

Embargoed until 1100 EDT (1500 UTC) 6 June 2022

# J.P.Morgan Global Composite PMI™

## Global economic growth inches higher as downturn in China eases

### Key findings

Output and new orders rise at faster rates

Business optimism recovers from April low

Input costs and output prices rise at near-survey record rates

The rate of global economic expansion remained lacklustre in May, with growth staying among the weakest registered during the current 23-month upturn. The slight uptick in the pace of increase was mainly due to an easing of the lockdown-driven downturn in China. The upturn in the rest of the world remained solid (on average) in comparison, despite slowing for the second straight month.

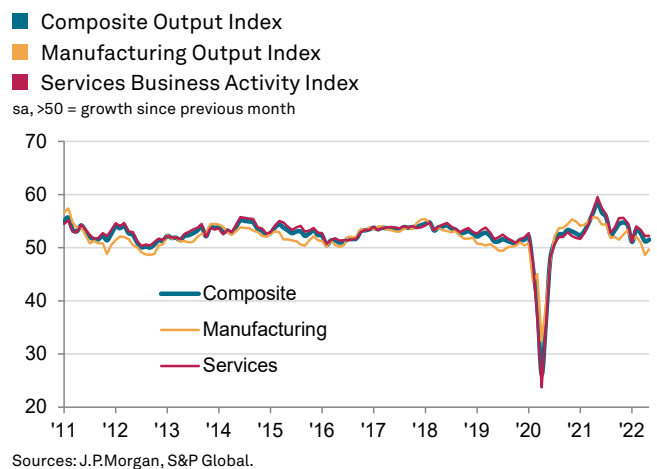
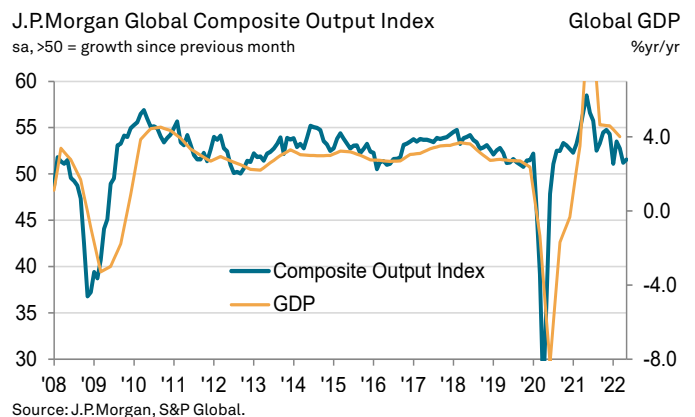
Please note that due to later-than-usual release dates, May manufacturing data for Indonesia and South Korea were not available for inclusion in the global numbers. Services data for the UK were also unavailable for inclusion.

The J.P.Morgan Global Composite Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – posted 51.5 in May, up slightly from 51.2 in April. Manufacturing production declined for the second successive month, albeit at a slightly slower pace. Meanwhile, growth in service sector business activity stabilised at April's three-month low.

The downturn in China remained the main drag on global economic growth in May. Output in China contracted for the third straight month following recent lockdowns in several cities. However, a lifting of some restrictions helped ease the rate of decline from April's more than two-year record. Russia was the only other nation covered to register a downturn.

The impact of China on the Global Composite Output Index was noticeable. Calculating the index excluding China saw its level at a more solid 54.3, down slightly from 55.3. Economic activity continued to expand in the US, the euro area, Japan, India, Brazil, Australia and Kazakhstan (although only Kazakhstan, India and Japan saw faster growth).

Data by sub-sector saw three out of the six categories register an increase in output – business services, consumer goods and consumer services. In contrast, economic activity contracted in the financial services, intermediate goods and investment goods sectors. The steepest rate of decline was



### Composite Index summary

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

Index	Apr-22	May-22	Interpretation
Output	51.2	51.5	Growth, faster rate
New Business	51.8	52.5	Growth, faster rate
New Export Business	48.9	48.6	Decline, faster rate
Future Output*	63.5	64.5	Growth expected, greater optimism
Employment	53.3	53.4	Growth, faster rate
Outstanding Business	53.2	53.3	Growth, faster rate
Input Prices	71.5	71.3	Inflation, slower rate
Output Prices	63.5	61.3	Inflation, slower rate

in the latter.

May saw a mild improvement in the rate of expansion of incoming new business, with growth strengthening in both the manufacturing and service sectors. The trend in international trade flows remained downbeat, however, with new export business decreasing for the third straight month and at the quickest pace since July 2020. The euro area, Japan, China, Russia and Brazil all saw new export orders contract during the latest survey month.

The global economic outlook remained positive during May, with companies forecasting (on average) that output would rise over the coming 12 months. Moreover, the overall degree of positivity inched up from April's one-and-a-half year low.

Employment increased for the twenty-first consecutive month in May, with the rate of jobs growth matching the highest during that sequence. Staffing levels rose at a faster pace at service providers than in manufacturing. Employment increased in the US, euro area, Japan, Brazil and Australia. Global backlogs of work continued to accumulate despite increase capacity, with work-in-hand (but not yet completed) rising for the fifteenth month running.

Price inflationary pressure remained elevated during May. Rates of increase in input costs and output charges were both among the steepest in the survey history (albeit slower than in the prior survey month).

#### Global Services Summary

The J.P.Morgan Global Services Business Activity Index posted 52.2 in May, unchanged from April, to remain at a level below its average for the current 23-month sequence of growth. Output rose in almost all of the nations covered, the exceptions being China and Russia.

Underpinning the latest rise in business activity was faster growth in new work received, higher employment and increased intakes of new export business. Input-price inflation accelerated to a 200-month high, leading to a further steep increase in average output charges.

### Comment

Olya Borichevska, Global Economist at J.P.Morgan, said:

*“The all-industry composite PMI moved up half a point in May reversing part of the 2.5pt drop in the index from February to April. The improvement in May was concentrated in the EM where China and Russia saw large improvements against declines across much of the DM. The move up in China suggests the worst of the recent outbreak is over for the time being. In Russia the shock to the economy from sanctions looks limited based on the PMI survey. Elsewhere in the report it was positive to see employment series hold up suggesting continued strength in the labor markets. Price pressures remain high according to the latest survey.”*

#### Services Index summary

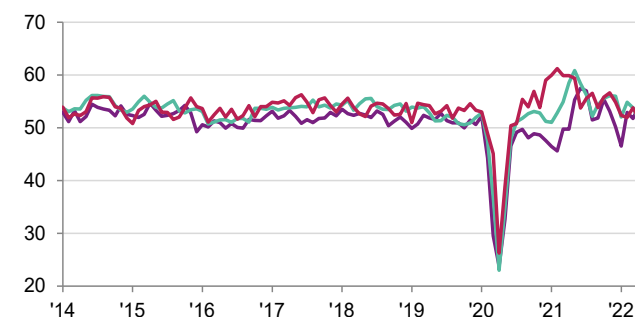
sa, 50 = no change over previous month. \*50 = no change over next 12 months.

Index	Apr-22	May-22	Interpretation
Business Activity	52.2	52.2	Growth, same rate
New Business	52.3	53.1	Growth, faster rate
New Export Business	51.2	50.9	Growth, slower rate
Future Activity*	64.1	65.8	Growth expected, greater optimism
Employment	54.0	54.0	Growth, same rate
Outstanding Business	53.3	53.5	Growth, faster rate
Input Prices	71.4	71.7	Inflation, faster rate
Prices Charged	63.4	61.2	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.

### Contact

Olya Borichevska  
Economic & Policy Research  
J.P.Morgan Chase Bank  
New York  
[olya.e.borichevska@jpmorgan.com](mailto:olya.e.borichevska@jpmorgan.com)

Joanna Vickers  
Corporate Communications  
S&P Global  
T: +44 207 260 2234  
[joanna.vickers@spglobal.com](mailto:joanna.vickers@spglobal.com)

Rob Dobson  
Director  
S&P Global Market Intelligence  
T: +44 1491 461 095  
[rob.dobson@spglobal.com](mailto:rob.dobson@spglobal.com)

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, click [here](#).

**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](mailto: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](http://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](http://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](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. [ihsmarkit.com/products/pmi.html](http://ihsmarkit.com/products/pmi.html).

**Data sources**

Region	Producer	In association with
Australia	S&P Global	–
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	–
Denmark	DILF	Kairos commodities
Egypt*	S&P Global	–
France	S&P Global	–
Germany	S&P Global	BME
Greece	S&P Global	HPI
Hong Kong SAR <sup>1</sup> *	S&P Global	–
Hungary	HALPIM	–
India	S&P Global	–
Indonesia	S&P Global	–
Ireland	S&P Global	AIB
Israel	IPLMA	Bank Hapoalim Ltd
Italy	S&P Global	–
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	–
Russia	S&P Global	–
Saudi Arabia*	S&P Global	–
Singapore*	S&P Global	–
South Africa*	S&P Global	–
South Korea	S&P Global	–
Spain	S&P Global	AERCE
Switzerland	procure.ch	Credit Suisse
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	CIPS
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.

**Disclaimer**

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.