

Embargoed until 1100 EDT (1500 UTC) 1 October 2024

J.P.Morgan Global Manufacturing PMI®

Global Manufacturing PMI signals contraction for third successive month in September

Key findings

Output, new orders and employment contract

Business optimism falls to 22-month low

Input costs and selling prices rise at slower rates

At 48.8 in September, 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 – signalled a deterioration in overall operating conditions for the third successive month. Albeit remaining modest, the rate of decline was the fastest in almost a year (since October 2023).

Four of the five PMI components were at levels consistent with contraction in September, as output, new orders, employment and stocks of purchases all fell. Only the (inverted) suppliers' delivery times index made a positive contribution to the headline PMI.

Manufacturing production decreased for the first time in the year-so-far, as companies scaled back output in response to reduced intakes of new business. New orders fell for the third consecutive month, with the pace of contraction the steepest since December 2022. The trend in international trade also remained weak, as the rate of contraction in new export orders hit an 11-month record.

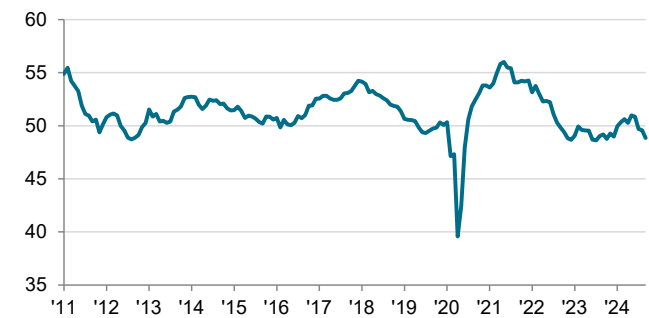
Data broken down by sector pointed to a widespread malaise across global industry. The intermediate and investment goods sectors both saw production contract in September and, although still expanding, the rate of growth in the consumer goods category remained tepid at best. All three sub-industries also saw contractions in both total new orders and new export business.

Among the major economies, the eurozone saw the steepest fall in production, led by Germany. Output also slipped deeper into contraction in the US and a marginal decline was recorded in Japan. Production barely grew in mainland China, broadly stagnating for a third successive month, and a reduced rate of expansion was seen in the rest of Asia. India, Brazil, Spain and the UK were among the fastest growing of the larger nations covered by the survey.

September survey data also indicated that efforts to

J.P.Morgan Global Manufacturing PMI

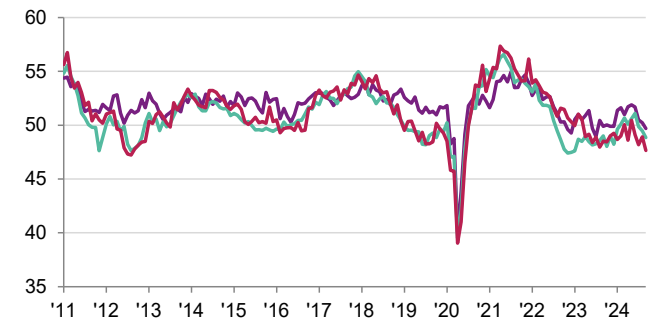
sa, >50 = improvement since previous month



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

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

sa, >50 = improvement since previous month

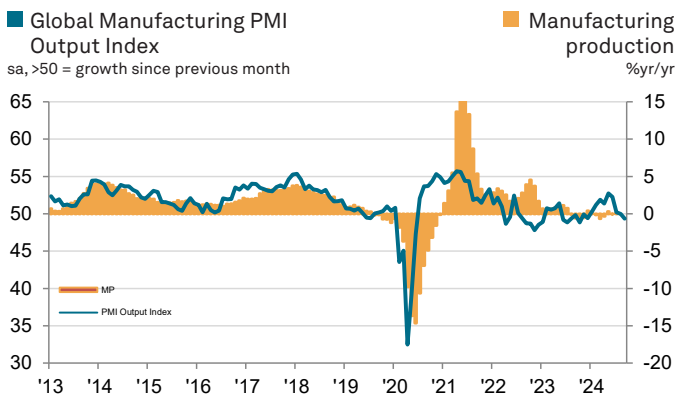


Source: J.P.Morgan, S&P Global PMI.

Index summary

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

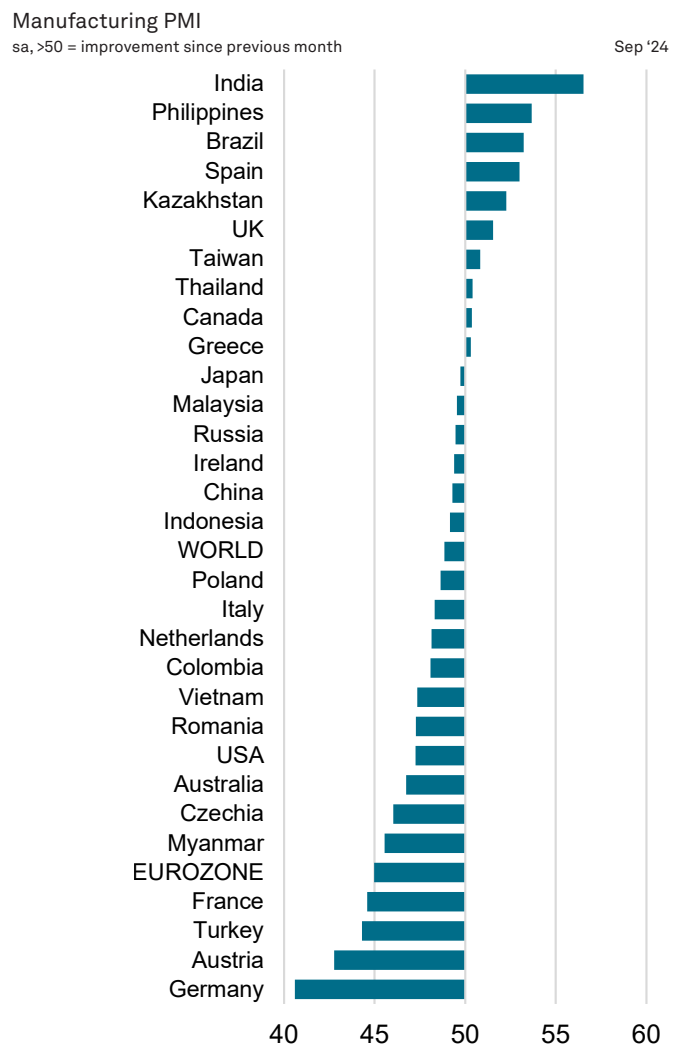
Index	Aug-24	Sep-24	Interpretation
PMI	49.6	48.8	Deterioration, faster rate
Output	50.0	49.4	Decline, from no change
New Orders	48.9	47.3	Decline, faster rate
New Export Orders	48.4	47.5	Decline, faster rate
Future Output	60.3	58.2	Growth expected, weaker sentiment
Employment	49.7	48.9	Decline, faster rate
Input Prices	55.0	53.3	Inflation, slower rate
Output Prices	51.7	51.4	Inflation, slower rate



minimise costs and combat under-utilised capacity remained a prominent feature of manufacturers' decision-making. Backlogs of work decreased for the twenty-seventh successive month, leading to a further cut in employee headcounts. Staffing levels fell for the second month in a row and to the greatest extent since December 2023. Meanwhile, purchasing activity was also reduced and stocks of inputs depleted. Holdings of finished goods inventory were broadly unchanged over the month.

The ongoing downturn combined with rising signs of caution at manufacturers impacted on business optimism in September. Confidence dipped to a 22-month low and fell across the three sub-industries covered by the survey. The cyclically sensitive new orders-to-inventory ratio also fell to its lowest level since December 2022.

Price inflationary pressures eased further in September. Rates of increase in both input costs and selling prices were the mildest registered since March. Suppliers' delivery times meanwhile lengthened for the fourth month in a row.



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

Comment

Bennett Parrish, Global Economist at J.P.Morgan, said: "A fourth straight decline in the global manufacturing output PMI points to a weakening in global industry. The 0.6pt move down in September lowered the output index to a nine-month low of 49.4, marking its first reading below the 50-mark this year. Underlying details were also weak: the new orders, employment, and future output PMIs all saw sizable September declines. At the national level, a depressed Euro area output PMI points to a very weak industrial sector while China looks to be stagnating. Even the US output PMI, which stood out with a modest step up in its earlier flash estimate, saw this improvement wiped away in today's final release."

Contact

Bennett Parrish
 Economic & Policy Research
 J.P.Morgan Chase Bank
 New York
bennett.parrish@jpmchase.com

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

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

If you prefer not to receive news releases from S&P Global, please email katherine.smith@spglobal.com. To read our privacy policy, click [here](#).

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@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.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com.

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	Freedom Holding Corp.
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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.