News Release

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J.P.Morgan Global Composite PMI®

Growth rate of global economy accelerates to fastest in a year during May

Key findings

Global Composite PMI Output Index at 53.7

Output growth seen across all six sub-sectors

Upturns strengthen in the US, eurozone, China and Japan

The rate of global economic growth hit a 12-month high in May, as new work intakes strengthened. The upturns in business activity and new orders also showed improved breadth, with all six of the sub-sectors covered by the survey registering expansions in both.

The J.P.Morgan Global Composite PMI® Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – rose for the seventh successive month to post 53.7 in May, up from 52.4 in April and its highest level since May 2023.

Later-than-usual release dates meant PMI data for the following surveys were not available for inclusion in the calculation of the May 2024 global numbers: Colombia manufacturing, Ireland manufacturing, Ireland services, Malaysia manufacturing and Thailand manufacturing.

Growth of service sector business activity accelerated to a 12-momth high in May. Moreover, the Global Services Business Activity Index posted above its manufacturing equivalent for the seventeenth month in a row. That said, the trend in manufacturing production also strengthened, with growth hitting a near two-and-a-half year high.

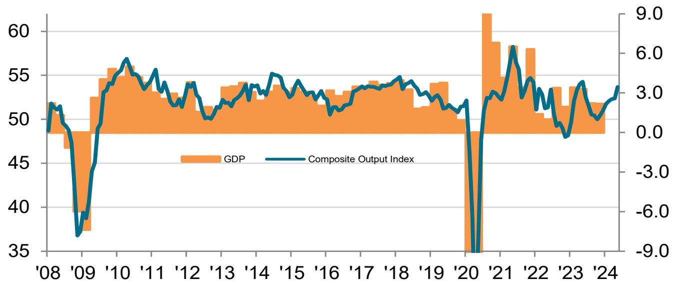
Almost all of the nations for which combined manufacturing and services PMI data are calculated registered growth of economic activity in May. The only exception was France, which saw activity fall back into contraction following April's expansion.

The fastest rate of output growth was again seen in India, which remained at the top of the global PMI growth table for the twenty-third successive month. Rates of expansion improved in the US, the euro area, China and Japan.

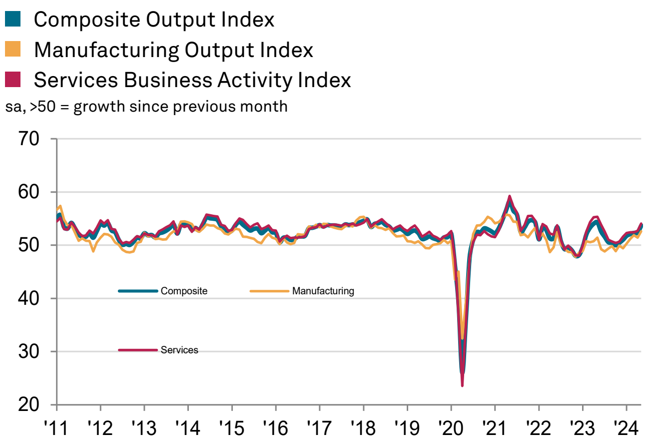
May data signalled an increase in total new business for the seventh successive month, with growth strengthening to its highest in a year. The breadth of the upturn in new orders was also positive, with all of the nations covered seeing growth and increases in each of the six global sub-industries (business services, consumer goods, consumer services, financial services, intermediate goods and investment goods).

J.P.Morgan Global Composite Output Index
sa, >50 = growth since previous month

Global GDP
%qtr/qtr, annualised



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



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	Apr-24	May-24	Interpretation
Output	52.4	53.7	Growth, faster rate
New Business	51.7	52.7	Growth, faster rate
New Export Business	50.6	50.6	Growth, same rate
Future Output*	62.8	63.6	Growth expected, greater optimism
Employment	49.9	50.9	Growth, from decreasing
Outstanding Business	49.3	49.7	Decline, slower rate
Input Prices	56.4	56.6	Inflation, faster rate
Output Prices	53.2	53.3	Inflation, faster rate

PMI® by S&P Global

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

Part of the expansion in new business reflected a recent revival in global trade in goods and services. The level of new export business rose for the second successive month. Although the rate of growth was unchanged from April's modest pace, it remained one of the best registered over the past three years (a period characterised by a general retrenchment in international trade flows). New export work rose in both the manufacturing and service sectors.

Companies responded to the recent rebound in operating conditions by raising employment during May. Staffing levels increased following a negligible decline in the prior survey month and have risen through much of the past four years. Jobs growth was seen in the euro area, China, Japan and India (among others). The US registered broadly stable employment, as cuts in the service sector offset continued growth at manufacturers.

Improved current conditions led to higher business confidence during May, as positive sentiment picked up after falling to a four-month low in April. Developed nations remained (on average) more optimistic about the year-ahead outlook than emerging markets.

May saw rates of increase in both input costs and output charges tick higher. Inflation signalled for both price measures was stronger in the global service sector compared to manufacturing.

Global Services Summary

The J.P.Morgan Global Services PMI Business Activity Index rose to a 12-month high of 54.1 in May. Stronger output growth was underpinned by rising intakes of new work and efforts to clear outstanding business, and was supported by renewed jobs growth. Input price and output charge inflation were both unchanged compared to April.

Comment

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

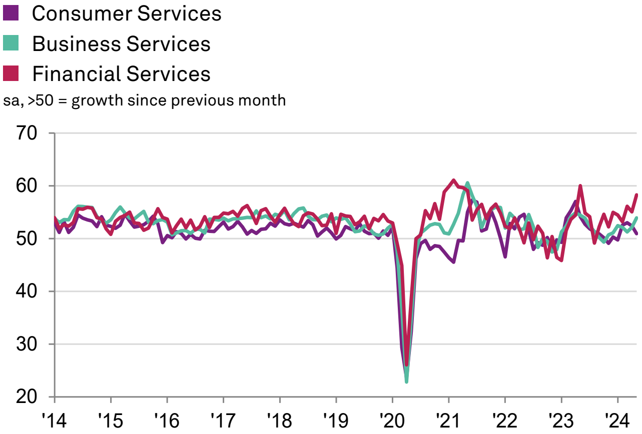
“The global all-industry output PMI strengthened 1.3-point to 53.7 in May, posting its seventh straight monthly gain. The PMI stands at its highest level in a year, consistent with 3.4%ar growth in global GDP. Similar gains in the new orders, employment and future activity indices also bode well for sustaining the recovery in the coming months, as does a broadening of the base of the upturn. All six sub-sectors covered by the survey saw output rise and improvement was seen in key regions such as the US, Eurozone, China and Japan".

Services Index summary

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

Index	Apr-24	May-24	Interpretation
Business Activity	52.7	54.1	Growth, faster rate
New Business	52.2	53.3	Growth, faster rate
New Export Business	51.2	51.0	Growth, slower rate
Future Activity*	63.3	64.2	Growth expected, greater optimism
Employment	49.8	51.1	Growth, from decreasing
Outstanding Business	49.7	49.9	Decline, slower rate
Input Prices	57.2	57.2	Inflation, same rate
Prices Charged	53.8	53.8	Inflation, same rate

Business Activity Index



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

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Survey methodology

The J.P.Morgan Global Composite PMI® is produced by S&P Global in association 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@ihsmarkit.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

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.

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 and services responses extracted from survey panels covering the entire private sector economy.

[1]Hong Kong is a Special Administrative Region of China.

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

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