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J.P.Morgan Global Composite PMI®

Global economic growth accelerates to eight-month high in February

Key findings

Global Composite PMI Output Index at 52.1

Output expands in manufacturing and service sectors

Growth of new orders strengthens

February saw the upturn in global economic activity gather momentum. Output rose for the fourth successive month, with the rate of growth accelerating through that sequence to reach an eight-month high. The latest expansion was underpinned by improved intakes of new business and efforts to complete backlogs of work.

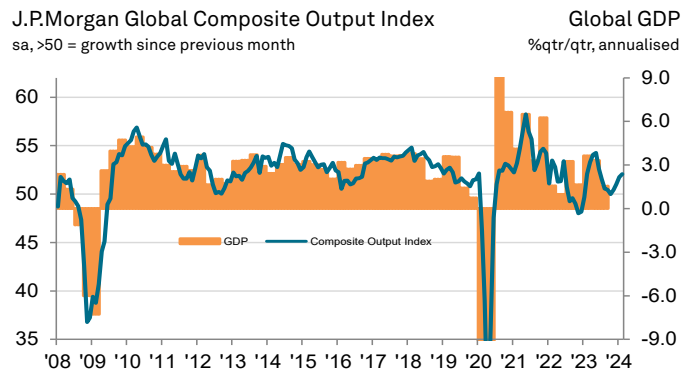
The J.P.Morgan Global Composite PMI® Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – posted 52.1 in February, up from, 51.8 in January and its highest level since June 2023.

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.

Growth was registered in both the manufacturing and services sectors during February, with rates of increase hitting nine- and seven-month highs respectively. There were also signs of the upturn broadening, with all six of the sub-sectors covered by the survey (business services, consumer goods, consumer services, financial services, intermediate goods and investment goods) seeing output rise concurrently for the first time since May 2023. The quickest growth was in the financial services category and the slowest at investment goods producers.

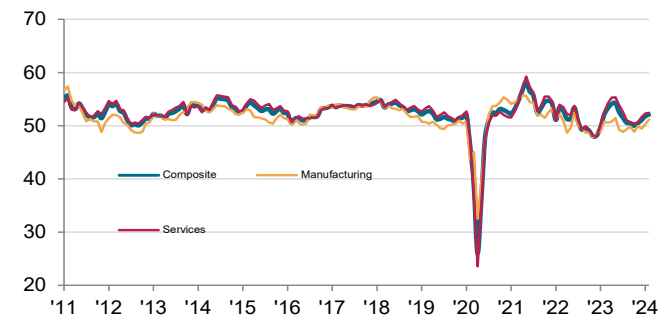
Eleven out of the 15 nations for which combined manufacturing and services PMI data were available saw output expand during the latest survey month, including the US, China, Japan, the UK, India and Brazil. Two of the four nations to register contractions were located in the euro area, as downturns in Germany and France were only partly offset by growth in Italy, Spain and Ireland. That said, the overall rate of decline across the currency bloc eased to an eight-month low.

The level of incoming new business rose for the fourth successive month in February. The rate of expansion was the fastest since last June, reflecting a further solid increase at service providers and the first gain in manufacturing new orders for 20 months. The trend in international trade volumes also moved closer to stabilising. Total new export



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	Jan-24	Feb-24	Interpretation
Output	51.8	52.1	Growth, faster rate
New Business	51.4	51.6	Growth, faster rate
New Export Business	49.2	49.6	Decline, slower rate
Future Output*	63.7	63.0	Growth expected, lesser optimism
Employment	50.7	50.7	Growth, same rate
Outstanding Business	49.7	48.8	Decline, faster rate
Input Prices	56.1	56.0	Inflation, slower rate
Output Prices	52.6	53.5	Inflation, faster rate

orders fell only marginally and to the least marked extent during the current two-year sequence of decline.

February saw a further modest increase in staffing levels, as continued jobs growth at service providers more than offset another reduction to manufacturing headcounts. Employment increased in almost all of the nations covered by the survey, the exceptions being China and Kazakhstan. Where job creation was registered, companies linked this to satisfying the dual needs of work on new and existing contracts. Backlogs of work subsequently fell for the tenth month running and at a quicker pace than in the previous month.

Average costs rose for the forty-fifth month in a row during February. Higher input prices were passed on to clients in the form of increased charges. The outlook for the global economy meanwhile remained positive overall, with companies (on average) expecting output to expand over the coming 12 months.

Global Services Summary

The J.P.Morgan Global Services PMI Business Activity Index rose to a seven-month high of 52.4 in February, up a tick from 52.3 in January. Service sector output has now risen in each of the past 13 months.

The latest expansion of business activity was supported by growth of new orders and a modest reduction in backlogs of work. New export business also increased for the second month in a row. The upturn at service providers led to job creation, with employment having now risen throughout the past three years. Input costs and output prices both increased. Business optimism dipped slightly to a three-month low.

Services Index summary

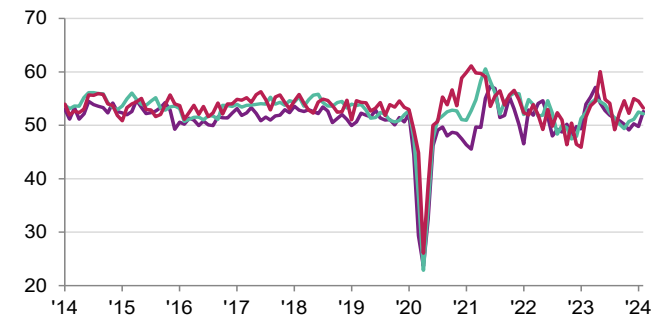
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Jan-24	Feb-24	Interpretation
Business Activity	52.3	52.4	Growth, faster rate
New Business	52.0	52.0	Growth, same rate
New Export Business	50.6	50.4	Growth, slower rate
Future Activity*	64.1	63.3	Growth expected, lesser optimism
Employment	51.2	51.1	Growth, slower rate
Outstanding Business	50.6	49.1	Decline, from expanding
Input Prices	57.2	57.1	Inflation, slower rate
Prices Charged	53.0	54.2	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.

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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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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.

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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