

# JPMorgan Global PMI Global Report on Manufacturing

Produced by JPMorgan and NTC Research in association with ISM and IFPMM

Marked upturn of the global manufacturing economy continued in May. Purchasing costs surged higher as oil and steel prices strengthened.

The strong upturn of global manufacturing operating conditions continued during May, with the latest PMI data from around the world pointing to a broad-based expansion of the manufacturing economy. The **Global Manufacturing PMI** – a composite index produced by JPMorgan and NTC in association with ISM and IFPMM – posted 57.7, to remain above the neutral mark of 50.0 for the eleventh month running and point to substantial growth at a rate little changed from that recorded in April.

The Global Manufacturing PMI is based on responses from approximately 7,000 companies worldwide, operating in countries that account for roughly 76% of total global manufacturing output. All of the nations for which May PMI data were available recorded an improvement in operating conditions, with the US remaining the principal growth engine of the global manufacturing economy.

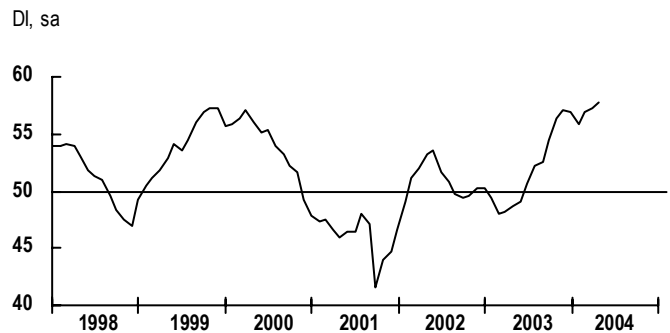
At 59.7 in May, the **Global Manufacturing Output Index** pointed to growth of worldwide manufacturing production for the thirteenth successive month. Furthermore, despite easing on one month ago, the rate of increase implied by the Index remained substantial. Growth of output was led by the US, whilst Japan and the UK also recorded robust rates of increase. Marked expansion of output was recorded across the Eurozone, with the gap between growth in the euro area and the other major industrial nations narrowing on one month ago.

New business increased for the eleventh successive month in May. The **Global Manufacturing New Orders Index** registered 59.2, down from 59.7 in April, but remained at a level well above the neutral mark of 50.0. Meanwhile, the latest PMI data from across the world pointed to growth of international trade volumes, as the level of new export business rose markedly on one month ago.

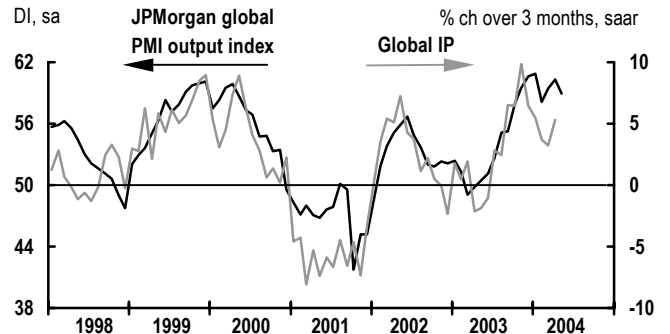
The current upturn of worldwide manufacturing employment extended into its sixth successive month in May. Furthermore, at 54.1, the **Global Manufacturing Employment Index** pointed to solid growth of staffing levels and a stronger rate of increase than one month ago. Growth of global manufacturing employment was principally driven by the buoyant US jobs market. The US reported a substantial rise in staffing levels, and a rate of increase well above those recorded in the other nations for which May data were available.

The short supply of steel, and the surging cost of oil, led to further considerable inflation of average input prices during May. At 75.9, the **Global Manufacturing Input Prices Index** recorded a rise in costs for the ninth consecutive month and a sharper rate of increase than one month ago.

JPMorgan global manufacturing PMI



Global manufacturing output



### Global Manufacturing PMI Summary

50 = no change on previous month.

	Apr	May	Change	Comparison with previous month
Global PMI	57.3	57.7	+	Expanding at faster rate
Output	60.3	59.7	-	Expanding at slower rate
New Orders	59.7	59.2	-	Expanding at slower rate
Input Prices	74.2	75.9	+	Increasing at faster rate
Employment	52.4	54.1	+	Expanding at faster rate

### Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

“The global manufacturing economy continued to expand at a buoyant rate in May. Surging growth of production and new orders led a further upturn in employment. Growth of international trade volumes was especially positive. Sharp inflation of input costs and supply shortages pushed up the cost of goods prices.”

# JPMorgan Global PMI

## Global Report on Manufacturing

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### Notes on data

The Global Report on Manufacturing is based on the results of surveys carried out in the USA by ISM, in Japan, the UK, Germany, France, Spain, Italy, Russia, Ireland, Greece, Austria, the Netherlands, Poland and Czech Republic by NTC Research and in a number of other countries: Denmark, Israel, Hungary, South Africa, Switzerland, Australia, Singapore and New Zealand. These countries together account for an estimated 76% of global manufacturing output.

The Global Report on Manufacturing provides the first indication each month of global manufacturing business conditions, based on data collected from around 7,000 purchasing executives. It is compiled by NTC Research. 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 indexes, 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. Questions are asked about real events and are not opinion based. Data are presented in the form of diffusion indices, where an index reading above 50.0 indicates an increase in the variable since the previous month and below 50.0 a decrease.

### Data sources

Country	% share of global GDP*	Producer	In association with	Web
US	27.0	ISM	–	www.ism.ws
Japan	17.0	NTC	Reuters/Nomura/JMMA	www.reuters.co.jp, www.nomura.co.jp, www.jmma.gr.jp
Germany	8.0	NTC	BME/Reuters	www.bme.de, www.reuters.de
France	5.3	NTC	CDAF/Reuters	www.cdaf.asso.fr, www.reuters.fr
UK	3.9	NTC	CIPS/Reuters	www.cips.org, www.reuters.co.uk
Italy	3.6	NTC	Reuters/ADACI	www.reuters.it, www.adaci.it
Spain	2.1	NTC	AERCE	www.aerce.org
Netherlands	1.5	NTC	NEVI/YACHT	www.nevi.nl, www.yachtgroup.com
Australia	1.4	AiG	PriceWaterhouseCoopers	www.aigroup.asn.au, www.pwcglobal.com/au
Russia	1.1	NTC	Moscow Narodny Bank	www.mosnar.com
Switzerland	1.0	SVME	Credit Suisse	www.svme.ch, www.credit-suisse.ch
Austria	0.8	NTC	BA Creditanstalt/OPWZ	www.ba-ca.com, http://einkauf.opwz.com
Denmark	0.6	DILF	Danske Bank	www.dilf.dk, www.danskebank.dk
South Africa	0.5	BER	IPSA/Investec	www.ber.sun.ac.za, www.ipsa.co.za, www.investec.co.za
Poland	0.5	NTC	–	www.ntc-research.com
Greece	0.4	NTC	HPI	www.hpi.org
Ireland	0.3	NTC	NCB Stockbrokers	www.ncbdirect.com
Singapore	0.3	SIPMM	–	www.sipmm.org.sg
Israel	0.3	IPLMA	–	www.iplma.org.il
Czech Republic	0.2	NTC	–	www.ntc-research.com
Hungary	0.2	HALPIM	Hungarian National Bank	www.logisztika.hu
New Zealand	0.2	Business NZ	ANZ Banking Group	www.businessnz.org, www.anz.com/nz

\* Source: World Bank



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