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# J.P.Morgan Global Composite PMI®

## Global economic growth edges higher but sector divergence persists

### Key findings

Global Composite PMI Output Index at 51.0

Service sector growth accelerates...

...but manufacturing downturn continues

Growth of global economic activity strengthened slightly at the end of 2023, supported by improved inflows of new work and a mild uplift in business confidence. Sector variations widened, however, as service economies fared better (on average) whereas manufacturing remained in decline.

The J.P.Morgan Global Composite PMI® Output Index – produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – rose to 51.0 in December, up from 50.5 in November, its highest reading since last July. However, the headline index remained below its long-run average (53.2) and at a level consistent with only modest growth.

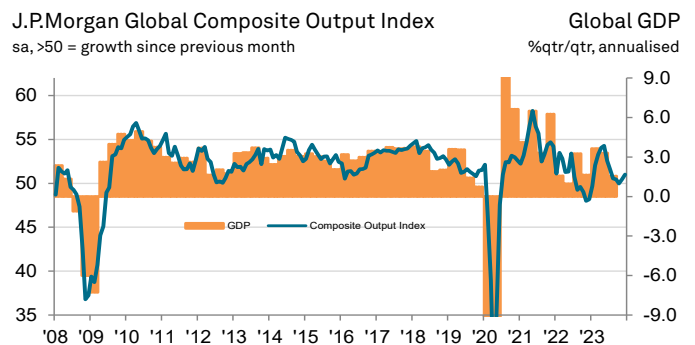
*Notes: due to later-than-usual release dates, data for India and Kazakhstan were not included in the December global numbers. References to the Japan data relate to the flash numbers released on December 15.*

Service sector business activity rose for the eleventh successive month in December, with the rate of growth hitting a five-month high. Expansions were signalled across the business, consumer and financial services categories, with by far the steepest increase in the latter.

The manufacturing downturn extended into its seventh consecutive month in December. The contraction was mainly centred on intermediate goods producers. In contrast, output rose in the consumer and investment goods industries. Rates of growth may have remained mild overall, but nonetheless picked up pace over the month.

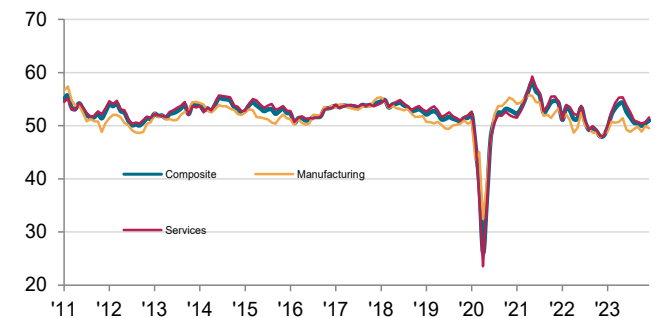
National PMI data signalled that the euro area, Canada and Australia were the main drags on global economic activity in December, with all seeing output decline. Japan saw a slight expansion, following a mild contraction in November. Growth accelerated in the US, China, the UK and Russia.

Intakes of new business increased for the second successive month in December. However, the rate of expansion remained mild and below its long-run survey average. Similar to the picture seen for output, manufacturing new orders declined further in contrast to stronger new business growth at service providers. The slight improvement in the demand environment filtered through to business optimism, with



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	Nov-23	Dec-23	Interpretation
Output	50.5	51.0	Growth, faster rate
New Business	50.1	50.8	Growth, faster rate
New Export Business	48.5	48.3	Decline, faster rate
Future Output*	61.3	62.5	Growth expected, better optimism
Employment	50.1	50.4	Growth, faster rate
Outstanding Business	48.3	47.9	Decline, faster rate
Input Prices	55.7	56.2	Inflation, faster rate
Output Prices	53.5	53.5	Inflation, same rate

confidence rising to a six-month high.

The trend in job creation remained relatively subdued. Although employment increased for the fortieth month in a row, the rate of growth was again only marginal in December. Staffing levels were raised in the US, Japan and Brazil (among others), but reduced in China, the euro area and the UK.

December saw average input prices increase at a slightly faster pace. Output charges also rose, but at the same rate as one month earlier. Rates of increase in both price measures were higher in the service sector than at manufacturers.

### Global Services Summary

The J.P.Morgan Global Services PMI Business Activity Index rose to a five-month high of 51.6 in December, up from 50.6 in November. Growth of services output has been signalled in each of the past 11 months. The latest survey saw business activity increase in the US, China, Japan, the UK, Russia and Brazil, but fall in the euro area (on average), Canada and Australia.

Output growth at global service providers was underpinned by improved intakes of new business, which rose to the greatest extent since last July. Working through existing contracts also contributed to higher activity levels. Job creation picked up and business optimism hit a four-month high. Input costs rose at a slightly quicker pace than in November.

### Comment

Maia Crook, Global Economist at J.P.Morgan, said:

"The December PMIs edged up further in December, with the Composite Output Index gaining 0.5pts to hit a five-month high of 51.0. Gauges for new orders, employment, and future activity each made positive steps at year-end. Sectoral disparities widened, however, as service output PMI gains offset continued weakness in global manufacturing. On a regional basis, the weak performance of the Euro Area also contrasts with the expansions seen in China, the US, and India. These imbalances, and the extent to which they could threaten the sustainability of the current expansion, remain a concern."

### Services Index summary

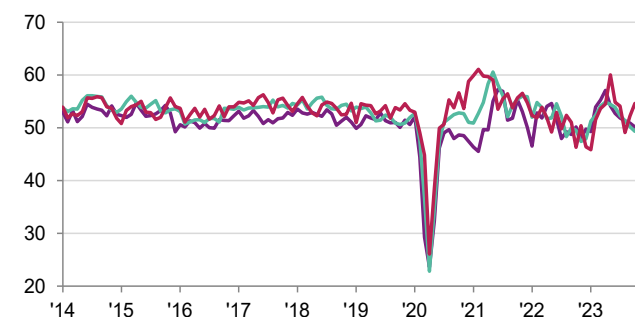
sa, 50 = no change over previous month. \*50 = no change over next 12 months.

Index	Nov-23	Dec-23	Interpretation
Business Activity	50.6	51.6	Growth, faster rate
New Business	50.5	51.7	Growth, faster rate
New Export Business	49.6	49.3	Decline, faster rate
Future Activity*	61.7	63.2	Growth expected, better optimism
Employment	50.5	51.0	Growth, faster rate
Outstanding Business	48.7	48.4	Decline, faster rate
Input Prices	57.0	57.6	Inflation, faster rate
Prices Charged	54.4	54.2	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](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	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	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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