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# J.P.Morgan Global Manufacturing PMI®

## Production posts back-to-back expansions as new order intakes return to growth

### Key findings

Global Manufacturing PMI at 50.3

Output rises across all three sub-industries

Business optimism stays close to January high

February saw global manufacturing show signs of renewed vigour. Output expanded for the second successive month, supported by the first increase in new order intakes since June 2022. The outlook remained broadly positive overall, with optimism regarding the year ahead staying close to January's nine-month high.

The J.P.Morgan Global Manufacturing PMI® – a composite index produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – posted 50.3 in February, up from 50.0 in January, its first reading above the neutral 50.0 mark in 18 months (since August 2022). Three of the five PMI sub-indices signalled growth (new orders, output and stocks of purchases).

*Notes: a later-than-usual release date meant February data for South Korea were not included in the global numbers. Data from the new Romania Manufacturing PMI are now included in the global readings.*

Although the rate of expansion in output remained only mild in February, it was still the second-fastest during the past 20 months (beaten only by May 2023 during that sequence). All three of the sub-sectors covered by the survey saw output increase.

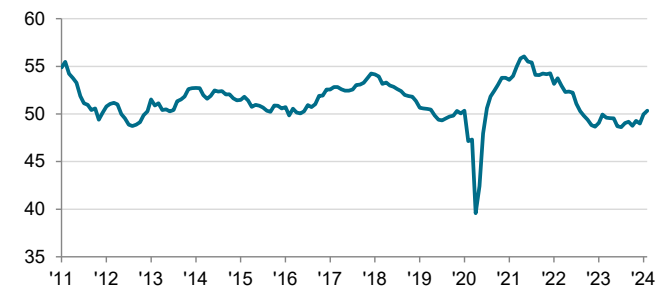
Consumer goods producers saw solid growth, whereas rates of expansion were marginal in both the intermediate and investment goods categories. China, the US, India and Brazil were among the nations to see manufacturing output rise, in contrast to declines in places such as the euro area, Japan and the UK.

The increase in global manufacturing production was supported by growth in new business intakes and efforts to complete backlogs of work. Total new orders rose for the first time in 20 months, albeit only marginally. Although the downturn in new export orders continued – international trade volumes have fallen throughout the past two years – the rate of decline eased to its weakest since June 2022.

The recent return to growth at global manufacturers was

J.P.Morgan Global Manufacturing PMI

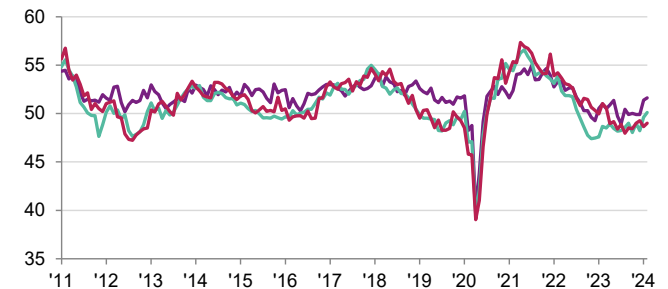
sa, >50 = improvement since previous month



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

Consumer Goods PMI  
Intermediate Goods PMI  
Investment Goods PMI

sa, >50 = improvement since previous month

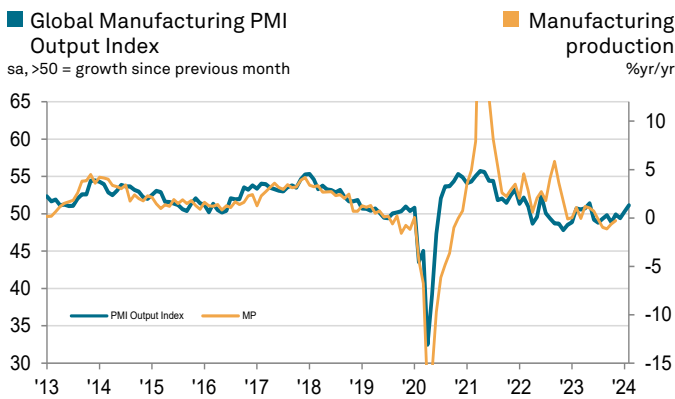


Source: J.P.Morgan, S&P Global PMI.

### Index summary

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

Index	Jan-24	Feb-24	Interpretation
PMI	50.0	50.3	Improvement, from no change
Output	50.3	51.2	Growth, faster rate
New Orders	49.8	50.4	Growth, from contraction
New Export Orders	48.8	49.4	Decline, slower rate
Future Output	62.5	62.3	Growth expected, lower sentiment
Employment	49.5	49.6	Decline, slower rate
Input Prices	53.0	52.9	Inflation, slower rate
Output Prices	51.5	51.5	Inflation, same rate



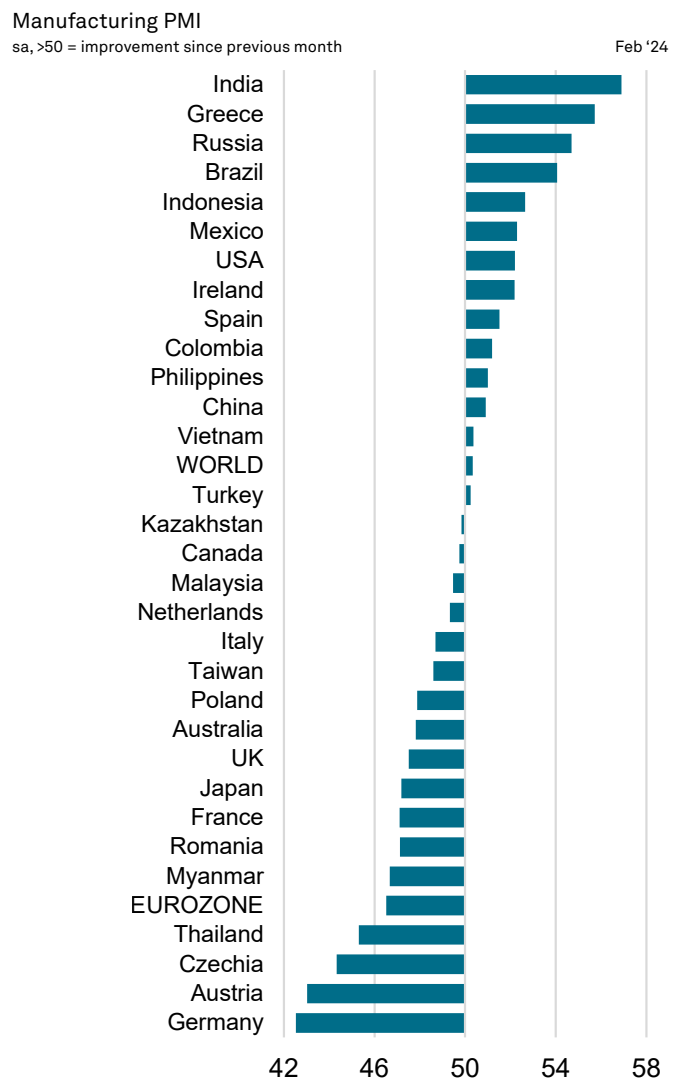
also felt in the labour market. Although further job losses were registered, the reduction to staff headcounts was the least marked since September. Lower employment was seen in China, the euro area and Japan (among others), while the US, Brazil, Mexico and Russia were some of the nations to register jobs growth.

The outlook for the global manufacturing sector remained positive in February, with optimism about the coming year staying close to January's nine-month high. Meanwhile, the cyclically sensitive ratio of new orders-to-stocks of finished goods edged up to its highest level since May 2022.

February data indicated that average supplier lead times were broadly unchanged over the month. The aggregate reading masked divergent trends beneath the surface, however. Some nations, including Germany, the US and Austria, saw marked improvements in vendor lead times. In contrast, the UK, France and Australia saw much longer times. Average input prices and output charges both increased during February and at similar, or identical, rates to the prior survey month.

### Comment

Bennett Parrish, Global Economist at J.P.Morgan, said: "The February PMI survey saw the rebound in global manufacturing gather pace. The output PMI advanced by 0.9pts to its highest level since May 2023. The new orders index also rose above the 50-mark for the first time in 20 months. An improving orders-to-inventory ratio and upward momentum in both new export business and employment all suggest the underlying dynamics of the manufacturing sector are also moving in the right direction. Supply chain stresses seem to have faded somewhat, at least on aggregate."



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**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 [economics@spglobal.com](mailto:economics@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.

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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](http://www.jpmorganchase.com).

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**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](http://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](http://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](http://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 <sup>1</sup> *	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 <sup>2</sup>	S&P Global / ISM	–
Vietnam	S&P Global	–

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

<sup>1</sup>Hong Kong is a Special Administrative Region of China.

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

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