

Monthly PMI bulletin

Global growth hit by Omicron variant spread, price pressures persist

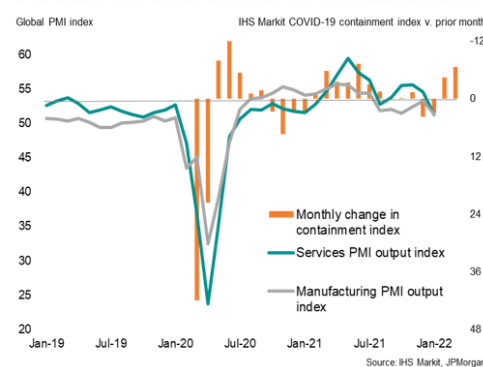
Monthly summary

The global economy expanded for a nineteenth straight month* in January, according to the JPMorgan Global PMI™ (compiled by IHS Markit), although **the rate of expansion slowed to an 18-month low** amid rising COVID-19 infections.

Both manufacturing and service sectors remained in expansion but saw their **rates of growth slow markedly**, each recording the smallest monthly improvements since July 2020.

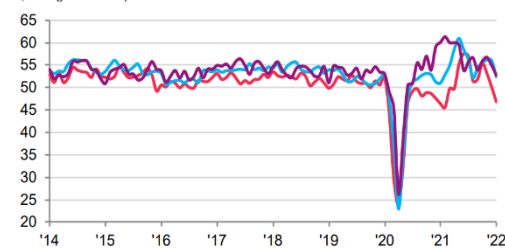
A **broad tightening of official measures** to restrict the spread of the virus had been reflected via an increase in IHS Markit's Global COVID-19 Containment Index for a second month in January.

Global PMI and Covid-19 containment



Business Activity Index

Consumer services / Business services / Financial services
sa, >50 = growth since previous month



Sources: J.P.Morgan, IHS Markit.

In particular, **consumer services activity had been hard hit** by the COVID-19 Omicron variant's disruption. Detailed sector data revealed that the tourism and recreation sector reported the steepest downturn by far. The added impact from the spread of the

more infectious Omicron variant had also been **disruptions towards both materials and staff**, shortages of which were again widely reported by companies – and to an extent far exceeding any time prior to the past few months. **The indirect impact on prices** is also expected to be continuously felt in the months to come.

In short, our **key takeaways** from the January PMI are:

- 1) the COVID-19 Omicron wave hit global growth at the start of 2022, particularly upon consumer services activity,
- 2) disruptions towards materials and staffs have led to intensifying price pressures, creating uncertainties for the economic growth outlook amid heightened impetus for policy tightening.

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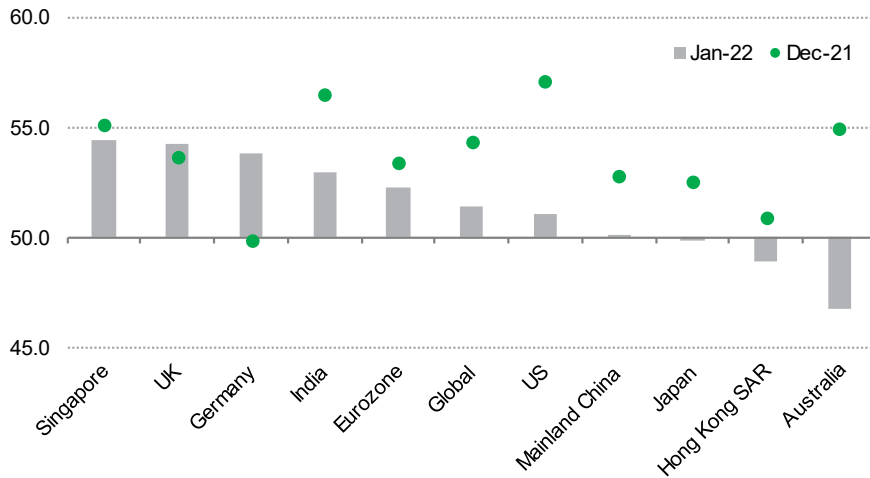
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* Please note that due to later-than-usual release dates, January data for China services, Indonesia manufacturing, Myanmar manufacturing, the Philippines manufacturing and South Korea manufacturing were not available for inclusion in the global numbers.

Regional comparisons

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



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

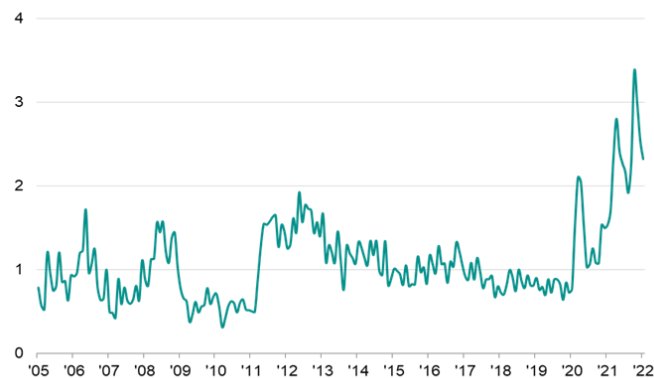
The Good, the Bad and the Ugly

Key PMI developments

The Good: Raw material supply bottlenecks are easing

Global companies reporting lower output due to shortages of materials

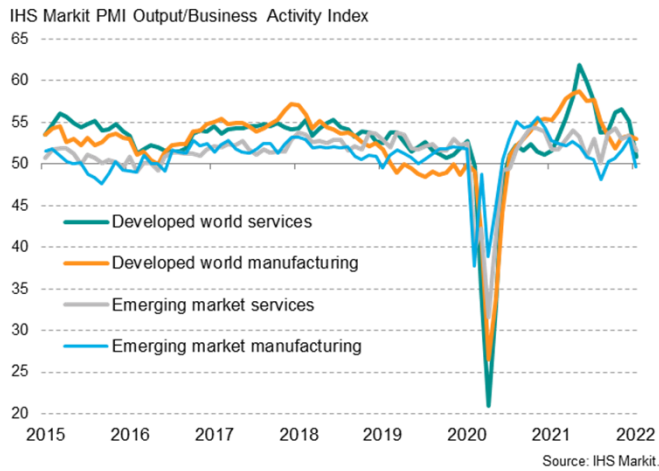
Index, 1 = long run average (2005-20)



Source: IHS Markit PMI surveys

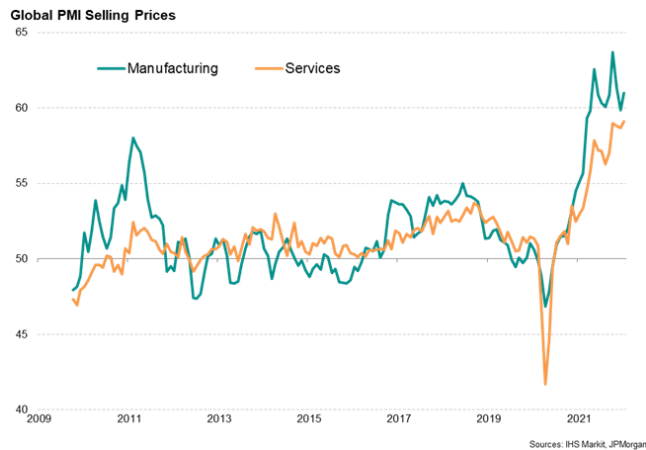
- While both manufacturing and services firms continue to experience supply chain delays, the number of companies worldwide reporting that output was constrained by materials shortages had eased from the October 2021 high of 3.4 times the long-run average to 2.3 times. [\[Link\]](#)
- That said, it may still be too early to cheer the improvement, as backlogged work continues to accumulate, attributed to a more severe case of staff shortages in January. Staffing problems stemmed from difficulties filling vacancies as well as short-term absenteeism from COVID-19 infections.
- The good news included a slight easing of global raw material input price inflation, but the staff shortages (and higher energy prices) are creating additional price pressures (see below).

The Bad: Global growth slowdown led by consumer services



- Global economic growth slumped to a one-and-a-half year low at the start of 2022, attributed primarily to the Omicron wave's disruption. Unsurprisingly, firms reliant on face-to-face interactions had been the worst hit, although these may well be the ones to bounce back the fastest as the Omicron disruptions fade. [\[Link\]](#)
- Meanwhile, developed world growth slipped to an 18-month low in January but emerging markets suffered more, seeing manufacturing output contract for the first time since August 2021.

The Ugly: Inflation pressures persist amid slowing growth



- While raw material price inflation eased, other inflationary factors continue to build. Alongside an unprecedented upward shift in staff costs, underpinned by manpower shortages, firms across both the manufacturing and service sectors passed on their costs to clients at a faster rate in January. [\[Link\]](#)
- Against a backdrop of worsening price pressures, central banks around the world also adopted more hawkish tones. The question going forward would be how global growth may be impacted by tightening monetary policy while grappling with an uncertain demand outlook.

Global PMI heatmap

Manufacturing

		Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22
Global	Global													
Americas	Canada													
	US													
	Brazil													
	Colombia													
	Mexico													
Europe	Eurozone													
	Austria													
	Czech Republic													
	Denmark													
	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: IHS Markit and relevant sponsors

Services

		Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22
Global	Global													
Americas	US													
	Brazil													
Europe	Eurozone													
	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 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

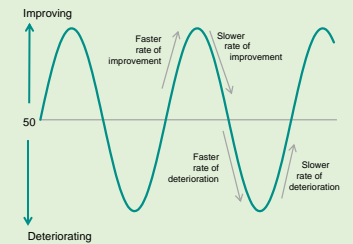
Services indices

- 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

		Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22
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													
	Zambia													

Source: IHS Markit and relevant sponsors

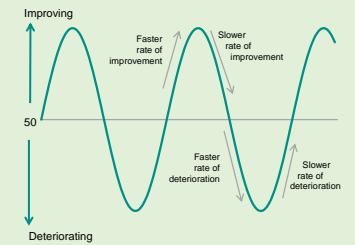
Composite indices

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:

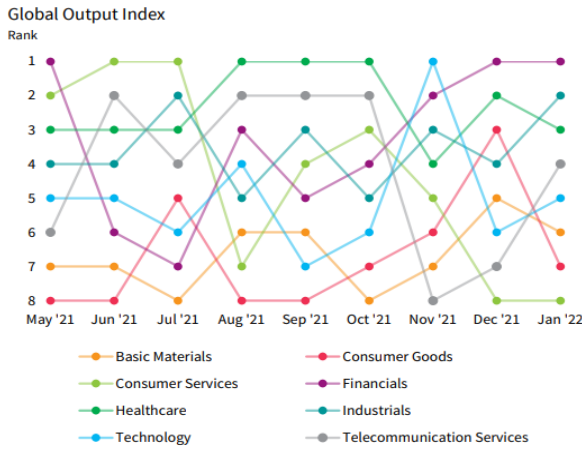
Improving at a faster rate	
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Deteriorating at a faster rate	



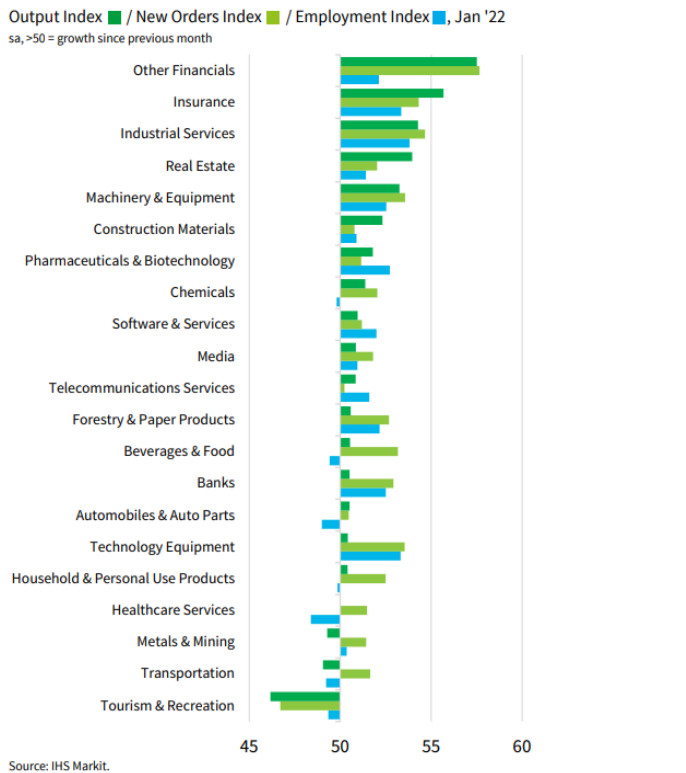
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Global Sector PMI

Financials maintained the lead in the global sector output ranking at the start of 2022. Industrials followed, shifting two spots up. Consumer Services remained the worst performing sector amid new COVID-19 disruptions.



Sub-sector data indicated three of the four finance-related sectors and Industrial Services exhibited the strongest rates of expansion. Tourism & Recreation meanwhile saw the fastest contraction since January 2021.



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

Recent PMI and economic analysis from IHS Markit

Global	Global food price inflation reaches all-time high amid record supply shortages	7-Feb	Chris Williamson
	Global economy sees inflation pressures persist as growth slows	7-Feb	Chris Williamson
	Global economic slowdown led by slump in consumer services activity	7-Feb	Chris Williamson
	Omicron wave pushes global economic growth to 1½ year low in January	7-Feb	Chris Williamson
	Global production growth slows to 1½-year low at start of 2022 as Omicron hits	1-Feb	Chris Williamson
	Flash PMIs signal sharp slowing in developed world growth at start of 2022 as Omicron wave hits	25-Jan	Chris Williamson
	PMI survey data to reveal Omicron impact around the world	18-Jan	Chris Williamson
	Global economic growth hit by Omicron but supply tensions ease	7-Jan	Chris Williamson
US	U.S. manufacturing production hit by Omicron, but survey gauges differ on scale of January slowdown	2-Feb	Chris Williamson
	US economy accelerated prior to Omicron, but renewed weakness apparent	27-Jan	Chris Williamson
	US economic growth slows to 18-month low as Omicron wave exacerbates supply delays and labour shortages	24-Jan	Chris Williamson
Europe	Eurozone growth slows as flash PMI slides to 52.4. Omicron hits services, but manufacturers benefit from easing supply constraints	24-Jan	Chris Williamson
	UK flash PMI signals economic resilience amid Omicron wave	24-Jan	Chris Williamson
	Labour market heat adds to Bank of England policy dilemma	13-Jan	Chris Williamson
APAC	China manufacturing sector falls into decline amid Omicron wave, job losses accelerate	31-Jan	Chris Williamson
	Japan and Australia enter third economic downturns as Omicron wave hits	24-Jan	Jingyi Pan
Commodities	Weekly Pricing Pulse: Strength in energy offsets softness in broader commodity markets	2-Feb	Thomas McCartin

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

Release calendar

UTC		Local		Product
20 Feb 22:00	21 Feb 09:00	UTC+11	AEDT	Flash Australia PMI*
21 Feb 00:30	21 Feb 09:30	UTC+9	JST	Flash Japan PMI*
21 Feb 08:15	21 Feb 09:15	UTC+1	CET	Flash France PMI*
21 Feb 08:30	21 Feb 09:30	UTC+1	CET	Flash Germany PMI*
21 Feb 09:00	21 Feb 10:00	UTC+1	CET	Flash Eurozone PMI*
21 Feb 09:30	21 Feb 09:30	UTC	GMT	Flash UK PMI*
22 Feb 14:45	22 Feb 09:45	UTC-5	EST	Flash US PMI*
24 Feb 09:00	24 Feb 10:00	UTC+1	CET	Austria Manufacturing PMI
28 Feb 22:00	01 Mar 09:00	UTC+11	AEDT	Australia Manufacturing PMI
01 Mar 00:30	01 Mar 08:30	UTC+8	CST	Taiwan Manufacturing PMI
01 Mar 00:30	01 Mar 07:30	UTC+7	ICT	Vietnam Manufacturing PMI
01 Mar 00:30	01 Mar 07:00	UTC+6.5	MMT	Myanmar Manufacturing PMI
01 Mar 00:30	01 Mar 09:30	UTC+9	JST	Japan Manufacturing PMI
01 Mar 00:30	01 Mar 07:30	UTC+7	ICT	Thailand Manufacturing PMI
01 Mar 00:30	01 Mar 07:30	UTC+7	WIB	Indonesia Manufacturing PMI
01 Mar 00:30	01 Mar 08:30	UTC+8	PHT	Philippines Manufacturing PMI
01 Mar 00:30	01 Mar 08:30	UTC+8	MYT	Malaysia Manufacturing PMI
01 Mar 00:30	01 Mar 07:30	UTC+7	ICT	ASEAN Manufacturing PMI
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01 Mar 06:00	01 Mar 09:00	UTC+3	MSK	Russia Manufacturing PMI
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07 Mar 07:00	07 Mar 07:00	UTC	GMT	UK House Price Index
07 Mar 09:00	07 Mar 09:00	UTC	GMT	Global Aluminium Users PMI
07 Mar 09:00	07 Mar 09:00	UTC	GMT	Global Copper Users PMI
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10 Mar 01:01	10 Mar 01:01	UTC	GMT	Scotland Report on Jobs
14 Mar 00:01	14 Mar 00:01	UTC	GMT	UK Regional PMI
14 Mar 00:01	14 Mar 00:01	UTC	GMT	Global Business Outlook
14 Mar 00:01	14 Mar 00:01	UTC	GMT	UK and Ireland Business Outlook
14 Mar 01:01	14 Mar 01:01	UTC	GMT	Ireland Construction PMI

Notes

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

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