

Embargoed until 1100 EDT (1500 UTC) 1 July 2024

J.P.Morgan Global Manufacturing PMI®

Upturn in global manufacturing continues but input cost inflation accelerates to 16-month high

Key findings

Global Manufacturing PMI at 50.9 in June

New export orders fall for first time in three months

Business optimism dips to eight-month low

The J.P.Morgan Global Manufacturing PMI™ – a composite index produced by J.P.Morgan and S&P Global Market Intelligence in association with ISM and IFPSM – posted 50.9 in June, down slightly from May's high of 51.0. The PMI has remained above the neutral 50.0 mark, signalling improved operating conditions, for five months in a row.

Four out of the five PMI sub-indices were at levels consistent with expansion in June, with output, new orders and employment all rising and suppliers' delivery times lengthening. In contrast, there was a slight decrease in stocks of purchases for the fourth month running.

The growth rate of global manufacturing production held close May's near two-and-a-half year high in June. Output has now increased in each of the past six months. Upturns continued in both the consumer and intermediate goods industries, whereas production fell in the investment goods category for the second time in the past three months.

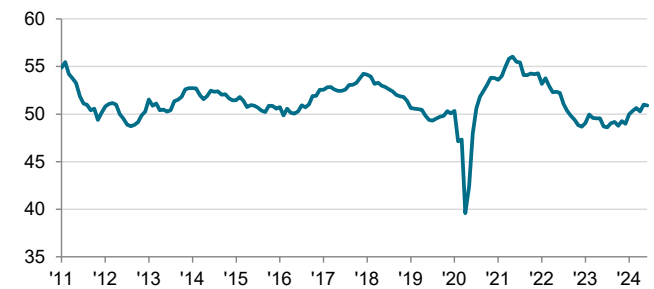
Of the 30 nations for which June PMI data were available, 18 registered an increase in output during June. Asia fared comparatively well, with 10 nations seeing growth located on the continent. This included high-flyers such as India, Vietnam and Thailand and also those with lesser rates of expansion like China and Japan.

The euro area remained a weak spot, with output falling (on average) for the fifteenth consecutive month. Growth in Spain, the Netherlands and Greece was more than offset by contractions elsewhere (including the big-3 eurozone nations of Germany, France and Italy). Upturns in the US, the UK and Brazil were all sustained into June.

The latest increase in global manufacturing production was underpinned by rising intakes of new work. Incoming new business rose for the fifth month in a row, although the rate of expansion remained modest and slowed slightly since the prior survey month. The trend in international trade flows deteriorated, with the volume of new export orders falling for

J.P.Morgan Global Manufacturing PMI

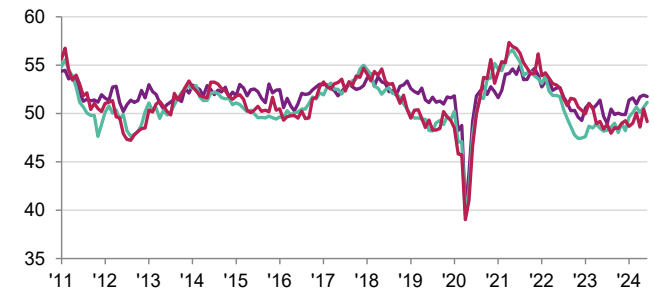
sa, >50 = improvement since previous month



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

Consumer Goods PMI
Intermediate Goods PMI
Investment Goods PMI

sa, >50 = improvement since previous month

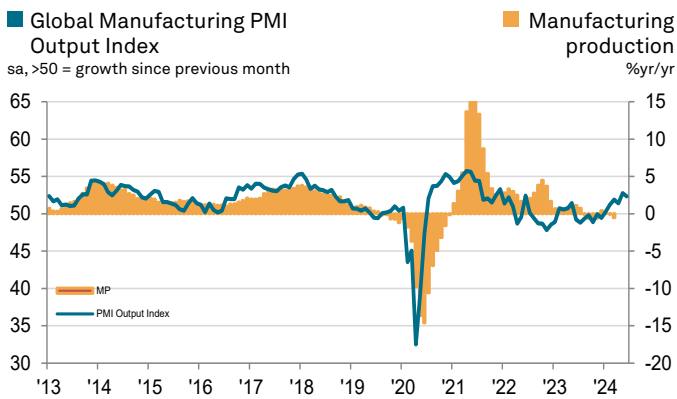


Source: J.P.Morgan, S&P Global PMI.

Index summary

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

Index	May-24	Jun-24	Interpretation
PMI	51.0	50.9	Improvement, slower rate
Output	52.8	52.3	Growth, slower rate
New Orders	51.2	50.8	Growth, slower rate
New Export Orders	50.4	49.3	Decline, from declining
Future Output	62.0	59.6	Growth expected, lesser sentiment
Employment	50.3	50.5	Growth, slower rate
Input Prices	54.8	55.3	Inflation, faster rate
Output Prices	51.7	52.3	Inflation, faster rate



the first time in three months. Subdued market conditions were a principal factor underlying a dip in manufacturers' business optimism to an eight-month low.

June saw manufacturing employment rise for the third time in four months and at the quickest pace since August 2023. The US, Japan, India and Brazil were among the larger industrial nations to register job creation. Input buying activity rose slightly, whereas stocks of both purchases and finished goods fell. Supply chain pressures remained relatively muted at the end of the second quarter. Average vendor lead times lengthened only marginally despite ongoing disruptions to global shipping caused by issues in the Red Sea and Panama Canal.

Measured overall, worldwide manufacturing input costs rose at the steepest rate for 16 months in June. These rising costs pushed up factory gate selling prices, which rose at the sharpest pace since March 2023. Rates of increase in both price measures remained stronger (on average) in developed nations compared to emerging markets.



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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 economics@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.

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

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. 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 ¹ *	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	–
Romania	S&P Global	BCR
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 ²	S&P Global / ISM	–
Vietnam	S&P Global	–

*Indices calculated from manufacturing 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.

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