

Embargoed until 1100 EST (1600 UTC) 6 November 2024

J.P.Morgan Global Composite PMI®

Global economic growth accelerates as reviving service sector offsets lacklustre manufacturing

Key findings

Global Composite PMI Output Index at 52.3

Service sector outperforms manufacturing

Business optimism rises from September's low

October saw the rate of global economic expansion accelerate from September's eight-month low, as both business confidence and growth of new order intakes strengthened. The expansion of activity was mainly driven by the services sector, and financial services in particular, as manufacturing remained largely stagnant.

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 to 52.3 in October, from 51.9 in September, to signal growth for the twelfth successive month. There was also a slight uptick in the rate of increase in new orders.

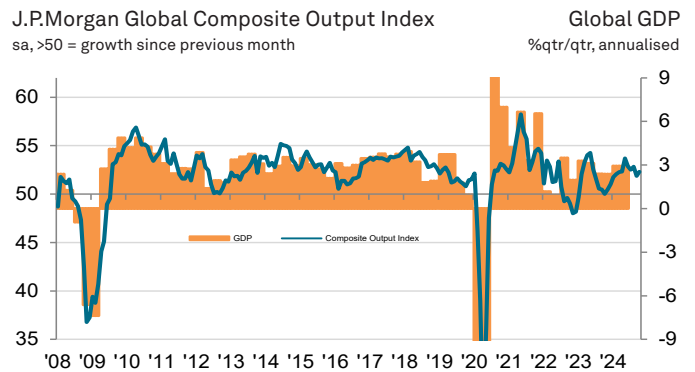
Service sector business activity rose for the twenty-first consecutive month in October, with the rate of expansion improving from September's five-month low. Output rose across the business, consumer and financial services categories, with the steepest rate of expansion in the latter.

Conditions stayed relatively lacklustre at manufacturers in October. Although production stabilised after falling in September, total new orders and international trade volumes both declined. Output and new business contracted in the intermediate and investment goods sub-industries, in contrast to increases in both variables in the consumer goods category.

Data broken down by nation signalled growth of business activity in 11 out of the 15 nations for which October data were available. Emerging markets saw a broad-based expansion. India and Brazil were at the top of the growth rankings, while China and Russia also saw output increase.

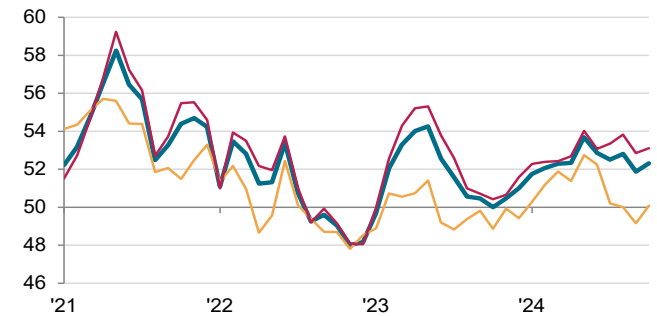
Among the major developed nations, the US registered the strongest rate of expansion for the sixth successive month. Output stabilised (on average) across the euro area, growth moderated in the UK and Japan contracted for the first time in four months.

In addition to current output growth edging higher globally in October, business expectations for the year ahead also revived. Having fallen to a near-two-year low in September, future expectations rose to the highest since May, recovering



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	Sep-24	Oct-24	Interpretation
Output	51.9	52.3	Growth, faster rate
New Business	51.0	51.6	Growth, faster rate
New Export Business	48.4	48.9	Decline, slower rate
Future Output*	59.8	62.3	Growth expected, better optimism
Employment	50.0	49.8	Decline, from no change
Outstanding Business	49.3	48.9	Decline, faster rate
Input Prices	56.3	56.2	Inflation, slower rate
Output Prices	52.5	52.0	Inflation, slower rate

in both manufacturing and services. However, improved confidence was mainly limited to the US and China, as other major nations generally saw optimism moderate.

Global employment fell for the second time in the past three months, as a marginal increase at service providers was more than offset by cuts at manufacturers. Staffing levels decreased in the US, China, the euro area (on average) and UK.

October saw the rate of input price inflation ease to an eight-month low, while output charges also rose at the slowest pace in four years. For both price measures, rates of increase were sharper at service providers than manufacturers and in developed nations (on average) compared to emerging markets.

Global Services Summary

The J.P.Morgan Global Services PMI Business Activity Index rose to 53.1 in October, from September's five-month low of 52.9. Output has now increased for the 21 consecutive months, with the latest survey seeing expansions in all of the nations covered apart from Japan, France and Kazakhstan.

Underpinning the expansion of business activity were improved intakes of new work and efforts to complete outstanding business. New export orders rose for the tenth month in a row. Better current conditions fed through to business optimism, with positive sentiment rising to a five-month high (up from September's near two-year low). Employment rose for the second successive month. Input cost and output price inflation eased to two- and 48-month lows, respectively.

Services Index summary

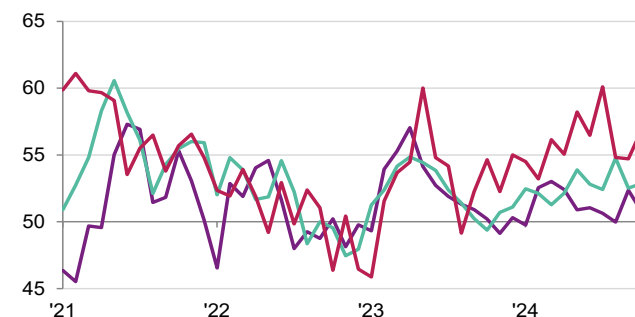
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Sep-24	Oct-24	Interpretation
Business Activity	52.9	53.1	Growth, faster rate
New Business	52.4	52.7	Growth, faster rate
New Export Business	51.5	50.7	Growth, slower rate
Future Activity*	60.4	63.2	Growth expected, better optimism
Employment	50.4	50.2	Growth, slower rate
Outstanding Business	50.1	49.4	Decline, from increasing
Input Prices	57.4	57.3	Inflation, slower rate
Prices Charged	52.9	52.2	Inflation, slower rate

Business Activity Index

- Consumer Services
- Business Services
- Financial Services

sa, >50 = growth since previous month



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 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@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.

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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	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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