

Embargoed until 1100 EST (1600 UTC) 5 February 2025

J.P.Morgan Global Composite PMI®

Growth of global economic output and new orders slow at start of 2025

Key findings

Global Composite PMI Output Index at 51.8

Service sector growth eases to 13-month low

Manufacturing recovers following downturn at end of 2024

The start of 2025 saw a mild deceleration in the rate of expansion of global economic output, as the positive impact of a return to growth in the manufacturing sector was offset by an easing in the rate of increase in service sector business activity. The ongoing upturn was reflected in both the labor market and business optimism, with job creation hitting a six-month high and positive sentiment at its highest level since May 2024.

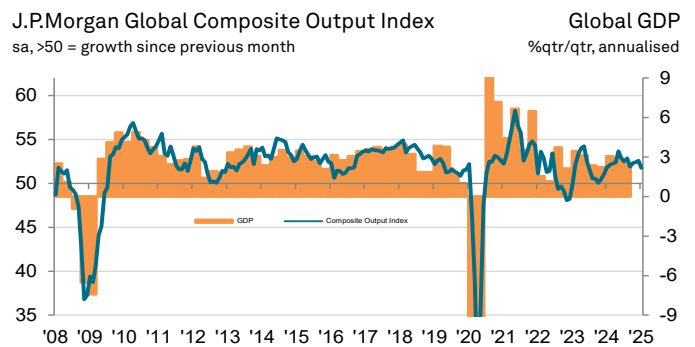
The J.P.Morgan Global Composite PMI® Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – fell to a 12-month low of 51.8 in January, down from 52.6 in December. The headline index has remained above the neutral mark of 50.0 throughout the past two years.

Notes: a later-than-usual release date meant data for Ireland services, Ireland manufacturing and Mexico manufacturing were not available to include in the January numbers. The inclusion of data for Switzerland services has resulted in minor revisions to the global services and composite PMI time series histories from January 2014 onwards.

January data signalled that output growth remained stronger in the global service sector, which outperformed its manufacturing counterpart for the twenty-fifth month in a row. That was despite the overall rate of expansion in service sector activity easing to a 13-month low. All three of the service sub-sectors covered by the survey saw weaker rates of increase than in December. Financial services remained the strongest performer, but also saw the sharpest slowdown.

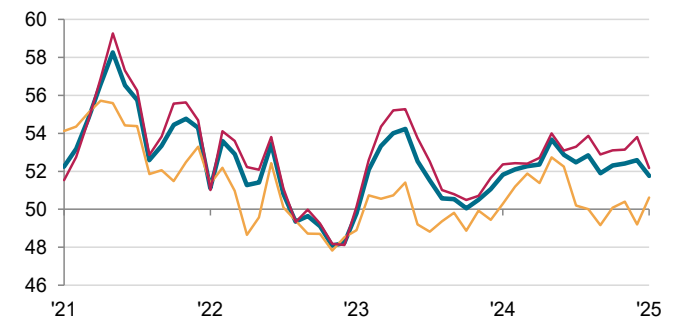
There was positive news on the manufacturing front, with the turn of the year seeing production and new orders both nudge back into expansion territory in January. Output rose in the consumer goods sector at the fastest pace in seven months, returned to (marginal) growth in the intermediate goods category but fell for the eighth month running at investment goods producers.

The overall level of new work received rose for the fifteenth month running. In contrast, new export orders fell for the eighth month in a row, albeit to the weakest extent since



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

■ Composite Output Index
 ■ Manufacturing Output Index
 ■ Services Business Activity Index
 sa, >50 = growth since previous month



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

Composite Index summary

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

Index	Dec-24	Jan-25	Interpretation
Output	52.6	51.8	Growth, slower rate
New Business	52.5	52.0	Growth, slower rate
New Export Business	48.7	49.6	Decline, slower rate
Future Output*	61.9	62.7	Growth expected, better optimism
Employment	50.3	50.8	Growth, faster rate
Outstanding Business	49.2	49.5	Decline, slower rate
Input Prices	56.0	56.8	Inflation, faster rate
Output Prices	52.3	53.0	Inflation, faster rate

July 2024. The downturn was centred on manufacturing, as service providers saw a marginal increase. Total new export orders fell in the US, the euro area and the UK, but rose in China, Japan and India.

Global employment increased for the second month running in January, mainly reflecting higher staff headcounts in the US, Japan, India, Brazil and Russia. The increase in the US was the steepest registered in over two-and-a-half years. Job losses were seen in China, the euro area, the UK and Canada.

January saw business sentiment rise to an eight-month high, improving on December's recent low. Confidence strengthened at manufacturers and held steady in the service sector. Developed nations were more positive about the coming year (on average) than emerging markets.

Price pressures continued to rise in January, with rates of inflation in input costs and output charges both strengthening for the second successive month. Input prices rose at the quickest pace since July 2024, while output charges increased to the greatest extent in eight months. Rates of inflation for both price measures were higher (on average) in developed nations compared to emerging markets.

Global Services Summary

The J.P.Morgan Global Services PMI Business Activity Index fell to a 13-month low of 52.2 in January, down by 1.6pts from December's seven-month high of 53.8. New business growth was also slower than in the previous survey month. There was better news on the hiring front, with the rate of job creation the joint-strongest since June 2023.

Services Index summary

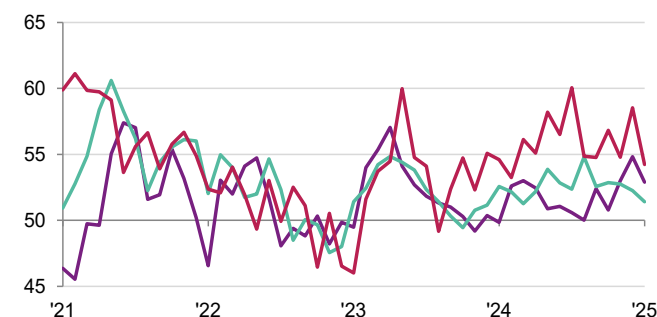
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Dec-24	Jan-25	Interpretation
Business Activity	53.8	52.2	Growth, slower rate
New Business	53.6	52.5	Growth, slower rate
New Export Business	50.3	50.2	Growth, slower rate
Future Activity*	63.0	63.0	Growth expected, same optimism
Employment	50.6	51.6	Growth, faster rate
Outstanding Business	50.0	49.8	Decline, from no change
Input Prices	56.6	57.7	Inflation, faster rate
Prices Charged	52.7	53.5	Inflation, faster rate

Business Activity Index

- Consumer Services
- Business Services
- Financial Services

sa, >50 = growth since previous month



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

Comment

Bennett Parrish, Global Economist at J.P.Morgan, said:

"The January PMIs point to some moderation in global growth. The underlying message remained relatively solid, however. Although the services output index softened 1.6 pts to a seven-month low of 52.2, the partial offset provided by a lift back above the 50-mark in its manufacturing counterpart suggests that the global expansion is coming back into better balance. The survey indicators on the labor market and confidence showed encouraging resilience in January, with the composite employment and future output PMIs rising by 0.5 and 0.8-pt, respectively."

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Survey methodology

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

Global composite PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to companies in manufacturing and services survey panels in over 40 countries (see table, right for full coverage), totalling around 27,000 companies. These countries account for 89% of global gross domestic product (GDP)*.

For manufacturing surveys, responses are collected 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. For services surveys, responses are collected for the following variables: business activity, new business, new export business, future activity, outstanding business, employment, input prices and prices charged.

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 manufacturing and services 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.

Global indices for manufacturing and services are calculated by weighting together the country indices using national manufacturing and services annual value added*. Global Composite indices are then calculated by weighting together comparable global manufacturing and services indices using global manufacturing and services annual value added*.

The headline figure is the Global Composite Output Index. This is a weighted average of the Global Manufacturing Output Index and the Global Services Business Activity Index.

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 economics@spglobal.com.

The J.P.Morgan Global Composite PMI provides the first indication each month of worldwide economic 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 worldwide.

* 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

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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.

Data sources

Region	Producer	In association with
Australia	S&P Global	–
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	Freedom Holding Corp.
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 and services 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.

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