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# J.P.Morgan Global Manufacturing PMI™

## Global manufacturing output sees renewed contraction as new orders fall at fastest rate in five months

### Key findings

Manufacturing PMI at six-month low of 48.8

Only ten out of 29 nations see output expand

Business optimism dips to seven-month low

Conditions in the global manufacturing sector worsened at the end of the second quarter. June saw output fall back into contraction territory following a further decrease in new order intakes. This led to a more cautious approach from manufacturers, with purchasing cut back sharply, inventory destocking, employment broadly flat and business optimism dipping to a seven-month low.

The J.P.Morgan Global Manufacturing PMI™ – a composite index produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – posted 48.8 in June, a six-month low and down from 49.6 in May. The PMI has signalled a worsening in operating conditions for ten consecutive months.

*Note: due to later-than-usual release dates, June data for Canada and Colombia were not available for inclusion in the global numbers.*

Factory output declined in June, having risen during the past four months due to easing supply chain constraints and the lifting of restrictions in mainland China. The main factor underlying lower production was a further contraction in new order intakes, which fell for the twelfth successive month.

Only ten out of the 29 nations for which June data were available saw production increase, seven of which were located in Asia (including growth in India and mainland China). Sector data showed output falling in the intermediate and investment goods sectors and stagnating at consumer goods producers.

International trade flows remained especially weak, as new export business contracted for the sixteenth successive month. The rate of decline accelerated to the strongest in six months, with reductions signalled in the US, euro area, Japan, South Korea and Brazil (among others), while mainland China saw only a negligible increase.

The current sustained weakness of the demand environment led to an increasingly cautious approach from manufacturers. Staffing levels were broadly unchanged during June, purchasing activity was cut back to the greatest extent

J.P.Morgan Global Manufacturing PMI™

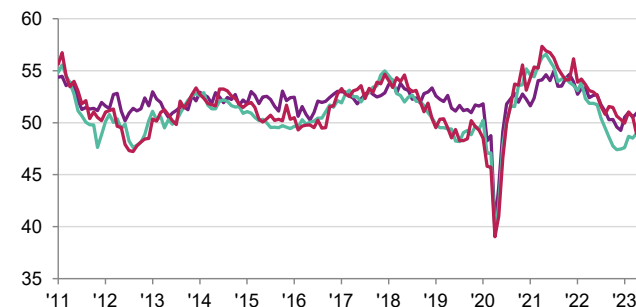
sa, >50 = improvement since previous month



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

- Consumer Goods PMI
- Intermediate Goods PMI
- Investment Goods PMI

sa, >50 = improvement since previous month

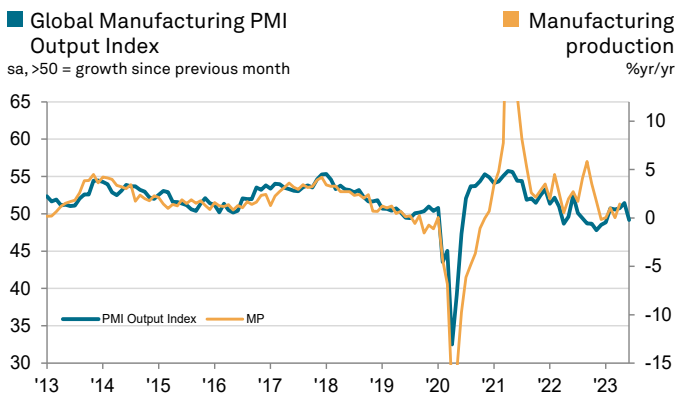


Source: J.P.Morgan, S&P Global.

### Index summary

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

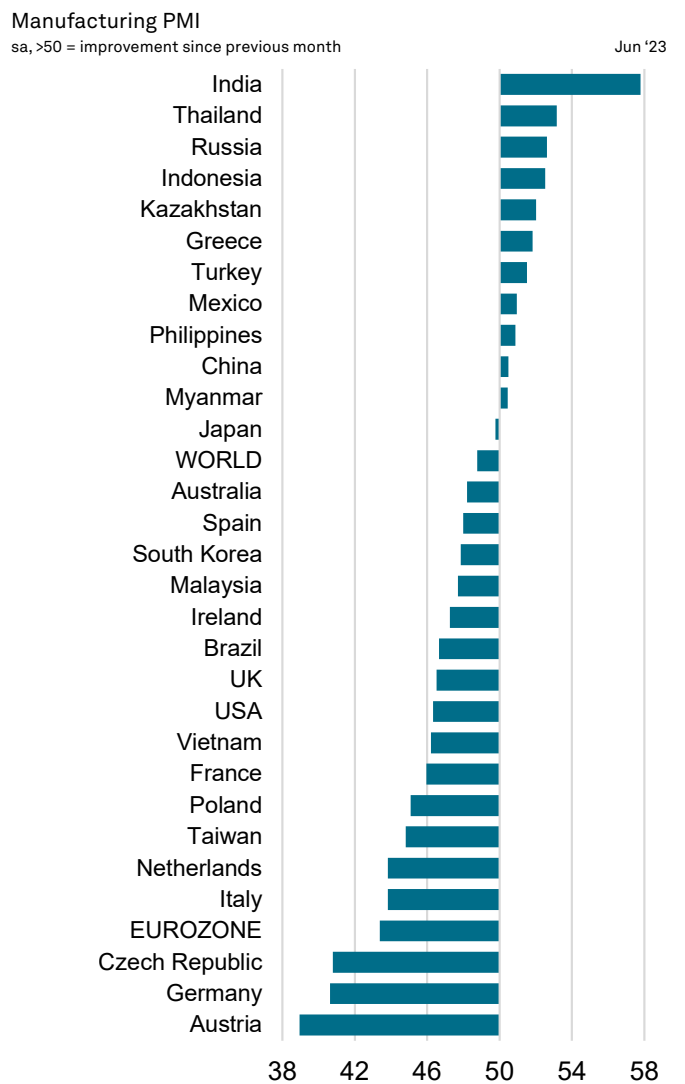
Index	May-23	Jun-23	Interpretation
PMI	49.6	48.8	Deterioration, faster rate
Output	51.4	49.2	Decline, from expanding
New Orders	49.3	48.0	Decline, faster rate
New Export Orders	47.3	47.1	Decline, faster rate
Future Output	61.0	59.6	Growth expected, weaker sentiment
Employment	50.0	50.1	Growth, from no change
Input Prices	49.3	48.4	Decline, faster rate
Output Prices	49.8	49.2	Decline, faster rate



since January and stocks were depleted as companies freed up funds. The dearth of demand also led to backlogs of work being reduced for the twelfth month in a row.

Business optimism was less upbeat in June. Although manufacturers (on average) still forecast output to rise over the coming year, the overall degree of positivity dipped to its lowest since last November. Confidence was at a six-month low in the US, an eight-month low in mainland China and a seven-month low in the euro area (with France and Germany forecasting output to fall over the coming 12 months). Japan was one of the rare exceptions that saw sentiment strengthen.

There was better news on the supply and price fronts during June. Average vendor lead times shortened for the fifth month running, albeit to the least marked extent since February. Input costs fell for the second straight month, with the steeper rate of decline (on average) in developed nations compared to their emerging market counterparts. Average selling prices also posted back-to-back decreases in May and June.



**Contact**

Bennett Parrish  
Economic & Policy Research  
J.P.Morgan Chase Bank  
New York  
[bennett.parrish@jpmchase.com](mailto:bennett.parrish@jpmchase.com)

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

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

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**Survey methodology**

The J.P.Morgan Global Manufacturing PMI™ is produced by S&P Global in association with 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 [economic@ihsmarkit.com](mailto:economic@ihsmarkit.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](http://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.

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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. [ihsmarkit.com/products/pmi.html](https://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	Daviyenda
Czech Republic	S&P Global	–
Denmark	DILF	Kairoscommodities
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	–
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	Stanbic 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 <sup>2</sup>	S&P Global / ISM	–
Vietnam	S&P Global	–

\*Indices calculated from manufacturing 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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