

Embargoed until 1100 EDT (1500 UTC) 6 July 2023

J.P.Morgan Global Composite PMI™

Global economic expansion softens as service sector growth slows and manufacturing contracts

Key findings

Global Composite PMI Output Index at 52.7

New business growth weakens

Output price inflation at two-and-a-half year low

The global economic upturn lost momentum at the end of the second quarter, as a downturn in manufacturing output was accompanied by slower growth at service providers.

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 52.7 in June, a four-month low and down from May's one-and-a-half year high of 54.4.

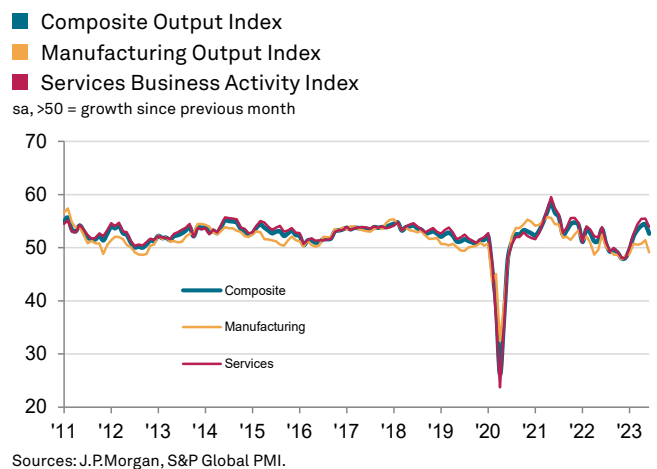
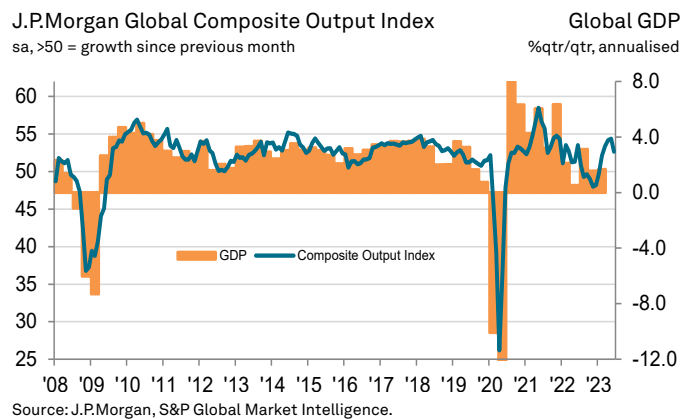
The expansion continued to be driven by the service sector where activity rose across the business, consumer and financial services categories, albeit at slower rates in all three. In contrast, manufacturing production contracted for the first time since January. Output declined in both the intermediate and investment goods industries and stagnated at consumer goods producers.

Companies expect the outperformance of services over manufacturing to persist in the coming months, as business optimism strengthened at service providers but dipped to a seven-month low at manufacturers.

National PMI data for June signalled expansions of output in 12 out of the 14 countries covered, the exceptions being Italy and France. Moreover, apart from Russia, all of the nations registering growth also saw slower rates of increase. India, Russia, the US and the UK all registered growth above the global average. Further highlighting the outperformance of services, only in India was the PMI Output Index for manufacturing above its equivalent for service sector business activity.

June saw the level of incoming new business rise for the fifth straight month. Similar to the trend in output, new order growth eased to its lowest since February, reflecting a softer expansion at service providers and continued contraction in manufacturing (the twelfth in as many months).

Global employment continued to rise in June, with job creation signalled for the thirty-fourth month running. Staffing levels were increased in all of the nations covered by the survey. Service sector employment rose, albeit at a slower pace, while manufacturing staffing levels held broadly steady. The combination of weaker growth in both jobs and



Composite Index summary

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

Index	May-23	Jun-23	Interpretation
Output	54.4	52.7	Growth, slower rate
New Business	53.7	52.4	Growth, slower rate
New Export Business	48.8	48.3	Decline, faster rate
Future Output*	63.8	64.1	Growth expected, better optimism
Employment	52.0	51.9	Growth, slower rate
Outstanding Business	48.9	49.6	Decline, slower rate
Input Prices	56.7	57.0	Inflation, faster rate
Output Prices	54.4	53.4	Inflation, slower rate

demand freed up capacity to achieve a second consecutive monthly reduction in work-in-hand volumes.

Rates of increase for input costs and output charges remained milder in June than those generally seen through much of 2021 and 2022. Selling prices rose at the slowest pace for two-and-a-half years, while the rate of input cost inflation was only a few ticks above May's 31-month low.

Global Services Summary

The upturn in the global service sector continued in June, with levels of business activity, new work received and employment all rising. New export orders also increased for the fourth month in a row. However, the expansion lost impetus, as rates of growth in each of these variables slowed over the month.

The J.P.Morgan Global Services PMI Business Activity Index posted 54.0 in June, down from 55.5 in May and its lowest reading since February. Output growth was registered in most of the nations covered, the only exception being France (which fell back into contraction for the first time in five months).

There are signs that companies maintained a positive outlook for the sector. Business optimism rose to a 13-month high and stayed above its long-run average, while backlogs of work accumulated for the fourth time in the past five months. Cost inflation edged higher, whereas average output charges rose at the weakest pace since March 2021.

Services Index summary

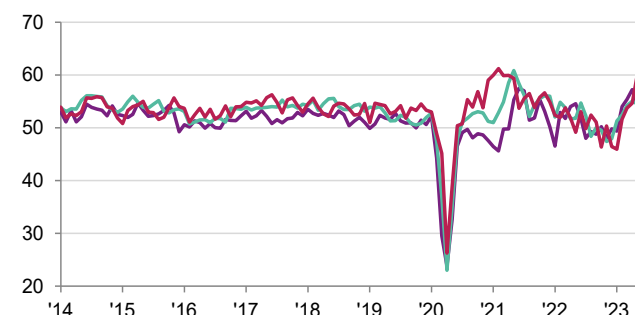
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	May-23	Jun-23	Interpretation
Business Activity	55.5	54.0	Growth, slower rate
New Business	55.4	54.0	Growth, slower rate
New Export Business	53.7	52.4	Growth, slower rate
Future Activity*	64.8	65.7	Growth expected, better optimism
Employment	52.7	52.6	Growth, slower rate
Outstanding Business	49.8	50.7	Growth, from declining
Input Prices	59.4	60.1	Inflation, faster rate
Prices Charged	56.1	54.9	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.

Contact

Bennett Parrish
Economic & Policy Research
J.P.Morgan Chase Bank
New York
bennett.parrish@jpmchase.com

Katherine Smith
Corporate Communications
S&P Global Market Intelligence
T: +1 (781) 301-9311
katherine.smith@spglobal.com

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

If you prefer not to receive news releases from S&P Global, please email 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.

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.

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.

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

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. ihsmarkit.com/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	–
Denmark	DILF	–
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	–
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	–
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	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 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.

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.