

Monthly PMI bulletin

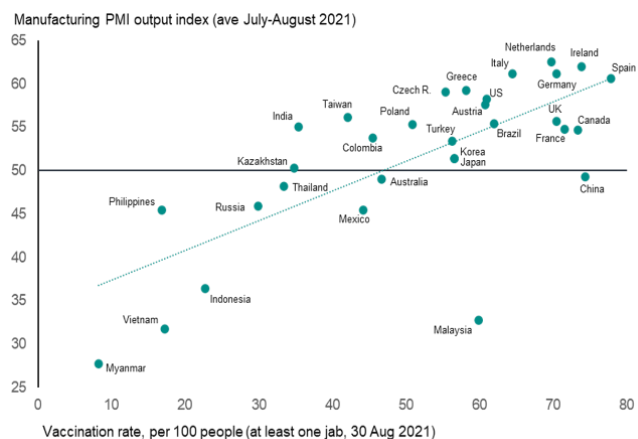
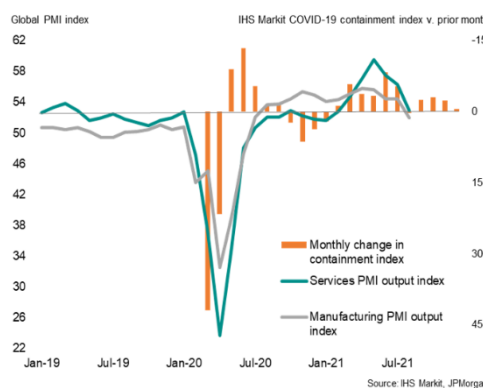
Global PMI signals slowest growth since January amid Delta wave

Monthly summary

The global economy expanded for a fourteenth straight month in August, according to the JPMorgan Global PMI™ (compiled by IHS Markit). However, **the rate of expansion was the slowest since January.**

Both manufacturing and service sectors contributed to the easing of growth as **COVID-19 cases rose around the world and induced further caution.** Impeded by sustained **supply-side constraints**, [global manufacturing growth fell to the lowest in 14 months.](#) PMI sub-indices also showed a lengthening of average supplier lead times to an extent exceeded only twice in the survey's 23-year history, linked in turn to yet another steep rise in prices and underscoring the unprecedented supply chain pressures faced by firms.

Global PMI* and Covid-19 containment



To a large extent, the **slowdown in growth was centred in Asia**, a phenomenon we have cautioned since the first signs of divergence were seen through the PMIs mid-2021.

Differing vaccination rates also continued to play

a part, as seen by the strong correlation between vaccination rates and factory output. Asia noticeably continued to lag most western economies in August.

In short, our **key takeaways** from the August PMI are that

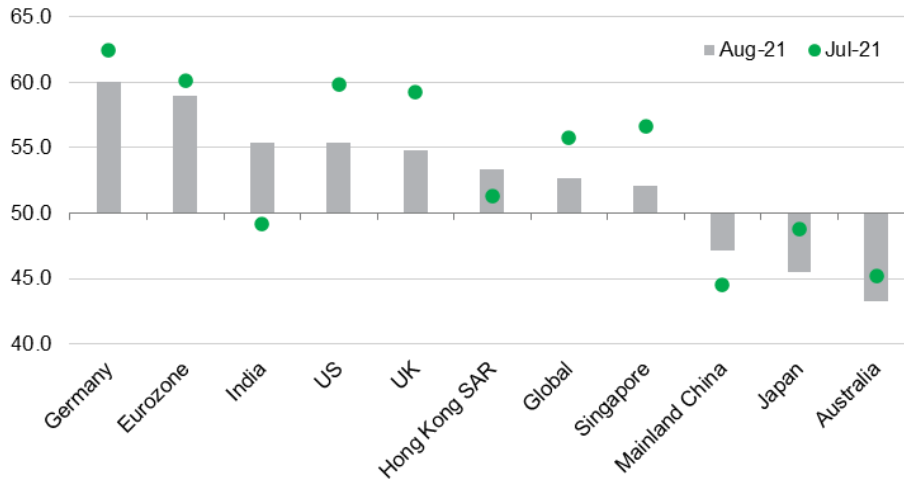
- 1) global growth slowed as the Delta wave hit, with supply chains worsening. Supply delays **should improve as COVID-19 case numbers peak**, which we will be watching closely with September flash PMIs.
- 2) Fall in the PMIs **could take some pressure off developed world central bank tapering** in the short-term, which may bode well for global markets.

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Regional comparisons

IHS Markit Composite Output Index, 50 = no change from prior month

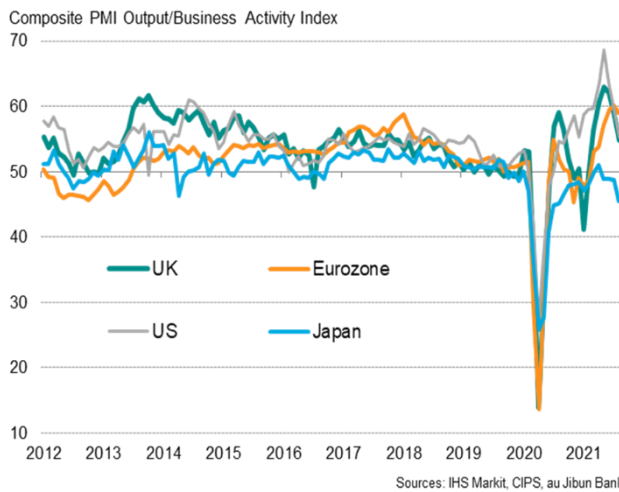


Source: IHS Markit, au Jibun bank, Caixin, CIPS, JPMorgan

The Good, the Bad and the Ugly

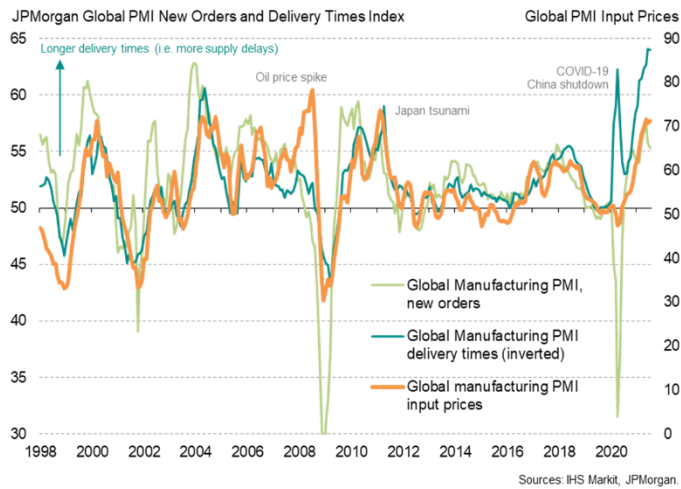
Key PMI developments

The Good – Europe still in the zone



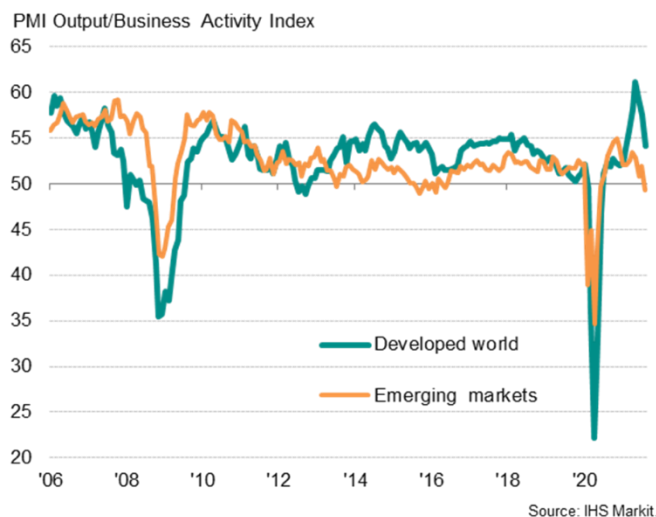
- While steep slowdowns were reported in developed economies such as the US and UK despite high vaccination rates, the eurozone appeared to have scraped through the latest COVID-19 Delta variant hit relatively unscathed in August, seeing growth moderating only slightly in comparison. ([Link](#))
- Service sector growth resilience had a key part to play, although one should note that the eurozone had also been playing catch-up to other developed markets thus far.
- Notably, manufacturing also continued to outperform services, despite widespread problems with the supply of components to many factories, helping to keep the overall pace of eurozone expansion at one of the fastest for 16 years.

The Bad – Supply chain woes goes on



- Supply-chain constraints remained a recurring theme in August on a global scale, as seen via a further marked increase in average vendor lead times. The lengthening of delivery times was close to June's series record.
- Manufacturers also widely reported higher inventories due to safety stock building, exacerbating the global supply-demand imbalance.
- While the near-record delays continued to drive material costs higher, there are signs of price pressures peaking which provides some relief amid concerns of inflation driving central banks on premature tightening.

The Ugly – Emerging market manufacturing back in contraction



- Developed markets, despite seeing a slowdown, retained a strong growth rate in August, but emerging markets are now in decline for the first time since June 2020, weighed by manufacturing decline.
- Given the continued divergence, outflow risks for emerging markets remain elevated amid developed markets central banks' consideration of tapering on the back of relatively better economic conditions. ([Link](#))

Global PMI heatmap

Manufacturing

		Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21
Global	Global												
North America	Canada												
	US												
South America	Brazil												
	Colombia												
	Mexico												
Europe	EU												
	Austria												
	Czech Republic												
	Denmark												
	France												
	Germany												
	Greece												
	Ireland												
	Italy												
	Netherlands												
	Poland												
	Spain												
	Switzerland												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	Hong Kong SAR*												
	India												
	Indonesia												
	Japan												
	Kazakhstan												
	Malaysia												
	Myanmar												
	New Zealand												
	Philippines												
	Russia												
	Singapore*												
	South Korea												
	Taiwan												
Thailand													
Middle East	Vietnam												
	Israel												
	Lebanon*												
	Qatar*												
	Saudi Arabia*												
Africa	Turkey												
	UAE*												
	Ghana*												
	Kenya*												
	Mozambique*												
	Nigeria*												
	South Africa*												
	Uganda*												
Zambia*													

*Whole economy or composite PMI used in the absence of manufacturing PMI

Source: IHS Markit and relevant sponsors

Services

		Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21
Global	Global												
Americas	US												
	Brazil												
Europe	EU												
	France												
	Germany												
	Ireland												
	Italy												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	India												
	Japan												
	Kazakhstan												
Russia													

Source: IHS Markit and relevant sponsors

Manufacturing indices

- Output*
- New export orders
- New 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

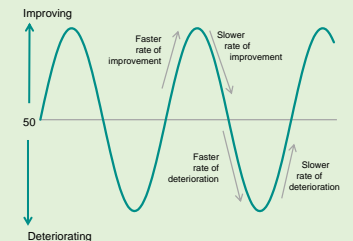
- Business activity
- New business
- New export orders
- Outstanding business
- Employment
- Input costs
- Prices charged
- Future expectations

Composite indices

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

Key:

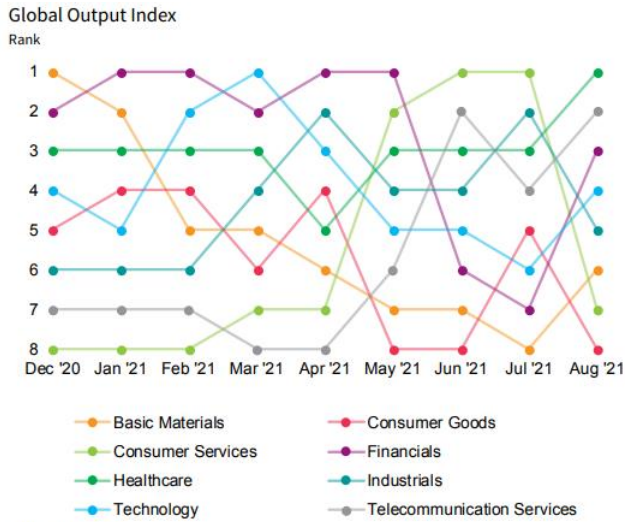
Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



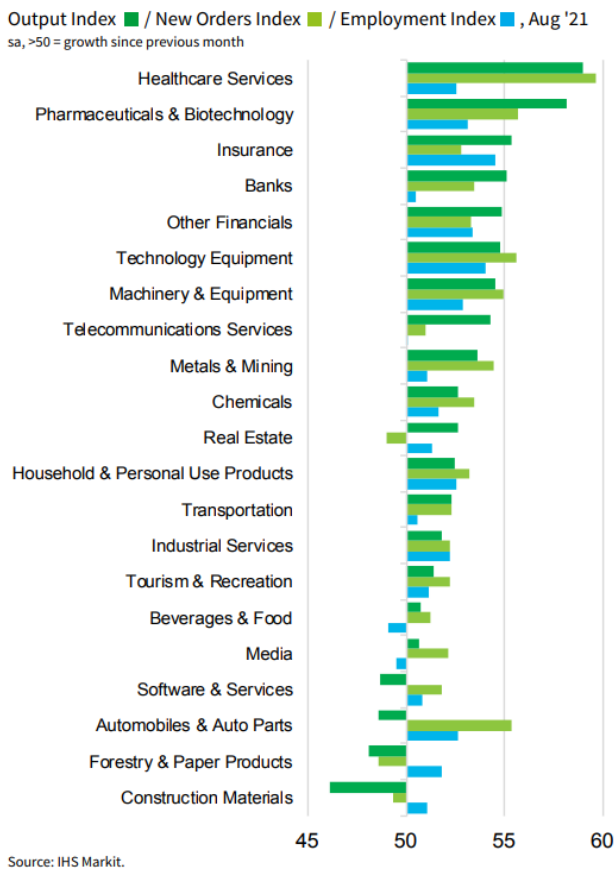
To receive underlying PMI data, please contact: economics@ihsmarkit.com

Global Sector PMI

Healthcare rose to lead the global sector output ranking in August while consumer services and goods output plunged as COVID-19 cases rose around the world.



Sub-sector data indicated a [joint-third-fastest overall healthcare industry growth](#) seen since data were first available in 2009 amid the Delta wave.



For more global sector PMI details, please visit [here](#).

Recent PMI and economic analysis from IHS Markit

Global	Delta wave hits hospitality, autos, tech and construction, boosts healthcare	7-Sep	Chris Williamson
	Global economic growth slows sharply as Delta variant hits businesses, pushing emerging markets into decline	6-Sep	Chris Williamson
	Emerging markets bearing brunt of latest COVID-19 Delta wave impact	3-Sep	Jingyi Pan
	Global manufacturing growth at lowest for 14 months as supply chains worsen amid Delta variant spread, price pressures hold close to decade highs	2-Sep	Chris Williamson
	Eurozone leads as US and UK growth wanes, Japan and Australia contract	23-Aug	Chris Williamson
Europe	Understanding... PMI backlogs of work: a key indicator of capacity utilisation, providing insights into investment, hiring and inflation	12-Aug	Chris Williamson
	UK construction activity hit by unprecedented shortages and cost pressures	7-Sep	Chris Williamson
	Case study: anticipating the UK recession during the global financial crisis	25-Aug	Chris Williamson
	Eurozone flash PMI holds close to 15-year high in August, job market booms	23-Aug	Chris Williamson
	Case study: Lessons from 2017 in using PMI data to map Eurozone GDP revisions	18-Aug	Chris Williamson
	Case study: PMI data sent early signals of GFC impact on Eurozone GDP	18-Aug	Chris Williamson
	Italian economy looks set for sustained growth through remainder of 2021 as lockdown measures ease	12-Aug	Lewis Cooper
APAC	ASEAN Economies Hit Hard by Escalating Covid Delta Waves	3-Sep	Rajiv Biswas
	Lockdown hits consumer services activity in Australia, but tech sector continues strong growth run	18-Aug	David Owen
	Philippines Economic Rebound Hit by New COVID-19 Wave	12-Aug	Rajiv Biswas
Commodities	Weekly Pricing Pulse: Commodity prices stay flat after declining for three weeks	1-Sep	Tal Dickstein

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

Release calendar

UTC		Local		Product
20 Sep 00:01	20 Sep 01:01	UTC+1	BST	UK Household Finance Index
22 Sep 23:00	23 Sep 09:00	UTC+10	AEST	Flash Australia PMI*
23 Sep 07:15	23 Sep 09:15	UTC+2	CEST	Flash France PMI*
23 Sep 07:30	23 Sep 09:30	UTC+2	CEST	Flash Germany PMI*
23 Sep 08:00	23 Sep 10:00	UTC+2	CEST	Flash Eurozone PMI*
23 Sep 08:30	23 Sep 09:30	UTC+1	BST	Flash UK PMI*
23 Sep 13:45	23 Sep 09:45	UTC-4	EDT	Flash US PMI*
24 Sep 00:30	24 Sep 09:30	UTC+9	JST	Flash Japan PMI*
28 Sep 08:00	28 Sep 10:00	UTC+2	CEST	Austria Manufacturing PMI
30 Sep 01:45	30 Sep 09:45	UTC+8	CST	China General Manufacturing PMI
30 Sep 23:00	01 Oct 09:00	UTC+10	AEST	Australia Manufacturing PMI
01 Oct 00:01	01 Oct 01:01	UTC+1	IST	Ireland Manufacturing PMI
01 Oct 00:30	01 Oct 09:30	UTC+9	JST	Japan Manufacturing PMI
01 Oct 00:30	01 Oct 08:30	UTC+8	MYT	Malaysia Manufacturing PMI
01 Oct 00:30	01 Oct 09:30	UTC+9	KST	South Korea Manufacturing PMI
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01 Oct 00:30	01 Oct 07:30	UTC+7	ICT	Thailand Manufacturing PMI
01 Oct 00:30	01 Oct 07:30	UTC+7	WIB	Indonesia Manufacturing PMI
01 Oct 00:30	01 Oct 07:30	UTC+7	ICT	ASEAN Manufacturing PMI
01 Oct 05:00	01 Oct 10:30	UTC+5.5	IST	India Manufacturing PMI
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08 Oct 00:01	08 Oct 01:01	UTC+1	BST	Scotland Report on Jobs
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08 Oct 01:45	08 Oct 09:45	UTC+8	HKT	Asia Sector PMI
10 Oct 23:01	11 Oct 00:01	UTC+1	BST	UK Regional PMI
11 Oct 00:01	11 Oct 01:01	UTC+1	IST	Ireland Construction PMI
11 Oct 04:15	11 Oct 08:15	UTC+4	GST	Dubai PMI
20 Oct 23:01	21 Oct 00:01	UTC+1	BST	UK Bellwether Report

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

Last updated: 17 Aug 2021.

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