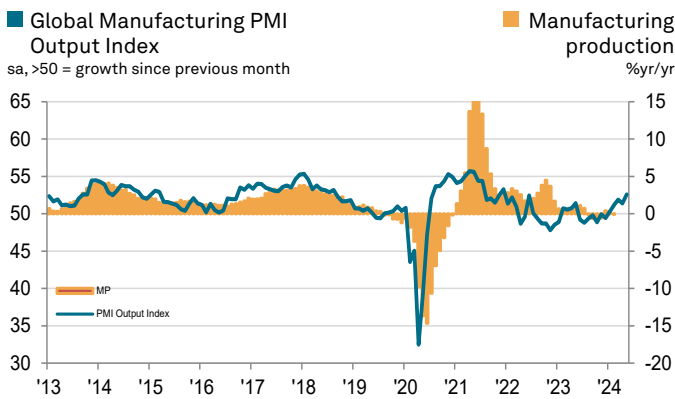


Source: J.P.Morgan, S&P Global PMI.

Index summary

sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Apr-24	May-24	Interpretation
PMI	50.3	50.9	Improvement, faster rate
Output	51.4	52.6	Growth, faster rate
New Orders	50.4	51.0	Growth, faster rate
New Export Orders	50.5	50.4	Growth, slower rate
Future Output	61.4	62.0	Growth expected, higher sentiment
Employment	50.0	50.3	Growth, from no change
Input Prices	54.1	54.8	Inflation, faster rate
Output Prices	51.5	51.8	Inflation, faster rate



sequence of contraction. Increases were seen in the consumer and investment goods sectors, which more than offset a slight decrease in the intermediate goods category. China, the US, India and Brazil were among the larger nations to benefit from improved global trade flows.

The recent improvement in current conditions filtered through to the labour market and business confidence. May saw job creation recorded for the second time in the past three months and, although only marginal, the rate of growth was the best since August 2023. The US, Japan, India and Brazil were some of the nations to raise staffing, while cuts were signalled in China, the euro area and UK (among others). Business optimism in the global manufacturing sector rose from April's four-month low, to one of its highest levels during the past year. Developed nations were (on average) more optimistic about the future than emerging markets.

Price pressures continued to rise in May, with rates of inflation accelerating for both input costs (15-month high) and output charges (14-month high). For both price measures, rates of increase were (on average) steeper in developed nations compared to emerging markets.

Comment

Bennett Parrish, Global Economist at J.P.Morgan, said: "The May global manufacturing output PMI rose 1.2pt to 52.6 in May, its highest level since December 2021. At this level, the PMI is consistent with solid 2.5%ar growth in global factory output. Gains in the new orders and employment PMIs also point to an upturn moving ahead. The base of the revival is broadening, with the survey improving across most of the major economies."



Contact

Bennett Parrish
 Economic & Policy Research
 J.P.Morgan Chase Bank
 New York
bennett.parrish@jpmchase.com

Rob Dobson
 Director
 S&P Global Market Intelligence
 T: +44 1491 461 095
rob.dobson@spglobal.com

Katherine Smith
 Corporate Communications
 S&P Global Market Intelligence
 T: +1 (781) 301-9311
katherine.smith@spglobal.com

If you prefer not to receive news releases from S&P Global, please email katherine.smith@spglobal.com. To read our privacy policy, click [here](#).

Survey methodology

The J.P.Morgan Global Manufacturing PMI® is produced by S&P Global in association with ISM and IFPSM.

Global manufacturing PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added*.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable, at the country level. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Indices are calculated for the following variables: output, new orders, new export orders, future output, backlogs of work, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, stocks of finished goods, input prices and output prices.

Global manufacturing indices are calculated by weighting together the country indices. Country weights are calculated from annual manufacturing value added*.

The headline figure is the Global Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five global indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economic@spglobal.com.

The J.P.Morgan Global Manufacturing PMI provides the first indication each month of world manufacturing business conditions. The data enable decision makers in the financial world and in government to make better judgements much earlier than would otherwise be the case. The wide coverage of the indices, together with their speed of production, accuracy and direct comparability, make them unmatched as economic indicators. They provide truly "must have" information for financial institutions of all kinds and for major corporations world-wide.

* Source: World Bank World Development Indicators.

About J.P.Morgan

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. www.jpmorganchase.com.

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com.

About ISM

Institute for Supply Management® (ISM®) serves supply management professionals in more than 90 countries. Its 50,000 members around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 as the first supply management institute in the world, ISM is committed to advancing the practice of supply management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. ISM leads the profession through the ISM Report On Business®, its highly regarded certification programs and the ISM Mastery Model®. www.instituteforsupplymanagement.org

About IFPSM

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 National and Regional Purchasing Associations worldwide. Within this circle, about 250,000 Purchasing Professionals can be reached. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. The term procurement is taken to embrace purchasing, materials management, logistics, supply chain management and strategic sourcing. IFPSM is a non-political, independent and non-profit oriented International Organization. www.ifpsm.org

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi.html

Data sources

Region	Producer	In association with
Australia	S&P Global	Judo Bank
Austria	S&P Global	Unicredit Bank Austria / OPWZ
Brazil	S&P Global	-
Canada	S&P Global	-
China (mainland)	S&P Global	Caixin
Colombia	S&P Global	Davivienda
Czech Republic	S&P Global	-
Egypt*	S&P Global	-
Eurozone	S&P Global	HCOB
France	S&P Global	HCOB
Germany	S&P Global	HCOB
Greece	S&P Global	HPI
Hong Kong SAR ^{1*}	S&P Global	-
Hungary	HALPIM	-
India	S&P Global	HSBC
Indonesia	S&P Global	-
Ireland	S&P Global	AIB
Israel	IPLMA	Bank Hapoalim Ltd
Italy	S&P Global	HCOB
Japan	S&P Global	au Jibun Bank
Kazakhstan	S&P Global	Tengri Partners
Kenya*	S&P Global	Stanbic Bank
Lebanon*	S&P Global	BLOMINVEST Bank
Malaysia	S&P Global	-
Mexico	S&P Global	-
Myanmar	S&P Global	-
Netherlands (The)	S&P Global	Nevi
New Zealand	Business NZ	Bank of New Zealand
Nigeria*	S&P Global	Stanbic IBTC Bank
Philippines (The)	S&P Global	-
Poland	S&P Global	-
Romania	S&P Global	BCR
Russia	S&P Global	-
Saudi Arabia*	S&P Global	Riyad Bank
Singapore*	S&P Global	-
South Africa*	S&P Global	-
South Korea	S&P Global	-
Spain	S&P Global	HCOB
Switzerland	procure.ch	UBS
Taiwan	S&P Global	-
Thailand	S&P Global	-
Turkey	S&P Global	Istanbul Chamber of Industry
UAE*	S&P Global	-
United Kingdom	S&P Global	-
United States ²	S&P Global / ISM	-
Vietnam	S&P Global	-

*Indices calculated from manufacturing responses extracted from survey panels covering the entire private sector economy.

¹Hong Kong is a Special Administrative Region of China.

²US data compiled by ISM pre-February 2010 and by S&P Global post-January 2010.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.