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# J.P.Morgan Global Composite PMI®

## Global economic growth slows following downturn in manufacturing production

### Key findings

Global Composite PMI Output Index at 52.0

New business rises in services but falls at manufacturers

Business optimism at near two-year low

The rate of global economic expansion slowed to an eight-month low in September. Service sector business activity continued to grow at a solid pace, but a decrease in manufacturing output signalled a wide divergence between the two sectors.

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 52.0 in September, down from 52.8 in August. The headline index has signalled expansion in each of the past 11 months.

*Note: due to later-than-usual release dates, September 2024 data for Mexico manufacturing, South Korea manufacturing and India services were not available for inclusion in the global numbers.*

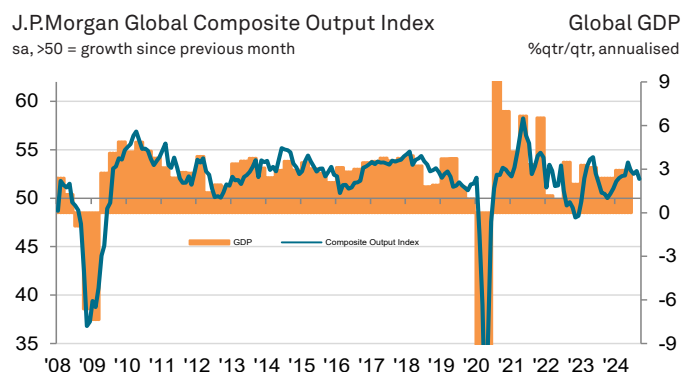
Service sector business activity rose for the twentieth consecutive month in September, albeit at a reduced pace. Output rose across the business, consumer and financial services sub-industries, with growth again led by the financial services category. A similar sectoral trend was seen for new orders.

In contrast, manufacturing production decreased for the first time since December 2023 following a third successive month-on-month decrease in the level of new work received.

Marked divergences were also evident among the major economies during September. The US, Japan, UK and Brazil all expanded at solid rates, but the eurozone, Canada, Russia and mainland China showed signs of either contracting or stalling.

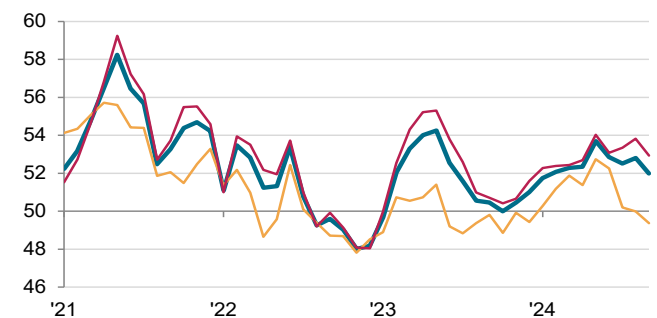
The level of incoming new business rose for the eleventh successive month in September. However, similar to the trend in output, there was a marked disparity between the performances of the manufacturing and service sectors. The former saw new work intakes decrease for the third straight month and at the quickest pace since December 2022. In contrast, service providers saw new business rise for the eleventh month in a row, albeit at a slightly reduced rate.

September saw global employment stabilise following a minor reduction in the prior survey month. A slight increase



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	Aug-24	Sep-24	Interpretation
Output	52.8	52.0	Growth, slower rate
New Business	52.1	51.1	Growth, slower rate
New Export Business	48.9	48.4	Decline, faster rate
Future Output*	62.1	59.8	Growth expected, weaker optimism
Employment	49.9	50.0	No change, from decreasing
Outstanding Business	48.7	49.4	Decline, slower rate
Input Prices	56.6	56.3	Inflation, slower rate
Output Prices	52.3	52.5	Inflation, faster rate

in services sector staffing levels was offset by a modest reduction in headcounts at manufacturers. That said, the decrease in the latter was the steepest during 2024 so far.

Signs of economic slowdown in recent months, along with rising geopolitical tensions, had a noticeable impact on business confidence in September. Optimism dipped to a near two-year low (weakest level since October 2022) with positive sentiment easing at both manufacturers and service providers alike.

Average input costs rose for the fifty-second consecutive month in September, leading to a further increase in output charges. That said, the rate of input price inflation eased to a three-month low. Increases signalled for both price measures remained (on average) higher in developed nations compared to their emerging market counterparts.

**Global Services Summary**

The J.P.Morgan Global Services PMI Business Activity Index posted 52.9 in September, down from August's three-month high and its lowest reading since April. Service sector output has now risen in each of the past 20 months.

Growth was underpinned by rising intakes of new business, including a further improvement in new export orders. Employment increased slightly, following no change in the prior survey month, as backlogs of work showed a minor gain.

Price pressures increased slightly in September, with rates of increase in both input costs and output charges accelerating. Business optimism dipped to a near two-year low.

**Services Index summary**

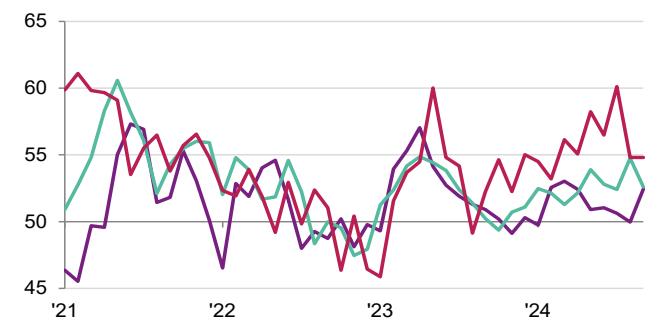
sa, 50 = no change over previous month. \*50 = no change over next 12 months.

Index	Aug-24	Sep-24	Interpretation
Business Activity	53.8	52.9	Growth, slower rate
New Business	53.3	52.4	Growth, slower rate
New Export Business	50.7	51.5	Growth, faster rate
Future Activity*	62.8	60.3	Growth expected, weaker optimism
Employment	50.0	50.4	Growth, from no change
Outstanding Business	49.0	50.1	Growth, from decreasing
Input Prices	57.1	57.4	Inflation, faster rate
Prices Charged	52.6	53.0	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.

**Comment**

Bennett Parrish, Global Economist at J.P.Morgan, said: "A 0.9-pt decline in the global services activity PMI pushed the J.P. Morgan global composite PMI down 0.8-pt to 52.0 in September. At this level, the index still points to a strong pace of global growth at just below 3%ar. But a broad-based loss of momentum across regions and sectors raises some concerns. Stability in the composite employment PMI was one of the few bright spots in the report, particularly against the backdrop of signs of easing in labor market pressures."

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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](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.

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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.

**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	–
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 and services 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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