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# J.P.Morgan Global Manufacturing PMI®

## Global manufacturing downturn slows in November

### Key findings

Manufacturing PMI at 49.3 in November

Output, new orders and employment fall at slower rates

Input cost and selling price inflation both ease

The November PMI® surveys saw the global manufacturing sector move closer to stabilisation. Although the downturn in output extended to six consecutive months, the rate of contraction was negligible and the weakest during that sequence. Business optimism also ticked higher, as companies' outlooks brightened despite the current continued market uncertainty and cost-caution.

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 – rose to a six-month high of 49.3 in November, up from 48.8 in October, but remaining below the neutral 50.0 mark for the fifteenth month in a row.

Although all five of the PMI components continued to signal a deterioration in overall operating conditions, four (new orders, output, stocks of purchases and employment) signalled lesser rates of decline than in the prior survey month.

November data indicated that the downturn in world manufacturing production was mainly centred on the intermediate goods sector, where output contracted for the sixth month in a row (albeit at a slower pace). In contrast, consumer and investment goods producers both saw increases.

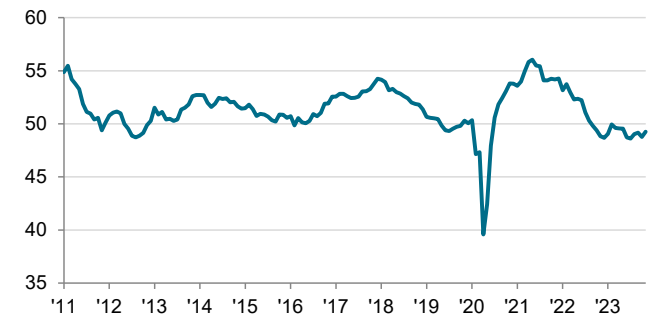
Ten out of the 31 nations for which November PMI data were available saw expansions of production, including the US, mainland China and India. The main blot on the copybook remained Europe, with output contracting across the euro area (on average) and the UK. Japan also saw output decline.

Signs of the manufacturing downturn softening were also seen in the trends in new orders, employment and purchasing during November. Although further declines were signalled for each, rates of contraction were slower than one month ago.

Job losses were nonetheless registered for the third month running, with cuts signalled in the US, the euro area, mainland

J.P.Morgan Global Manufacturing PMI

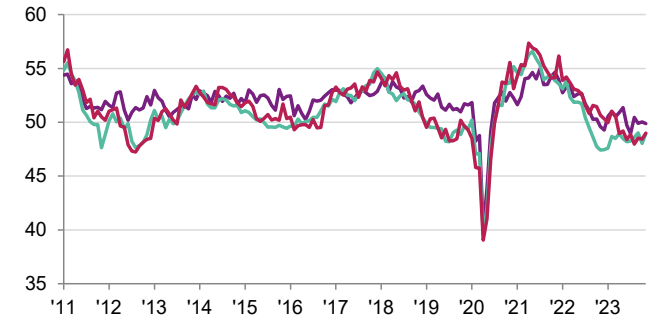
sa, >50 = improvement since previous month



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

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

sa, >50 = improvement since previous month

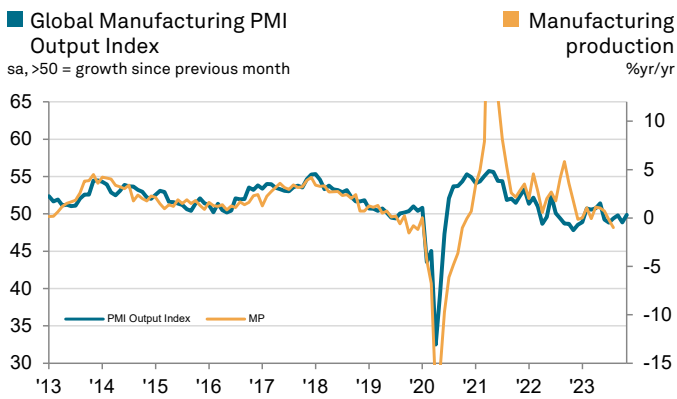


Source: J.P.Morgan, S&P Global PMI.

### Index summary

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

Index	Oct-23	Nov-23	Interpretation
PMI	48.8	49.3	Deterioration, slower rate
Output	48.9	49.9	Decline, slower rate
New Orders	48.5	48.9	Decline, slower rate
New Export Orders	47.5	48.1	Decline, slower rate
Future Output	58.5	60.1	Growth expected, better sentiment
Employment	48.7	49.2	Decline, slower rate
Input Prices	53.2	52.1	Inflation, slower rate
Output Prices	51.5	51.0	Inflation, slower rate



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

China and Japan (among others). The level of incoming new business fell for the seventeenth straight month, although the rate of decline eased and was one of the slowest during that sequence. Part of the drop in total new business reflected a further reduction in intakes of new export work.

The subdued demand environment and cost-caution also led to a further decline in purchasing activity and lower inventory holdings of both inputs and finished products. Vendor delivery times improved again, as global supply chains continued to repair following the strains caused by the global pandemic and subsequent solid economic recovery.

Price inflationary pressures eased in November, as rates of increase in input costs and selling prices both slowed to three-month lows. In the case of purchasing costs, the rate of inflation remained (on average) higher in emerging markets compared to their developed market counterparts. Rates of increase in output charges were broadly similar for both developed and emerging markets, however.

**Comment**

Bennett Parrish, Global Economist at J.P.Morgan, said: "The November PMIs offer a glimmer of hope that global industry may have found a bottom at the start of 4Q23. The manufacturing output index rose 1-point to 49.9, more than reversing the October drop and tempering concerns that activity was sliding back into contraction. At this level, the output PMI is consistent with very soft growth in global manufacturing. A sizable increase in the European PMIs is encouraging given that the outlook in the region has been particularly weak. Asia – a bellwether for global industry – also saw a notable rise."

**Manufacturing PMI**

sa, >50 = improvement since previous month

Nov '23



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

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**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 [economic@spglobal.com](mailto:economic@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](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. [www.spglobal.com/marketintelligence/en/mi/products/pmi.html](http://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 <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	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	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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