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J.P.Morgan Global Manufacturing PMI®

Global manufacturing recovery continues in April as output and new orders rise again

Key findings

Global Manufacturing PMI at 50.3

Output rises in consumer and intermediate goods sectors

Input cost and output price inflation accelerate

The upturn in global manufacturing was sustained into April, as rising intakes of new work and a slight expansion of international trade volumes supported mild production growth. There were also signs of price pressures building, as rates of increase in both input costs and selling prices accelerated.

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 – dipped to 50.3 in April, down from March's 20-month high of 50.6 but above the neutral 50.0 mark for the third consecutive month.

Two of the PMI components, output and new orders, signalled expansions, while the trends in stocks of purchases and supplier lead times were consistent with contraction. Employment was unchanged over the month.

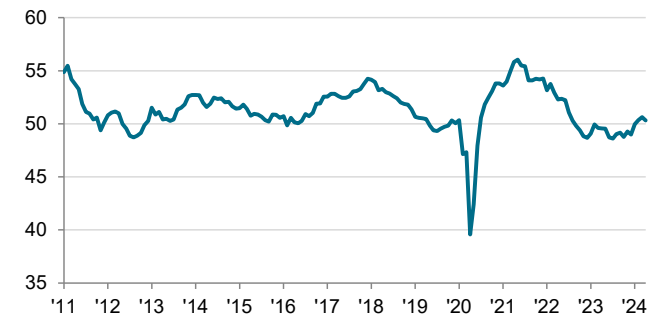
Output increased in both the consumer and intermediate goods sub-industries. In contrast, investment goods output contracted for the first time in three months. Manufacturing production increased in 16 out of the 32 nations for which April data were available.

China, the US, India and Brazil were among the larger industrial nations to see output expand. Europe remained one of the weaker performing regions, with eight of the nations to register contractions (Germany, the UK, France, Italy, Poland, Czech Republic, Austria and Ireland) located on the continent. Japan, Mexico and Canada also saw production volumes decline.

Global manufacturing new orders expanded for the third successive month in April. That said, the rate of growth remained mild and eased slightly during the latest survey month. Consumer and intermediate goods producers saw new work intakes improve, in contrast to the investment goods category (where inflows deteriorated for the fourteenth straight month). Growth of total new business was supported by a slight increase in new export orders, the

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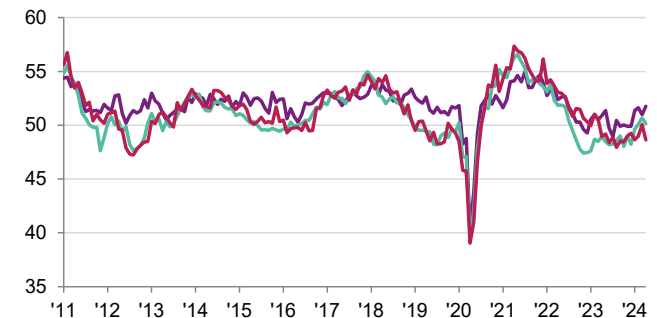
sa, >50 = improvement since previous month



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

Consumer Goods PMI
Intermediate Goods PMI
Investment Goods PMI

sa, >50 = improvement since previous month

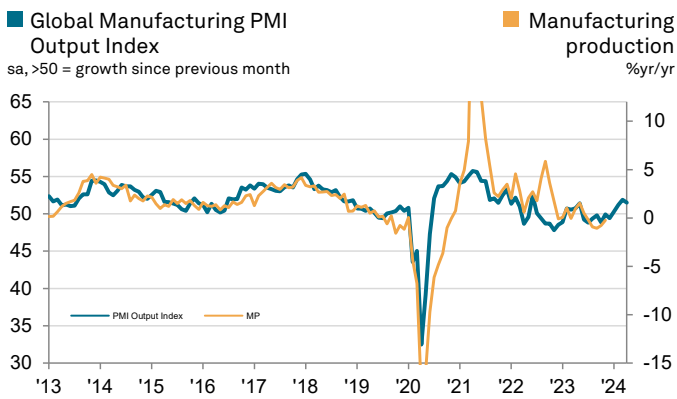


Source: J.P.Morgan, S&P Global PMI.

Index summary

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

Index	Mar-24	Apr-24	Interpretation
PMI	50.6	50.3	Improvement, slower rate
Output	51.9	51.5	Growth, slower rate
New Orders	50.9	50.5	Growth, slower rate
New Export Orders	49.6	50.5	Growth, from contraction
Future Output	62.3	61.4	Growth expected, lower sentiment
Employment	50.1	50.0	No change, from increasing
Input Prices	52.4	54.0	Inflation, faster rate
Output Prices	51.2	51.5	Inflation, faster rate



first time international trade volumes have risen in over two years.

Global manufacturers also maintained a positive outlook for the sector, forecasting (on average) that production would be higher in 12 months' time. The forward-looking new orders to finished goods inventory ratio also remained in positive territory, despite easing slightly since March, reflecting signs that the current tepid growth of demand was still sufficient to deplete stock holdings. Inventories of purchases also fell in response to a slight drop in input buying activity.

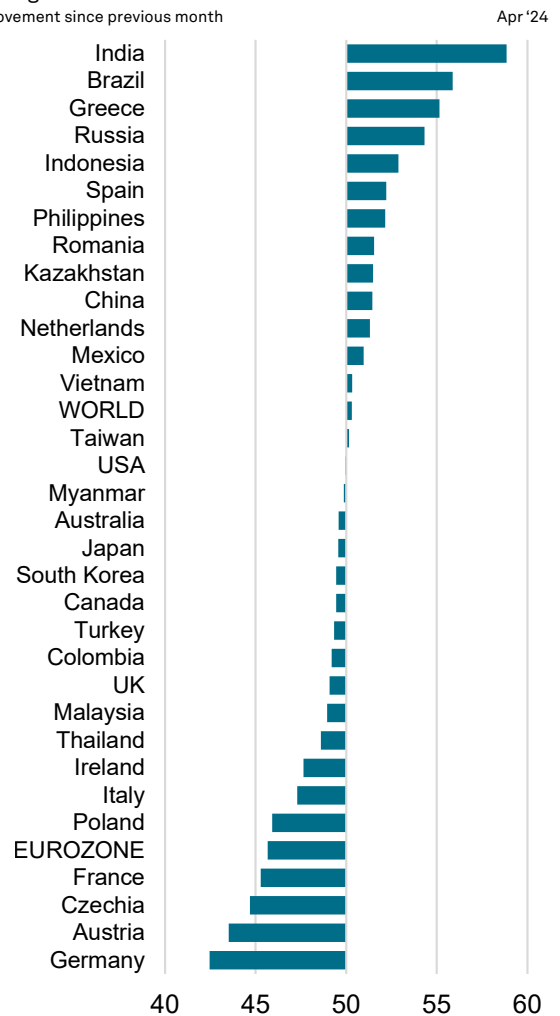
April data provided further signs of price pressures building, as rates of increase in output charges and purchase prices both gained in strength. Input cost inflation hit a 14-month high, while the rate of increase in selling prices was among the steepest during the past year. Global supply chains continued to largely shrug off the constraints of the Red Sea crisis and other potential sources of disruption, with average vendor lead times improving for the fourteenth time in the past 15 months. Employment was unchanged in April, as jobs growth in nations such as the US, Japan and India was offset by losses in China, the euro area and the UK.

Comment

Bennett Parrish, Global Economist at J.P.Morgan, said: "After climbing 2.5-points over the prior three months, the global manufacturing output PMI slipped 0.4-point in April. Although the latest reading took a step back, the survey remains on an upward trend consistent with a rebound in global manufacturing gathering pace. While a tick down in the new orders index is slightly concerning, the employment index showed stability in April. At the regional level, improvements across Europe and in Asia continue to close some of the gap with the US."

Manufacturing PMI

sa, >50 = improvement since previous month



Sources: J.P.Morgan, S&P Global PMI, HCOB, HSBC, Unicredit Bank Austria, Caixin, Davivienda, HPI, AIB, Jibun Bank, NEVI, Istanbul Chamber of Industry.

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Survey methodology

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

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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. 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.

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