

Embargoed until 1100 EST (1600 UTC) 3 March 2023

J.P.Morgan Global Composite PMI™

Global output and new orders expand for first time seven months in February

Key findings

Global PMI Output Index rises to 52.1

Growth of new business at eight-month high

Job creation strengthens

February saw global economic activity and new orders both return to growth, ending six-month sequences of contraction. The renewed upturn in output was led by the services sector and reinforced by the first expansion of manufacturing production since last July.

The J.P.Morgan Global Composite Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – posted 52.1 in February, up from 49.7 in January, to post a reading above the neutral 50.0 mark.

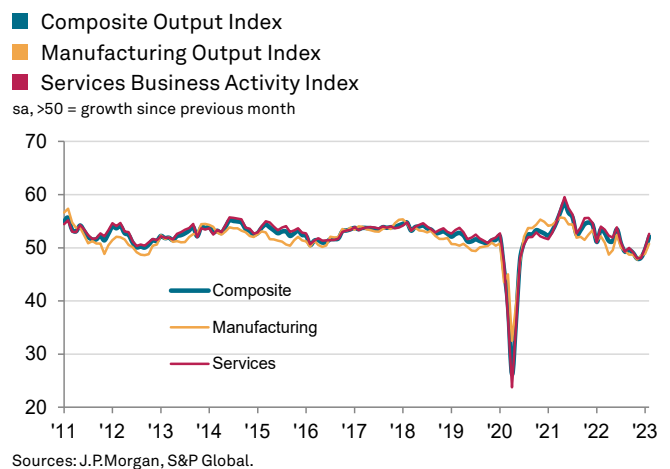
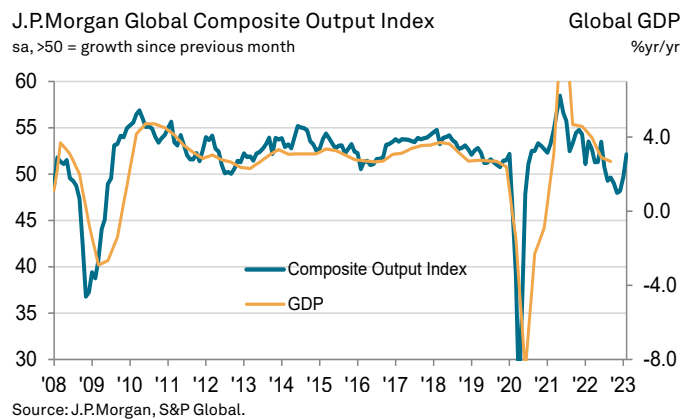
Five out of the six sub-industries covered by the survey saw economic activity expand during February (business services, consumer goods, consumer services, financial services and investment goods). Although the downturn in the intermediate goods category continued, the rate of contraction eased to a six-month low.

Of the 14 nations for which February data were available, 12 registered expansions of economic output. Rates of growth varied widely, however, from strong upturns in India and Spain to only negligible growth in the US. Mainland China and Japan both saw activity rise for the second successive month. Brazil and Kazakhstan were the only nations to register contractions.

Companies reported that reduced recession risks, a peaking of cost pressures, improving supply chains and a reopening of the Chinese economy had all boosted demand in February. Incoming new business rose for the first time since July 2022, as a solid increase at service providers more than offset a further (albeit slower) decrease at manufacturers.

The uplift in demand was led by the household sector, with the consumer goods and consumer services industries seeing the fastest rates of growth in new business. New work received also rose in the business services, financial services and investment goods industries (the latter two seeing growth return following recent contractions). In contrast, new business fell at intermediate goods manufacturers. Measured overall, international trade flows declined to the least marked extent since June.

The reviving performance of the global economy also



Composite Index summary

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

Index	Jan-23	Feb-23	Interpretation
Output	49.7	52.1	Growth, from declining
New Business	49.8	51.3	Growth, from declining
New Export Business	47.8	48.7	Decline, slower rate
Future Output*	64.1	64.8	Growth expected, better optimism
Employment	50.4	51.6	Growth, faster rate
Outstanding Business	48.7	49.8	Decline, slower rate
Input Prices	60.9	59.8	Inflation, slower rate
Output Prices	55.0	55.3	Inflation, faster rate

breathed life into the trends in business confidence and job creation. Positive sentiment rose to its highest level in a year, improving at manufacturers and service providers alike. The latest increase in employment extended the current growth sequence to two-and-a-half years, with the rate of increase a six-month high.

February saw a modest easing in the rate of input price inflation. Costs rose at the second-slowest rate in over two years. Both the manufacturing and service sectors registered slower increases in costs. Part of the rise was passed on to clients in the form of higher selling prices. Output charges rose for the thirty-second consecutive month and at a slightly quicker pace than in the prior survey month.

Global Services Summary

The J.P.Morgan Global Services Business Activity Index rose to an eight-month high of 52.6 in February, up from a reading at the neutral 50.0 mark in January. The index therefore signalled growth for the first time since July 2022.

Expansions were registered in the majority of the nations covered by the services survey (contractions in Brazil and Kazakhstan the exceptions), led by robust growth in India. China and Japan also saw solid increases and the US returned to expansion (albeit weak) following a seven-month sequence of decline.

Growth of new business accelerated to a seven-month high, leading to stronger job creation and improved business optimism. Input cost inflation slowed slightly, in contrast to a mild uptick in the rate of increase in average output charges.

Services Index summary

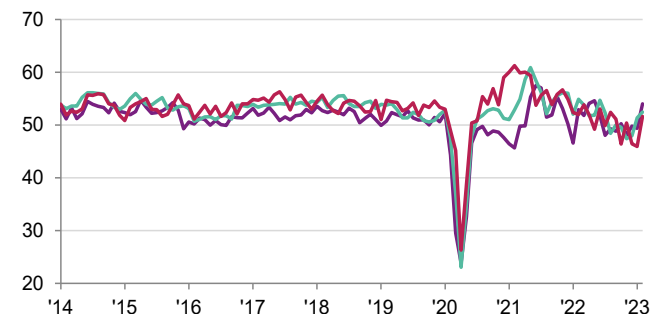
sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Jan-23	Feb-23	Interpretation
Business Activity	50.0	52.6	Growth, from no change
New Business	50.6	52.0	Growth, faster rate
New Export Business	48.9	50.0	No change, from declining
Future Activity*	64.7	65.6	Growth expected, better optimism
Employment	50.6	51.7	Growth, faster rate
Outstanding Business	49.1	50.4	Growth, from declining
Input Prices	62.4	61.3	Inflation, slower rate
Prices Charged	55.0	55.5	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.

Comment

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

“The February PMIs provide a convincing signal that the global expansion is gathering steam early in the year. The global composite output PMI rose 2.4-pt to an eight-month high of 52.1 in February, consistent with global GDP growing at its potential pace. The new orders PMI also took an encouraging step up in February. This performance uplift is filtering through to the labor market and business confidence. With reduced recession risks, improving supply chains, and the reopening of the Chinese economy likely to boost demand in the immediate future, further gains in output are expected in the coming months.”

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	Kairos commodities
Egypt*	S&P Global	–
France	S&P Global	–
Germany	S&P Global	BME
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	–
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	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 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.