

Monthly PMI Bulletin

Global economic growth speeds up as China's downturn eases

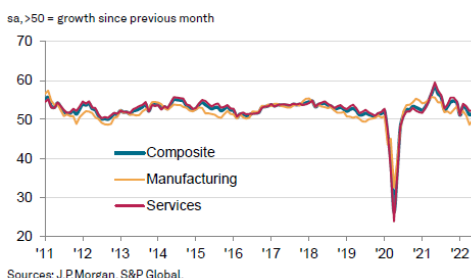
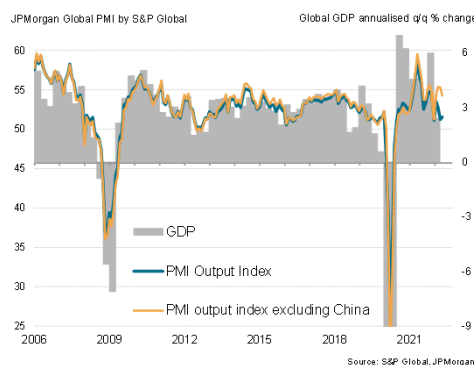
June 2022

Monthly summary

The global economy expanded for a 23rd straight month* in May, according to the JPMorgan Global PMI™ (compiled by S&P Global), with the rate of growth accelerating for the first time in three months as the lockdown-driven downturn in mainland China showed signs of easing.

The rate of growth was nevertheless amongst the weakest so far during the pandemic recovery period as the downturns that have afflicted the Chinese and Russian economies continued to weigh on global output. Excluding China, the global PMI registered 54.3, indicative of a more impressive annualised GDP growth rate of 3.5%. Certainly, signs have pointed to the worst being over for China with the Caixin composite PMI, compiled by S&P Global, rising to 42.2 in May from 37.2 in April. But questions remain with respect to how quickly China will rebound from here, and how will the easing of restrictions play out on both the demand and supply side.

JP Morgan Global composite PMI



As far as May PMIs are concerned, services activity continued to buoy overall global growth amid looser COVID-19 restrictions. That said, service sector recoveries may lose momentum in coming months as pent-up demand fades. Meanwhile manufacturing performance remained subdued, with global output falling for a second straight month, affected primarily by falling Chinese production. The release of pent-up demand

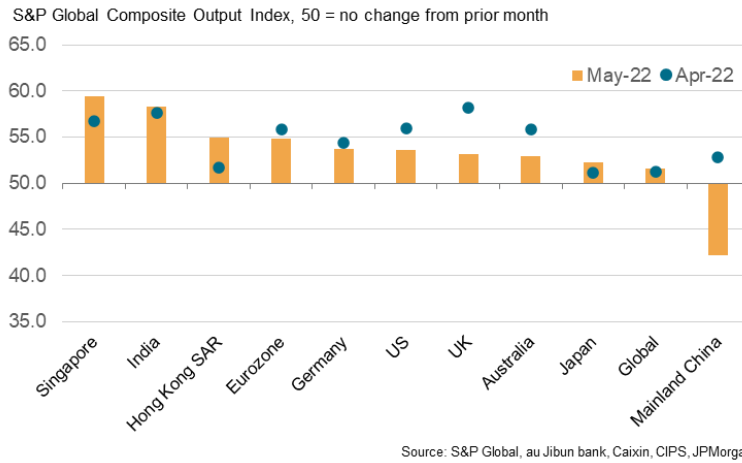
as mainland China eases restrictions may bode well for overall demand and ease supply constraints, though it will be important to weigh any consequent price pressures.

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

- 1) Services activity continued to power the global expansion in May, though the fading of pent-up demand in the months ahead may lead to further slowdown in global growth, especially when manufacturing sector remains pressured.
- 2) Easing COVID-19 disruptions in China is expected to support demand and lead to the reduction of supply issues, but the effect on prices is uncertain.

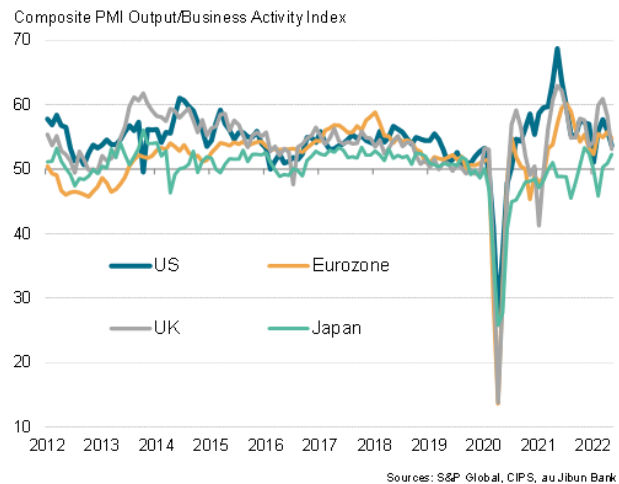
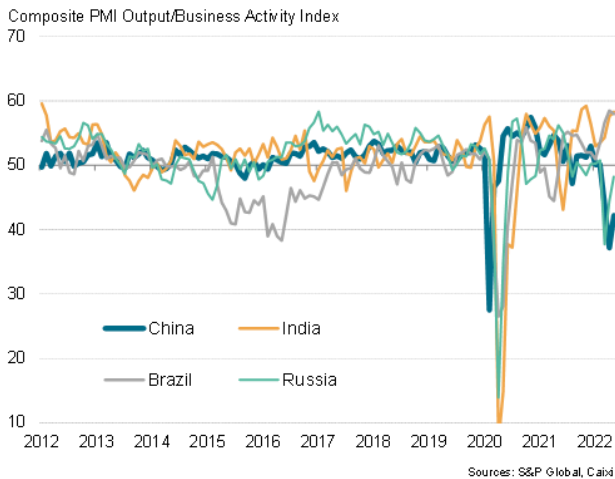
* Please note that due to later-than-usual release dates, May manufacturing data for Indonesia and South Korea were not available for inclusion in the global numbers. Services data for the UK were also unavailable for inclusion.

Regional comparisons



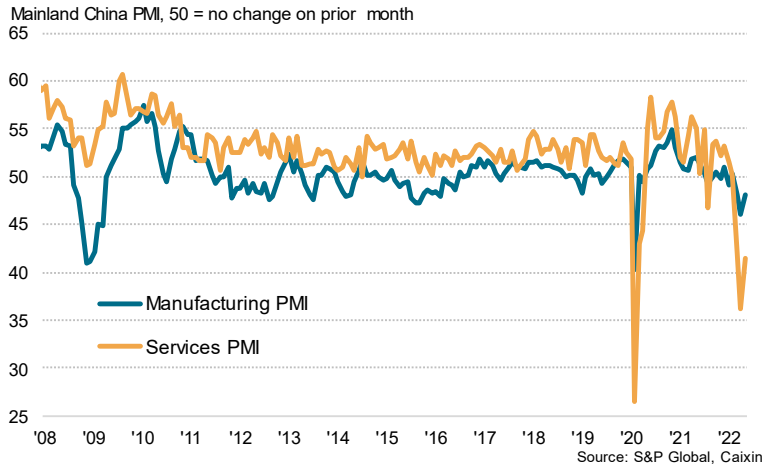
The Good, the Bad and the Ugly | Key PMI developments

The Good: Services sector keeping the global economy in expansion



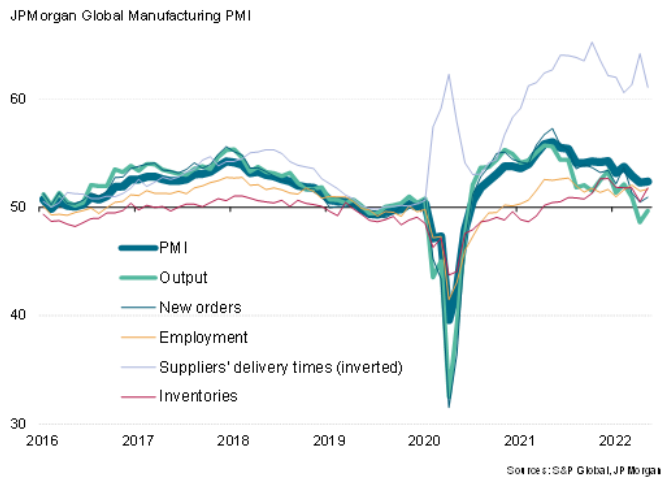
- Looser COVID-19 restrictions continued to power growth rebounds around the world in May, keeping global services business activity – and therefore the composite PMI – above the 50.0 neutral line in May.
- Strong expansions were seen particularly in emerging markets such as India and Brazil, where growth rates were amongst the highest seen over the past decade, spurred by the easing of COVID-19 restrictions.
- Meanwhile developed world growth remained resilient, though converging in the latest May readings. The eurozone’s expansion cooled but overtook that of the US and UK. On the other hand, Japan’s reopening of the economy has seen its composite PMI jump to the highest since December. [\[Link\]](#)
- As told above, although the easing of mobility restrictions around the world had helped to drive growth rebounds, the momentum is expected to fade in the coming months with the pent-up demand having been released. China’s shift out of lockdown may prove the exception here.

The Bad: Mainland China remains in steep declines



- The focus remains with mainland China as both manufacturing and services PMI persisted deep in contraction territory midway into the second quarter, albeit both showing deteriorations of conditions to smaller extents compared to April.
- The impact from the strict COVID-19 restrictions in mainland China continued to ripple across the globe, weighing on global performance via reduced demand and restricted supply.
- While the easing of virus restrictions in June in mainland China is expected to bode well for demand and improve supply chain performance, the fall in selling price inflation that had been seen so far will be at risk of a reversal as pent-up demand gets unleashed. The trend will be one to watch going in the June PMIs.

The Ugly: Global manufacturing output sees a second monthly decline



- The JPMorgan Manufacturing Purchasing Managers' Index™ (PMI™), compiled by S&P Global, inched up from 52.3 in April to 52.4 in May, though remained at the second-lowest level recorded over the past 20 months as the output index remained in negative territory. A further marked drop in output in mainland China amid ongoing lockdown measures had been primarily blamed for the decline.
- That said, the likes of the eurozone and UK in the West had also seen manufacturers struggle against the headwinds of supply shortages, elevated inflationary pressures and weakening demand amid rising uncertainty about the economic outlook.
- While some hopes hinges on the easing of restrictions in mainland China to boost manufacturing sector performance, orders-to-inventory ratio in the eurozone suggest that the rate of output decline may further accelerate in coming months. [\[Link\]](#)

Global PMI heatmap

Manufacturing

		Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'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: S&P Global in association with relevant sponsors.

Services

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

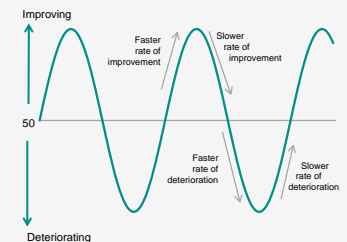
Services indices

- 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

		Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22
Global	Global												
Americas	Brazil												
	US												
Europe	Eurozone												
	France												
	Germany												
	Ireland												
	Italy												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	Hong Kong SAR												
	India												
	Japan												
	Khazakstan												
	Russia												
Middle East	Singapore												
	Lebanon												
	Qatar												
	Saudi Arabia												
Africa	UAE												
	Ghana												
	Kenya												
	Mozambique												
	Nigeria												
	South Africa												
	Uganda												
Zambia													

Source: S&P Global in association with relevant sponsors

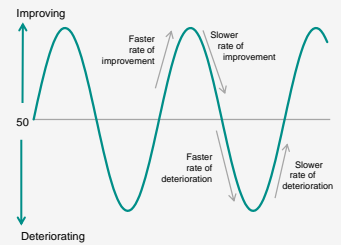
Composite indices comprise:

- 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:

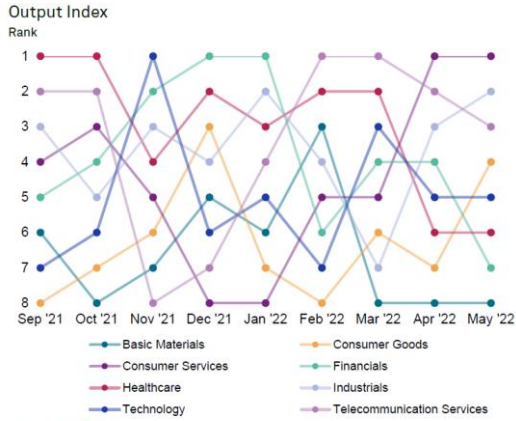
Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



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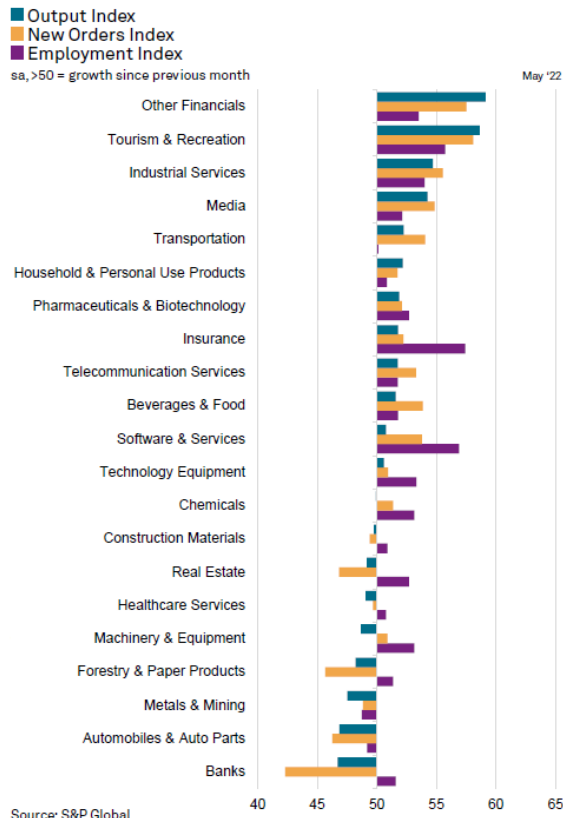
Global Sector PMI

Consumer Services remained at the top spot, benefitting from the post-COVID containment global recovery in May. Outperformance of Consumer Services had also been apparent in the [S&P Global US Sector PMI](#). Basic Materials meanwhile remained the weakest amongst the eight broad global industry sectors tracked.



Source: S&P Global.

Most sub-sectors saw business activity rise in May, though a number of sectors struggled amid weaker demand and steep price rises, particularly in the manufacturing sector, led by banks and autos.



Source: S&P Global.

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 S&P Global Market Intelligence

Global	Global growth inches higher in May as loosened COVID restrictions boost demand for services and downturns ease in China and Russia	7-Jun	Chris Williamson
	Global factory output falls for second month in May amid China lockdowns	2-Jun	Chris Williamson
	Headwinds stifle developed world expansions in May	24-May	Chris Williamson
	Inflation pressures and GDP resilience under scrutiny with May flash PMIs	20-May	Chris Williamson
	Understanding... PMI new export orders index: Tracking worldwide trade flows and changing demand, by country and sector	19-May	Chris Williamson
	Global commodity price and supply indicators signal semiconductor shortage showing signs of peaking	17-May	Jingyi Pan
	Monthly PMI Bulletin: May 2022	9-May	Chris Williamson, Jingyi Pan
	Global PMI - special Russia-Ukraine war report	9-May	Chris Williamson, et al.
	Economic downturn spreads as more sectors report falling output and record price rises	6-May	Chris Williamson
	Global PMI surveys show further acceleration of inflation amid supply shocks in April, but demand shows signs of waning	6-May	Chris Williamson
Europe	Weak eurozone PMI readings signal second quarter manufacturing downturn	2-Jun	Chris Williamson
	UK economy slows to a crawl in May as inflation pressures hit new high	24-May	Chris Williamson
	Eurozone economy shows resilience in May thanks to buoyant service sector, as price pressures ease from April high	24-May	Chris Williamson
APAC	Reduced COVID-19 impact supports services growth in Japan and Australia but manufacturing sector under pressure from supply constraints	24-May	Jingyi Pan
	Manufacturers in Kazakhstan face logistical struggles amid sanctions on Russia	12-May	Andrew Harker, Maryam Baluch

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

Release calendar

UTC	Local	Product
14 Jun 14:00	14 Jun 10:00 UTC-4 EDT	US Investment Manager Index
22 Jun 23:00	23 Jun 09:00 UTC+10 AEST	Flash Australia PMI*
23 Jun 00:30	23 Jun 09:30 UTC+9 JST	Flash Japan PMI*
23 Jun 07:15	23 Jun 09:15 UTC+2 CEST	Flash France PMI*
23 Jun 07:30	23 Jun 09:30 UTC+2 CEST	Flash Germany PMI*
23 Jun 08:00	23 Jun 10:00 UTC+2 CEST	Flash Eurozone PMI*
23 Jun 08:30	23 Jun 09:30 UTC+1 BST	Flash UK PMI*
23 Jun 13:45	23 Jun 09:45 UTC-4 EDT	Flash US PMI*
28 Jun 08:00	28 Jun 10:00 UTC+2 CEST	Austria Manufacturing PMI
30 Jun 23:00	01 Jul 09:00 UTC+10 AEST	Australia Manufacturing PMI
01 Jul 00:01	01 Jul 01:01 UTC+1 IST	Ireland Manufacturing PMI
01 Jul 00:30	01 Jul 09:30 UTC+9 JST	Japan Manufacturing PMI
01 Jul 00:30	01 Jul 08:30 UTC+8 CST	Taiwan Manufacturing PMI
01 Jul 00:30	01 Jul 08:30 UTC+8 PHT	Philippines Manufacturing PMI
01 Jul 00:30	01 Jul 07:00 UTC+6.5 MMT	Myanmar Manufacturing PMI
01 Jul 00:30	01 Jul 07:30 UTC+7 ICT	Thailand Manufacturing PMI
01 Jul 00:30	01 Jul 07:30 UTC+7 ICT	Vietnam Manufacturing PMI
01 Jul 00:30	01 Jul 08:30 UTC+8 MYT	Malaysia Manufacturing PMI
01 Jul 00:30	01 Jul 09:30 UTC+9 KST	South Korea Manufacturing PMI
01 Jul 00:30	01 Jul 07:30 UTC+7 WIB	Indonesia Manufacturing PMI
01 Jul 00:30	01 Jul 07:30 UTC+7 ICT	ASEAN Manufacturing PMI
01 Jul 01:45	01 Jul 09:45 UTC+8 CST	China General Manufacturing PMI
01 Jul 05:00	01 Jul 10:30 UTC+5.5 IST	India Manufacturing PMI
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01 Jul 08:30	01 Jul 09:30 UTC+1 BST	UK Manufacturing PMI
01 Jul 08:45	01 Jul 09:45 UTC+1 WAT	Nigeria PMI
01 Jul 13:00	01 Jul 10:00 UTC-3 BRT	Brazil Manufacturing PMI
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05 Jul 00:30	05 Jul 08:30 UTC+8 SST	Singapore PMI
05 Jul 00:30	05 Jul 09:30 UTC+9 JST	Japan Services PMI*
05 Jul 01:45	05 Jul 09:45 UTC+8 CST	China General Services PMI*
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Notes

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

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