News Release

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J.P.Morgan Global Manufacturing PMI®

Global manufacturing production, new orders and employment all decline slightly in August

Key findings

Global Manufacturing PMI at eight-month low

New export orders fall for third month running

Input cost increases lead to higher selling prices

Signs of weakness continued to build in the global manufacturing sector during August. Production, new orders and employment posted mild contractions, and global trade flows deteriorated for the third month in a row.

The J.P.Morgan Global Manufacturing PMI™ – a composite index produced by J.P.Morgan and S&P Global Market Intelligence in association with ISM and IFPSM – fell to an eight-month low of 49.5 in August, to remain below the neutral 50.0 mark for the second successive month.

Out of the 31 surveys for which August data were available, 18 registered a PMI reading consistent with a deterioration in manufacturing operating conditions. This included downturns in the US, the euro area as a whole and Japan. Although, the China PMI moved slightly back above the no-change mark, at 50.4 it remained at a subdued level. Solid growth was seen in India – which was also the best performer by far – the UK and South Korea (among others).

August saw global manufacturing production decrease, albeit only slightly, for the first time in 2024 so far. Output contracted in both the intermediate and investment goods industries. Although the upturn at consumer goods producers continued, the rate of growth was only mild and the weakest during the current 13-month sequence of expansion.

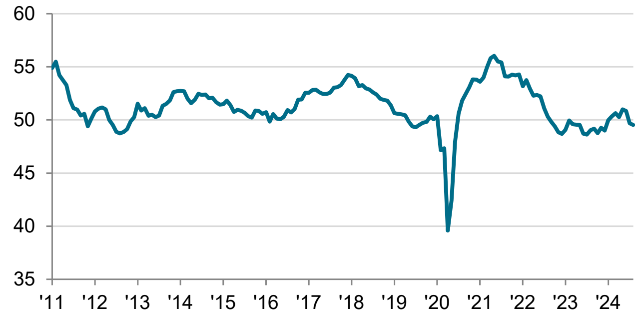
July and August have seen back-to-back contractions in the level of new work received by global manufacturers. The rate of growth was also identical to the prior survey month.

All three of the sub-industries covered by the survey (consumer, intermediate and investment goods) saw new order intakes decrease. The trend in global trade flows was especially subdued, as the volume of new export business fell for the third straight month and at the quickest pace since last December. China, the US, Japan, Germany and the UK were among the larger exporting nations to register reduced new export order intakes.

Manufacturing employment decreased for the first time in

J.P.Morgan Global Manufacturing PMI

sa, >50 = improvement since previous month



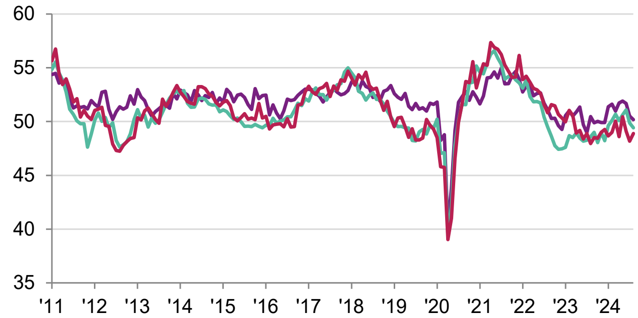
Source: J.P.Morgan, S&P Global PMI.

Consumer Goods PMI

Intermediate Goods PMI

Investment Goods PMI

sa, >50 = improvement since previous month



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

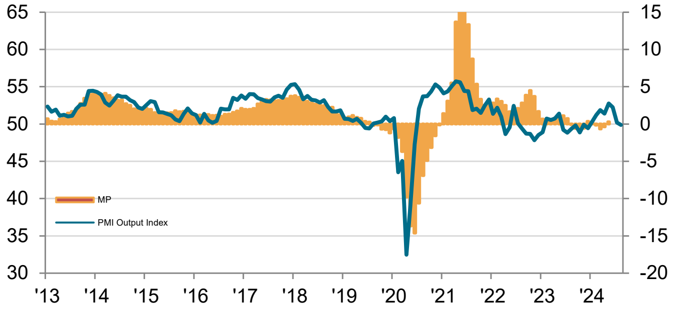
Index summary

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

Index	Jul-24	Aug-24	Interpretation
PMI	49.7	49.5	Deterioration, faster rate
Output	50.2	49.9	Decline, from expanding
New Orders	48.8	48.8	Decline, unchanged rate
New Export Orders	49.3	48.4	Decline, faster rate
Future Output	60.4	60.3	Growth expected, weaker sentiment
Employment	50.0	49.7	Decline, from no change
Input Prices	55.2	55.0	Inflation, slower rate
Output Prices	51.4	51.7	Inflation, faster rate

Global Manufacturing PMI Output Index
sa, >50 = growth since previous month

Manufacturing production
%yr/yr



Sources: J.P.Morgan, S&P Global.

six months during August. That said, the rate of contraction was only marginal, as job losses in the consumer and intermediate goods sectors were partly offset by increased staffing in the investment goods category. The US and the euro area saw employment reduced, China saw no change, while job creation was registered in Japan, the UK and Brazil (among others).

The outlook for the global manufacturing sector remained potentially lacklustre in August. Business optimism remained below its long-run survey average and among the weakest over the past one-and-a-half years. The forward-looking new orders-to-finished goods inventory ratio was also unchanged from July's nine-month low. Manufacturers' cautious outlook was also reflected in further reductions to purchasing activity and inventory holdings.

Average purchase prices rose for the thirteenth consecutive month in August, albeit to the weakest extent since May. Part of the increase in costs was passed on to clients, as highlighted by a further rise in average selling prices.

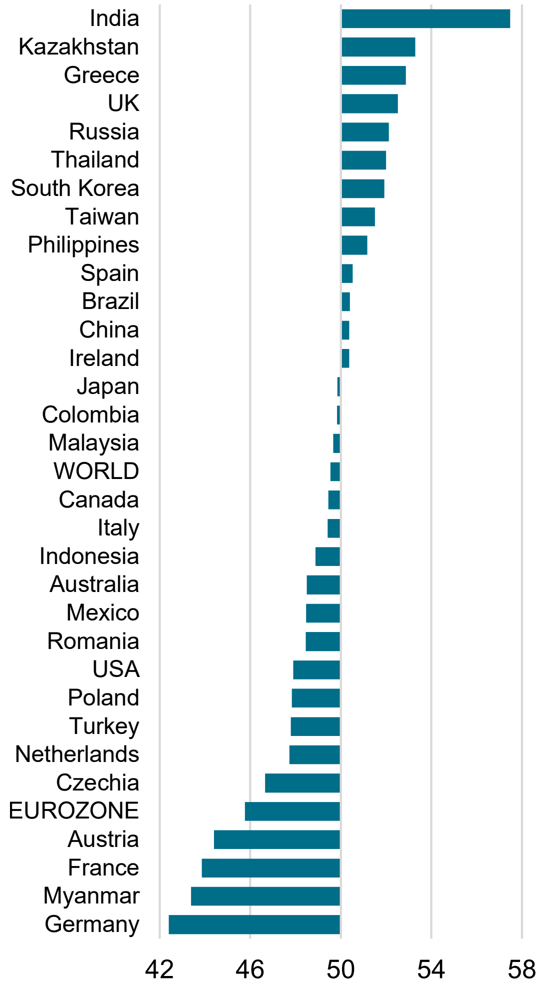
Comment

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

“The J.P.Morgan global manufacturing output PMI slipped 0.3-pt to 49.9 in August, its first reading below the 50-mark this year. In addition to a weaker output growth, survey details suggested a continued slowdown in new order intakes and the pace of hiring. Although the Euro area remained the weakest performing region, output growth slowed again in the US and a few other EM Asian economies according to the August surveys. The pricing PMIs firmed in August, likely reflecting the ongoing inflationary impact of higher shipping costs."

Manufacturing PMI
sa, >50 = improvement since previous month

Aug '24



Sources: J.P.Morgan, S&P Global PMI, HCOB, HSBC, Unicredit Bank Austria, Caixin, Davivienda, HPI, AIB, Jibun Bank, NEVI, Istanbul Chamber of Industry.

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

Survey methodology

The J.P.Morgan Global Manufacturing PMI® is produced by S&P Global in association ISM and IFPSM.

Global manufacturing PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added*.

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 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.

Indices are calculated 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.

Global manufacturing indices are calculated by weighting together the country indices. Country weights are calculated from annual manufacturing value added*.

The headline figure is the Global Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five global indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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@spglobal.com.

The J.P.Morgan Global Manufacturing PMI provides the first indication each month of world manufacturing 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 world-wide.

* 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

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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

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. www.spglobal.com/marketintelligence/en/mi/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	–
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	–
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 responses extracted from survey panels covering the entire private sector economy.

[1]Hong Kong is a Special Administrative Region of China.

[2]US data compiled by ISM pre-February 2010 and by S&P Global post-January 2010.

PMI® by S&P Global

ISM institute for supply management

IFPSM