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J.P.Morgan Global Composite PMI®

Global economic growth at ten-month high in April as new order intakes continue to rise

Key findings

Global Composite PMI Output Index at 52.4

Slight decrease in employment

New export orders rise for first time since February 2022

The rate of global economic expansion improved to a ten-month high in April, as a faster increase in service sector output offset a mild growth slowdown in manufacturing production. The economic upturn was underpinned by rising levels of new business including a slight strengthening of international trade volumes.

The J.P.Morgan Global Composite PMI® Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – edged up to 52.4 in April, from 52.3 in March, to signal expansion for the sixth month running. Economic activity rose in almost all of the nations covered, the exception being Canada.

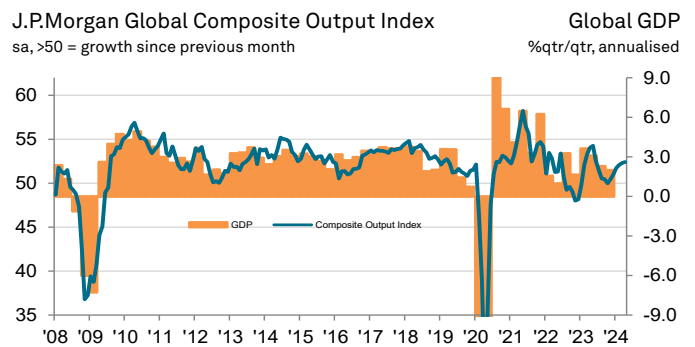
Note: Due to a later-than-usual release date, references to April data for the Japan services and Japan composite PMIs are the flash estimates published on April 23rd. These were also used in the calculation of the April 2024 global numbers.

The global service sector outperformed its manufacturing counterpart again in April. Services business activity rose at the quickest pace since June 2023, with growth registered across the business, consumer and financial services sectors. Global manufacturing production also rose the fourth successive month, but at a slightly slower rate than the prior survey month. Expansions in the consumer and intermediate goods categories more than offset a fall back into contraction in the investment goods industry.

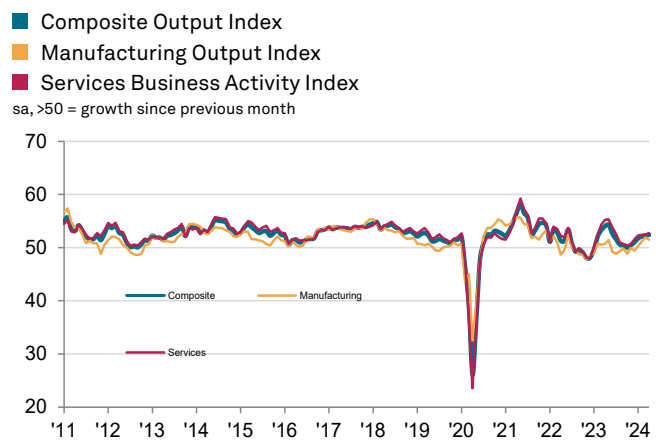
The level of new business rose for the sixth month running in April, although the rate of expansion eased from March's nine-month high. The latest increase was supported by improved intakes of new export orders, which rose for the first time in over two years (since February 2022). Growth of new export business was registered in both the manufacturing and service sectors.

Companies maintained a positive economic outlook in April, with output forecasted to be higher in 12 months' time. Service providers remained more upbeat than manufacturers, although both sectors saw optimism retreat slightly over the month.

April saw a slight decrease in global employment for the first



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



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	Mar-24	Apr-24	Interpretation
Output	52.3	52.4	Growth, faster rate
New Business	52.1	51.7	Growth, slower rate
New Export Business	49.8	50.6	Growth, from contracting
Future Output*	63.8	62.8	Growth expected, lesser optimism
Employment	50.9	49.9	Decline, from increasing
Outstanding Business	48.9	49.4	Decline, slower rate
Input Prices	56.6	56.3	Inflation, slower rate
Output Prices	53.8	53.2	Inflation, slower rate

time since August 2020. Staffing levels were reduced, albeit marginally, in the service sector and were unchanged over the month at manufacturers. Overall employment was raised in the euro area, Japan, India, the UK, Brazil, Russia, Australia and Canada, while job cuts were made in the US and China.

Average input prices rose again in April, with the rate of increase easing only slightly from March's six-month high. Sector data signalled that cost inflation remained noticeably stronger at service providers than manufacturers, despite decelerating in the former and accelerating in the latter. Developed economies (on average) saw sharper cost increases than those generally registered for emerging markets.

Part of the increase in input prices was passed on to clients in the form of higher output charges during April. Selling prices were raised for the forty-sixth consecutive month, with the rate of inflation slightly slower than March's recent high. All of the nations for which composite PMI data are compiled registered increases.

Global Services Summary

The J.P.Morgan Global Services PMI Business Activity Index rose to a ten-month high of 52.7 in April, up from 52.4 in March and February. Output growth was sustained by rising intakes of new business and a slight reduction in backlogs of work. An increase in new export orders also contributed to the upturn.

Business activity rose in all of the nations covered by the survey, with by far the steepest rate of growth registered by India. The news on the jobs front was less positive, however, with global services employment declining for the first time since July 2020. Although output prices and input costs continued to rise, rates of inflation eased since March.

Comment

Bennett Parrish, Global Economist at J.P.Morgan, said:

“Global growth looks to have gained further momentum in April, with the composite output PMI ticking up 0.1-point to a 10-month high of 52.4. Key survey details including the new orders and future output indexes declined modestly last month but remained at reasonably elevated levels. Of more concern was a sharp 1.1-point drop in the employment PMI given the importance of job growth in driving the expansion. The still-elevated levels of the pricing PMIs also underscore pressure on central banks to remain on hold until further progress on inflation is made. Regionally, while a sharp drop in the US reading poses some concern, continued improvements outside the US point to more geographic balance in the expansion.”

Services Index summary

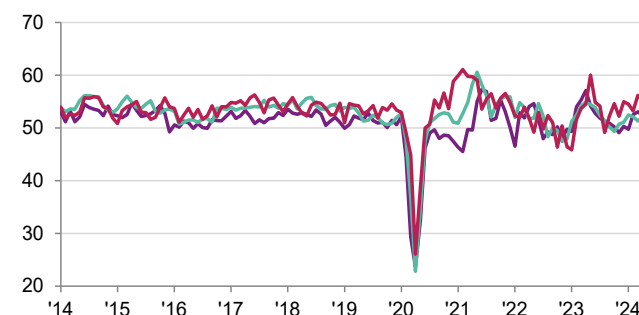
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Mar-24	Apr-24	Interpretation
Business Activity	52.4	52.7	Growth, faster rate
New Business	52.5	52.2	Growth, slower rate
New Export Business	50.6	51.1	Growth, faster rate
Future Activity*	64.3	63.3	Growth expected, lesser optimism
Employment	51.2	49.8	Decline, from increasing
Outstanding Business	49.2	49.7	Decline, slower rate
Input Prices	58.1	57.2	Inflation, slower rate
Prices Charged	54.7	53.9	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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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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