

Monthly PMI Bulletin

Global growth renews in February amid service sector improvements

Monthly summary

The global economy saw a turnaround in February as activity rose for the first time in seven months, concluding the sequence of downturn. Service sector improvements, particularly in the consumer sector, coupled with a renewed global manufacturing production expansion, underpinned the latest positive change in global PMI readings.

The [J.P.Morgan Global Composite Output Index](#) – produced by S&P Global – posted 52.1 in February, up from 49.7 in January. This marked the third consecutive rise in the index and the first expansion in global activity since last July, [indicative of global GDP rising at a quarterly annualized rate of approximately 2.5%](#).

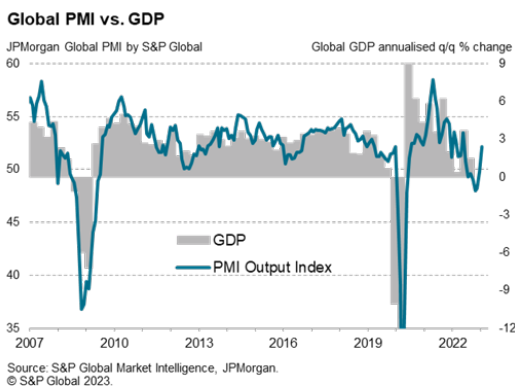
Leading the improvement in February was again the services sector, where solid growth in business activity was recorded and supported by expansions in major developed economies, including a return to expansion for the US. Mainland China's services activity meanwhile continued to improve following the easing of COVID-19 restrictions, posting the steepest increase since last August.

Concurrently, the global manufacturing sector saw its first expansion of output in seven months, supported primarily by upticks in Asian production. The easing of supply chain constraints and China's reopening were also linked to renewed growth in manufacturing output in February, and also helped further reduce global raw material price pressures.

Finally, business confidence rose alongside the better PMI indications, owing to brighter prospects, diminished recession fears, better supply conditions and signs of inflation peaking. That said, still-elevated price pressures and tight labour market conditions remain outstanding issues to consider going deeper into 2023.

In short, our key takeaways from the February PMI are:

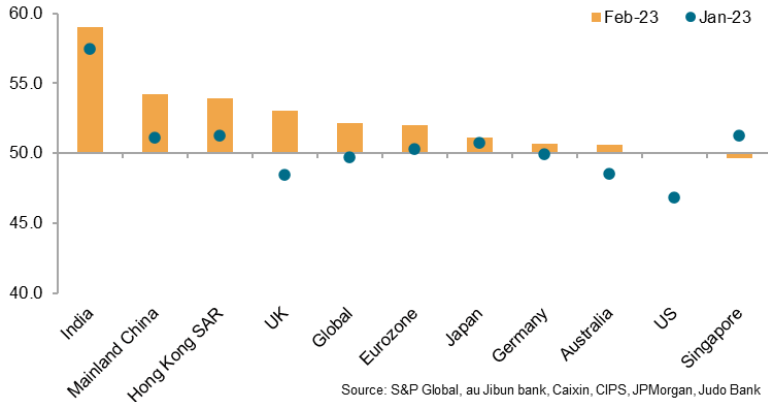
- 1) Global recession risks have further eased based on the latest February indications while improved optimism bodes well for near-term global economic performance.
- 2) Supply chain pressures have moderated, which in turn fueled a slowdown in input cost inflation for global businesses, although output price inflation inched higher due to quicker increases in services charges.
- 3) The revival of economic growth alongside the still-elevated price inflation may put pressure on central bankers to further act, a development which could dampen confidence and demand.



Regional comparisons

S&P Global Composite PMI regional comparisons

S&P Global PMI (Purchasing Managers' Index) Output Index
Diffusion index (50 = no change on prior month)

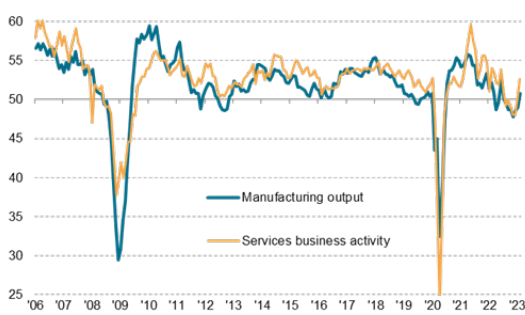


The Good, the Bad, and the Ugly | Key PMI developments

The Good: Reduced recession risks

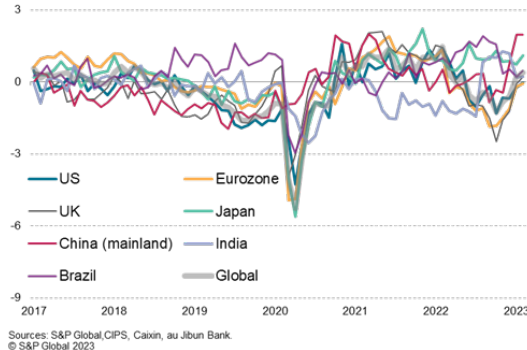
Global PMI output by sector

Global PMI Index, 50 = no change on prior month



Future output expectations

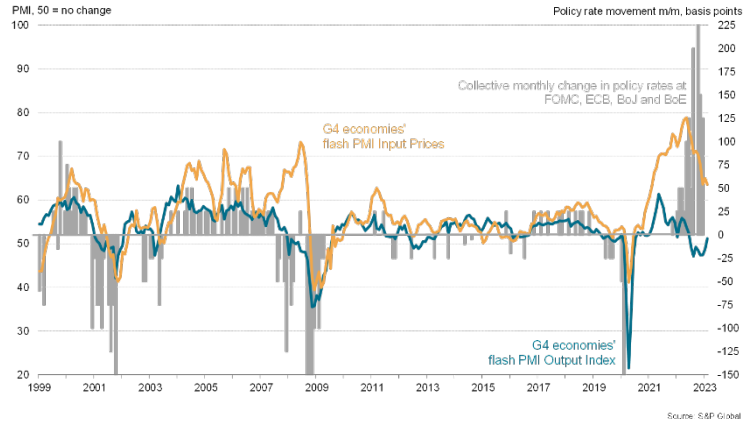
Composite PMI expected future output index, standard deviations from mean



- While January’s PMI data, including the JPMorgan Global Composite PMI print of 50.0, provided some relief for recession watchers, the further-improved February numbers injected greater confidence that the risk of recession has reduced.
- This was primarily supported by services outperformance in February, including a renewal in demand growth for global services at the joint-fastest pace since last May. The manufacturing sector also fared better amid a renewal in production growth, although new orders for goods remained in decline, albeit at a milder rate of loss.
- This supported an improvement in confidence among global private sector firms as the Future Output Index rose to highest in a year to indicate stronger optimism about business activity in the next 12-months, painting a positive picture for near-term global economic conditions. [\[Link\]](#)

– The Bad: Still-elevated inflation

Global PMI prices index vs. CPI inflation



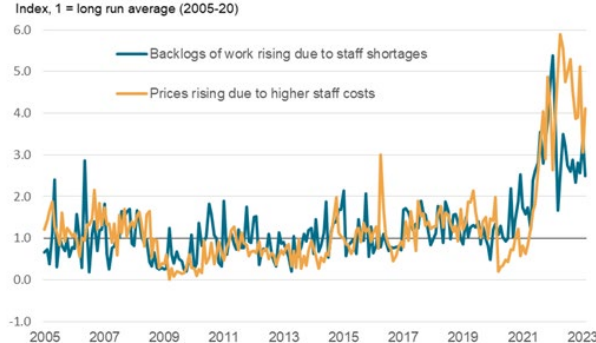
- Alongside the improvement global output in February was an easing of supply constraints, which supported falling price pressures. That said, the level of input price inflation remains historically elevated and has shown signs of stalling of late, buoyed in part by rising staff costs, which puts into question whether the easing inflation trend can sustain deeper into 2023.
- Signs of demand revival, primarily in the service sector presently, also call into question the effectiveness of tightening monetary policy in holding down demand to address prices. In other words, the risks of higher-for-longer rates is considerable and further tightening is not out of the question.

The Ugly: Labour market caution

Global hiring and operating capacity



Worldwide labour constraints and wage pressures



- A key source of price pressure remains that of wages. The latest upturn in global economic conditions had been further accompanied by improvements in global employment conditions. Jobs growth posted the fastest increase in six months while reports of operating capacity constraints due to a lack of workers continued to increase, altogether reflective of the tight labour market situation.
- Considering the fact that comments from panellists also indicated that staff shortages had continued to drive up staff costs, the latest labour market situation does not bode well for the easing of price pressures. Furthermore, with central bankers keeping a close eye on the job market situation, this also reinforces the abovementioned risk of tighter monetary policy for longer.

Global PMI heatmap

Manufacturing

		Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23
Global	Global												
Americas	Canada												
	US												
	Brazil												
	Colombia												
	Mexico												
Europe	Eurozone												
	Austria												
	Czech Republic												
	France												
	Germany												
	Greece												
	Ireland												
	Italy												
	Netherlands												
	Poland												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	India												
	Indonesia												
	Japan												
	Kazakhstan												
	Malaysia												
	Myanmar												
	Philippines												
	Russia												
	South Korea												
	Taiwan												
	Thailand												
Vietnam													
Middle East	Turkey												

Source: S&P Global in association with relevant sponsors.

Services

		Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23
Global	Global												
Americas	US												
	Brazil												
Europe	Eurozone												
	France												
	Germany												
	Ireland												
	Italy												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	India												
	Japan												
	Russia												

Source: S&P Global in association with relevant sponsors.

Manufacturing indices

- Output*
- New orders*
- New export orders
- Backlogs of work
- Employment*
- Input prices
- Output prices
- Future expectations
- Quantity of purchases
- Suppliers' delivery times*
- Stocks of purchases*
- Stocks of finished goods

*PMI components

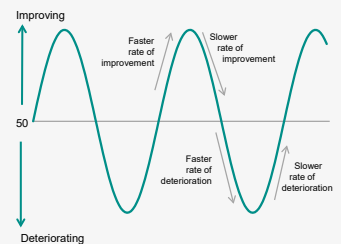
Services indices

- Business activity
- New business
- New export orders
- Outstanding business
- Employment
- Input costs
- Prices charged
- Future expectations

Read more about the headline PMI™ and its subindices [here](#).

Key:

Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



To receive underlying PMI data, please contact: economics@ihsmarkit.com

Composite / Whole Economy

		Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23
Global	Global												
Americas	Brazil												
	US												
Europe	Eurozone												
	France												
	Germany												
	Ireland												
	Italy												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	Hong Kong SAR												
	India												
	Japan												
	Khazakistan												
	Russia												
	Singapore												
Middle East	Lebanon												
	Qatar												
	Saudi Arabia												
	UAE												
Africa	Ghana												
	Kenya												
	Mozambique												
	Nigeria												
	South Africa												
	Uganda												
	Zambia												

Source: S&P Global in association with relevant sponsors

Metals and Electronics

		Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23
Global	Aluminium												
	Copper												
	Steel												
	Electronics												

Source: S&P Global

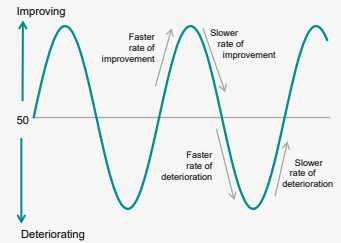
Composite indices comprise:

- Output/business activity
- New business
- New export orders
- Outstanding business
- Employment
- Input costs
- Output prices
- Future expectations

Read more about the headline PMI™ and its subindices [here](#).

Key:

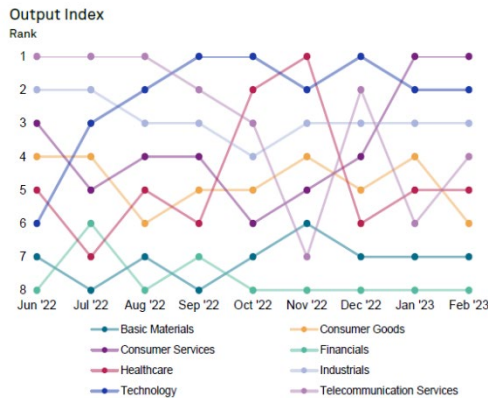
Improving at a faster rate	
Improving at a slower rate	
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Deteriorating at a faster rate	



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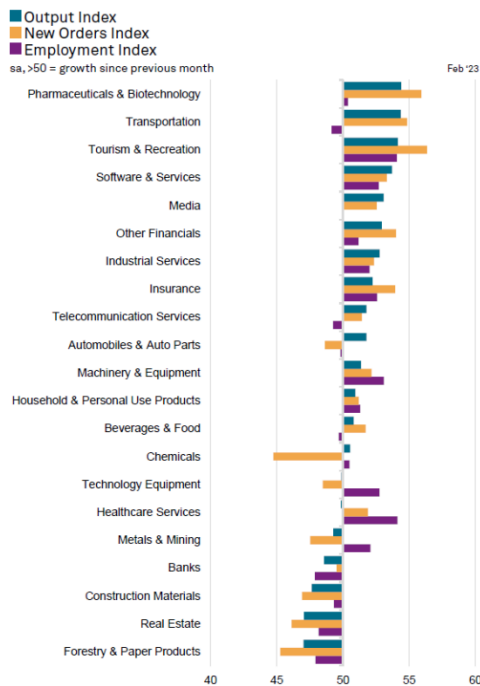
Global Sector PMI

Latest S&P Global Sector PMI™ data revealed that improvements were seen across the sectors with the majority of sectors posting higher business activity in February. Growth amongst the **eight industry groups** was led by *Consumer Services* for a second month running. Only the *Financials* and *Basis Materials* sector recorded contractions, albeit at marginal rates.



Source: S&P Global.

Meanwhile amongst the more detailed sectors, *Pharmaceuticals & Biotechnology* and *Transportation* were the best performers among the 18 sectors in expansion. On the other hand, *Forestry & Paper Products*, followed by *Real Estate* struggled the most.



Source: S&P Global.

For more global sector PMI details, please visit [here](#) or contact economics@ihsmarkit.com to receive underlying PMI data.

Sector data is also available for US, Europe and Asia. Read more about using PMI data in active investment strategies [here](#).

Recent PMI and economic analysis from S&P Global Market Intelligence

Global	Global economic growth accelerates to eight-month high in February	6-Mar	Chris Williamson
	Global factory output returns to growth amid China's reopening and supply chain improvements	1-Mar	Chris Williamson
	Global manufacturing input cost growth eases but selling prices signal stubborn inflation	1-Mar	Chris Williamson
	Global recession fears subside as flash PMI data signal revival of economic growth in February	22-Feb	Chris Williamson
EMEA	UK recession risks ebb as flash UK PMI signals resurgent economic growth in February	21-Feb	Chris Williamson
	Recession fears fade as Eurozone flash PMI registers accelerating economic growth in February	21-Feb	Chris Williamson
US	US PMI data highlight ongoing plight of manufacturing amid falling demand and inventory reduction	1-Mar	Chris Williamson
	Economy stabilizes but inflation heats up: top five charts from February's US flash PMI data	21-Feb	Chris Williamson
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	Factory activity revives in mainland China as economy reopens	1-Mar	Chris Williamson
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	February flash PMI reveals lacklustre demand conditions for Australia and Japan	21-Feb	Jingyi Pan

For PMI use-case illustrations, visit our [use-case library](#).

Release calendar

UTC		Local		Product
14 Mar 14:00	14 Mar 10:00	UTC-4	EDT	US Investment Manager Index
23 Mar 22:00	24 Mar 09:00	UTC+11	AEDT	Flash Australia PMI*
24 Mar 00:30	24 Mar 09:30	UTC+9	JST	Flash Japan PMI*
24 Mar 08:15	24 Mar 09:15	UTC+1	CET	Flash France PMI*
24 Mar 08:30	24 Mar 09:30	UTC+1	CET	Flash Germany PMI*
24 Mar 09:00	24 Mar 10:00	UTC+1	CET	Flash Eurozone PMI*
24 Mar 09:30	24 Mar 09:30	UTC	GMT	Flash UK PMI*
24 Mar 13:45	24 Mar 09:45	UTC-4	EDT	Flash US PMI*
29 Mar 08:00	29 Mar 10:00	UTC+2	CEST	Austria Manufacturing PMI
31 Mar 00:30	31 Mar 08:30	UTC+8	CST	Taiwan Manufacturing PMI
02 Apr 23:00	03 Apr 09:00	UTC+10	AEST	Australia Manufacturing PMI
03 Apr 00:01	03 Apr 01:01	UTC+1	IST	Ireland Manufacturing PMI
03 Apr 00:30	03 Apr 07:00	UTC+6.5	MMT	Myanmar Manufacturing PMI
03 Apr 00:30	03 Apr 07:30	UTC+7	WIB	Indonesia Manufacturing PMI
03 Apr 00:30	03 Apr 08:30	UTC+8	PHT	Philippines Manufacturing PMI
03 Apr 00:30	03 Apr 08:30	UTC+8	MYT	Malaysia Manufacturing PMI
03 Apr 00:30	03 Apr 07:30	UTC+7	ICT	Vietnam Manufacturing PMI
03 Apr 00:30	03 Apr 09:30	UTC+9	JST	Japan Manufacturing PMI
03 Apr 00:30	03 Apr 07:30	UTC+7	ICT	Thailand Manufacturing PMI
03 Apr 00:30	03 Apr 07:30	UTC+7	ICT	ASEAN Manufacturing PMI
03 Apr 00:30	03 Apr 09:30	UTC+9	KST	South Korea Manufacturing PMI
03 Apr 01:45	03 Apr 09:45	UTC+8	CST	China General Manufacturing PMI
03 Apr 05:00	03 Apr 10:30	UTC+5.5	IST	India Manufacturing PMI
03 Apr 05:00	03 Apr 07:00	UTC+2	CEST	Netherlands Manufacturing PMI
03 Apr 06:00	03 Apr 09:00	UTC+3	MSK	Russia Manufacturing PMI
03 Apr 06:00	03 Apr 12:00	UTC+6	ALMT	Kazakhstan Manufacturing PMI
03 Apr 07:00	03 Apr 10:00	UTC+3	TRT	Turkey Manufacturing PMI
03 Apr 07:00	03 Apr 09:00	UTC+2	CEST	Poland Manufacturing PMI
03 Apr 07:15	03 Apr 09:15	UTC+2	CEST	Spain Manufacturing PMI
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03 Apr 07:50	03 Apr 09:50	UTC+2	CEST	France Manufacturing PMI
03 Apr 07:55	03 Apr 09:55	UTC+2	CEST	Germany Manufacturing PMI
03 Apr 08:00	03 Apr 11:00	UTC+3	EEST	Greece Manufacturing PMI
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03 Apr 15:00	03 Apr 11:00	UTC-4	EDT	Global Manufacturing PMI
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04 Apr 23:00	05 Apr 09:00	UTC+10	AEST	Australia Services PMI*
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05 Apr 06:00	05 Apr 09:00	UTC+3	MSK	Russia Services PMI*
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05 Apr 13:00	05 Apr 10:00	UTC-3	BRT	Brazil Services PMI*
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06 Apr 07:30	06 Apr 09:30	UTC+2	CEST	France Construction PMI
06 Apr 07:30	06 Apr 09:30	UTC+2	CEST	Germany Construction PMI
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11 Apr 08:00	11 Apr 09:00	UTC+1	BST	Global Copper Users PMI
11 Apr 08:00	11 Apr 09:00	UTC+1	BST	Global Steel Users PMI
11 Apr 08:30	11 Apr 09:30	UTC+1	BST	Global Electronics PMI
12 Apr 00:01	12 Apr 01:01	UTC+1	BST	UK & English Regions Report on Jobs
12 Apr 00:01	12 Apr 01:01	UTC+1	BST	Scotland Report on Jobs
16 Apr 23:01	17 Apr 00:01	UTC+1	BST	UK Regional PMI
17 Apr 00:01	17 Apr 01:01	UTC+1	IST	Ireland Construction PMI
19 Apr 07:00	19 Apr 08:00	UTC+1	BST	UK Bellwether Report

Notes

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Dates are provisional and subject to change *includes composite PMI.

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