

Monthly PMI Bulletin

Global downturn decelerates at the end of 2022 but outlook remains uncertain

Monthly summary

The global downturn persisted for the fifth straight month in December 2022 but at a slower rate compared to November. Underlying demand conditions deteriorated, however, with higher prices remaining a key dampener on spending despite signs of cooling inflationary pressures.

The [J.P.Morgan Global Composite Output Index](#) – produced by S&P Global – posted 48.2 in December, up from 48.0 in November. This marked the fifth consecutive month of global contraction, albeit at a slower pace compared to November.

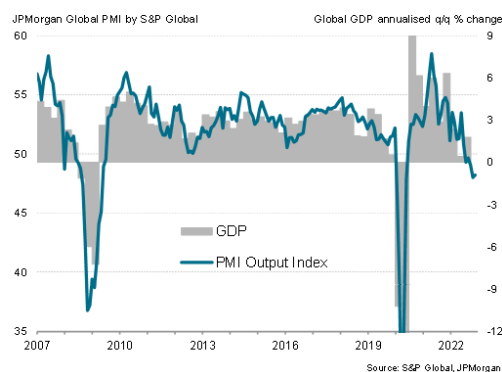
The deceleration of the global contraction was supported by improving supply conditions in December, especially in the manufacturing sector. Fewer incidences of supply delays were reported by panel members, with reduced energy market concerns also playing a role. However, the outlook remains uncertain, with weak demand conditions remaining at the heart of the slowdown. Global new orders lowered for a fifth month in December, dropping at the steepest rate since 2009, barring pandemic lows, boding ill for output in the coming months.

Meanwhile despite the easing of supply constraints, price pressures remained severe enough to draw concerns, with the number of companies reporting higher prices to have caused a drop in orders spiking to an all-time survey high. These price concerns included central bankers who remain in pursuit of inflation, now focusing on sticky service sector cost increases. This suggest that the double whammy of tightening financial conditions and wilting demand may persist into the start of 2023.

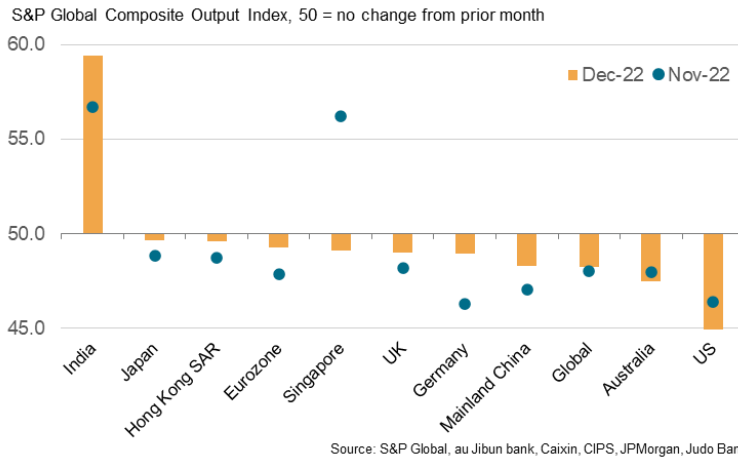
In short, our key takeaways from the December 2022 PMI are:

- 1) Supply delays and energy market constraints have further alleviated, leading to a shallower decline in global output at the end of 2022.
- 2) That said, weak demand conditions continue to pose threats to any recovery in the near term, with new orders falling at a rate not seen since 2009 in December if pandemic lockdowns months are excluded.
- 3) Despite policies taking effect, businesses continued to find demand weighed by high prices and this had equally captured the attention of central bankers with further tightening of monetary policy conditions expected in a contractionary environment

JP Morgan Global composite PMI

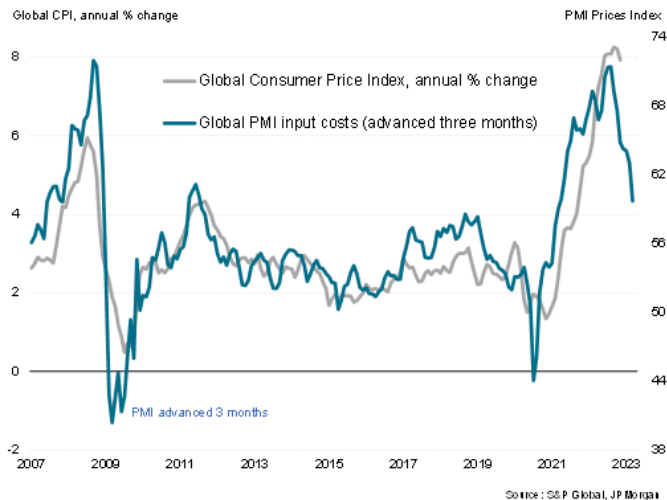


Regional comparisons



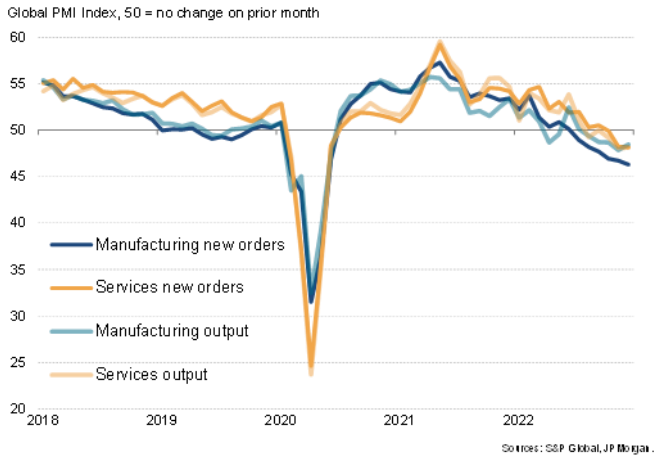
The Good, the Bad and the Ugly | Key PMI developments

The Good: Inflationary pressures falling through the year-end

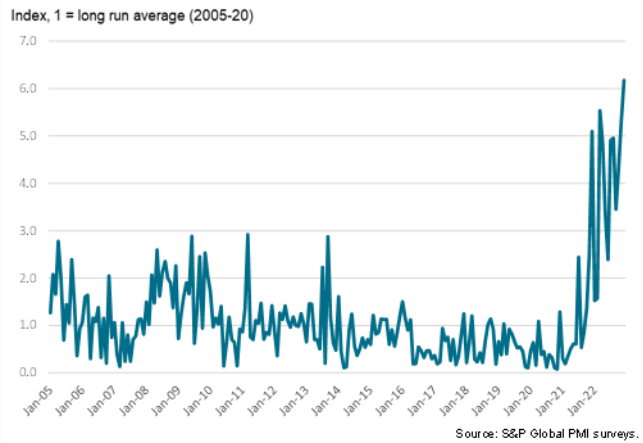


- The cooling of global inflationary pressures continued into the final month of 2022 with global PMI input costs rising at the slowest rate for two years, sustaining the declining trend from the peak in April 2022. Output price inflation likewise dipped, easing to the lowest since February 2021.
- To a large extent, the softening of demand conditions underpinned the improvement in supply, which resulted in the moderating of price pressures. Specifically, goods producers saw the incidence of longer supplier delivery times fall to the lowest since January 2020, just prior to the pandemic. ([Link to article](#))
- The implication from a decline in global PMI input prices is one of lower worldwide consumer price inflation expected in the coming months, as shown by the correlation chart above. That said, there is still a delay expected for CPI to return to the long-run average level amid persistently high service sector inflation in particular.

The Bad: Prices are still too high

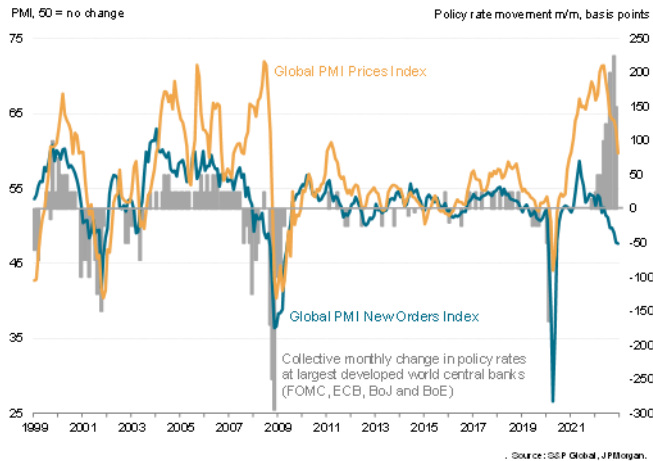


Global companies reporting lower orders due to higher prices



- Despite price pressures easing, demand remained adversely affected by elevated prices. Data from the PMI Comment Tracker dataset revealed that the most commonly cited cause of the downturn around the world was a weakening of demand due to higher prices. The number of companies reporting as such had also been the highest recorded since data was first available in 2005, running at over six-times the long-run average. This reflected the degree to which higher prices evolved to be of concern for businesses and consumers alike despite easing price increases. ([Link to article](#))
- To some extent, the current backdrop of deteriorating economic conditions may have also contributed to price-sensitivity and may lead to further abating of price pressures for firms to acquire sales via discounting. Conversely, any persistent hike in prices could see a further erosion of demand and output in the months to follow.

The Ugly: Hiking into a slowdown



- While demand and output continued to deteriorate according to the latest PMI indications, central bankers, especially in the US, are expected to continue hiking into the start of 2023 thereby further dampening demand conditions in the new year.
- Even with the easing of COVID-19 restrictions in mainland China, set to provide a boost to growth, there remains risks to a global recession in 2023.

Global PMI heatmap

Manufacturing

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

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

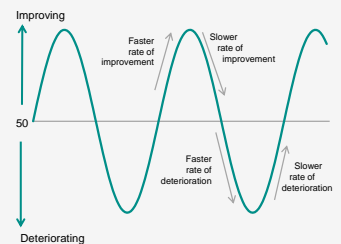
Services indices

- 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

		Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'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												
	Singapore												
Middle East	Lebanon												
	Qatar												
	Saudi Arabia												
	UAE												
Africa	Ghana												
	Kenya												
	Mozambique												
	Nigeria												
	South Africa												
	Zambia												

Source: S&P Global in association with relevant sponsors

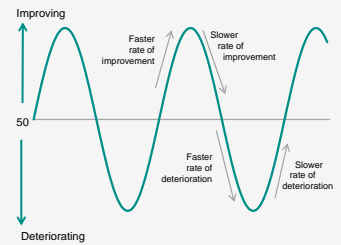
Composite indices comprise:

- 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:

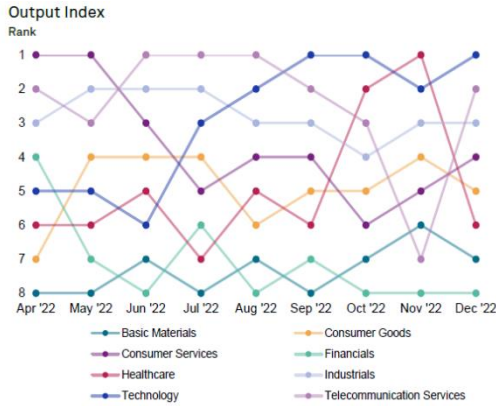
Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



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

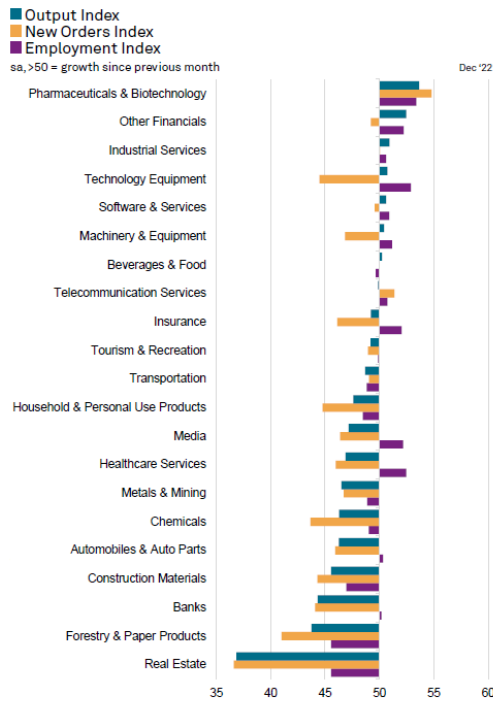
Global Sector PMI

Latest S&P Global Sector PMI™ data signalled persistent and widespread reductions in business activity across the majority of sectors tracked November. The downturn remained led by *Financials* amongst the **eight industry groups** tracked, which was especially sharp in the US. *Technology* took over from *Healthcare* to lead the pack and was the only industry group in expansion.



Source: S&P Global.

Meanwhile **amongst the sectors**, *Real Estate* continued to struggle most in the current tighter financial environment. *Pharmaceuticals & Biotechnology* led the 21 categories below, followed by *Other Financials*.



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	Eurozone manufacturing downturn helps cool inflationary pressures	4-Jan	Chris Williamson
	Flash PMI data signal worsening developed market economic growth, but also point to a further sharp cooling of price pressures	16-Dec	Chris Williamson
	PMI surveys show emerging markets outperforming global benchmarks in November but trend deteriorating	15-Dec	Joseph Hayes
	Global Autos production slumps in November amid declining demand	15-Dec	Laura Denman
	Global employment trend softens in November but labour shortages and hiring challenges support continued jobs growth	9-Dec	Andrew Harker, Joseph Hayes, Pollyanna De Lima
	Global sector data reveal broadening slowdown with financial services leading the downturn	7-Dec	Jingyi Pan
	Monthly PMI Bulletin: December 2022	7-Dec	Jingyi Pan
	Global manufacturing PMI signals further steep worldwide trade slump in November	2-Dec	Chris Williamson
EMEA	Eurozone recession fears ease as flash PMI signals slower rate of contraction for second month	16-Dec	Chris Williamson
	Flash UK PMI data signal cooling inflation and moderating downturn, but jobs are cut amid uncertain outlook	16-Dec	Chris Williamson
	Recruitment downturn signals cooling wage growth in UK	12-Dec	Chris Williamson
US	Flash PMI survey data signal growing impact from rate hikes on economy and inflation	16-Dec	Chris Williamson
	Expectations of further Fed tightening in December, as PMI survey data suggest policy is helping cool inflation and reduce demand	9-Dec	Chris Williamson
APAC	ASEAN manufacturing outlook for 2023 softens as demand remains lacklustre	4-Jan	Jingyi Pan
	Asia PMI indicates region slipping further into contraction ahead of 2023 arrival	12-Dec	Jingyi Pan

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

Release calendar

UTC	Local	Product
10 Jan 15:00	10 Jan 10:00 UTC-5 EST	US Investment Manager Index
23 Jan 22:00	24 Jan 09:00 UTC+11 AEDT	Flash Australia PMI*
24 Jan 00:30	24 Jan 09:30 UTC+9 JST	Flash Japan PMI*
24 Jan 08:15	24 Jan 09:15 UTC+1 CET	Flash France PMI*
24 Jan 08:30	24 Jan 09:30 UTC+1 CET	Flash Germany PMI*
24 Jan 09:00	24 Jan 10:00 UTC+1 CET	Flash Eurozone PMI*
24 Jan 09:30	24 Jan 09:30 UTC GMT	Flash UK PMI*
24 Jan 14:45	24 Jan 09:45 UTC-5 EST	Flash US PMI*
27 Jan 09:00	27 Jan 10:00 UTC+1 CET	Austria Manufacturing PMI
31 Jan 22:00	01 Feb 09:00 UTC+11 AEDT	Australia Manufacturing PMI
01 Feb 00:30	01 Feb 07:00 UTC+6.5 MMT	Myanmar Manufacturing PMI
01 Feb 00:30	01 Feb 07:30 UTC+7 WIB	Indonesia Manufacturing PMI
01 Feb 00:30	01 Feb 09:30 UTC+9 KST	South Korea Manufacturing PMI
01 Feb 00:30	01 Feb 08:30 UTC+8 PHT	Philippines Manufacturing PMI
01 Feb 00:30	01 Feb 08:30 UTC+8 CST	Taiwan Manufacturing PMI
01 Feb 00:30	01 Feb 08:30 UTC+8 MYT	Malaysia Manufacturing PMI
01 Feb 00:30	01 Feb 07:30 UTC+7 ICT	Vietnam Manufacturing PMI
01 Feb 00:30	01 Feb 09:30 UTC+9 JST	Japan Manufacturing PMI
01 Feb 00:30	01 Feb 07:30 UTC+7 ICT	Thailand Manufacturing PMI
01 Feb 00:30	01 Feb 07:30 UTC+7 ICT	ASEAN Manufacturing PMI
01 Feb 01:01	01 Feb 01:01 UTC GMT	Ireland Manufacturing PMI
01 Feb 01:45	01 Feb 09:45 UTC+8 CST	China General Manufacturing PMI
01 Feb 05:00	01 Feb 10:30 UTC+5.5 IST	India Manufacturing PMI
01 Feb 06:00	01 Feb 09:00 UTC+3 MSK	Russia Manufacturing PMI
01 Feb 06:00	01 Feb 07:00 UTC+1 CET	Netherlands Manufacturing PMI
01 Feb 06:00	01 Feb 12:00 UTC+6 ALMT	Kazakhstan Manufacturing PMI
01 Feb 07:00	01 Feb 10:00 UTC+3 TRT	Turkey Manufacturing PMI
01 Feb 08:00	01 Feb 09:00 UTC+1 CET	Poland Manufacturing PMI
01 Feb 08:15	01 Feb 09:15 UTC+1 CET	Spain Manufacturing PMI
01 Feb 08:30	01 Feb 09:30 UTC+1 CET	Czech Republic Manufacturing PMI
01 Feb 08:45	01 Feb 09:45 UTC+1 CET	Italy Manufacturing PMI
01 Feb 08:45	01 Feb 09:45 UTC+1 WAT	Nigeria PMI
01 Feb 08:50	01 Feb 09:50 UTC+1 CET	France Manufacturing PMI
01 Feb 08:55	01 Feb 09:55 UTC+1 CET	Germany Manufacturing PMI
01 Feb 09:00	01 Feb 11:00 UTC+2 EET	Greece Manufacturing PMI
01 Feb 09:00	01 Feb 10:00 UTC+1 CET	Eurozone Manufacturing PMI
01 Feb 09:30	01 Feb 09:30 UTC GMT	UK Manufacturing PMI
01 Feb 13:00	01 Feb 10:00 UTC-3 BRT	Brazil Manufacturing PMI
01 Feb 14:30	01 Feb 09:30 UTC-5 EST	Canada Manufacturing PMI
01 Feb 14:45	01 Feb 09:45 UTC-5 EST	US Manufacturing PMI
01 Feb 15:00	01 Feb 10:00 UTC-5 COT	Colombia Manufacturing PMI
01 Feb 15:30	01 Feb 09:30 UTC-6 CST	Mexico Manufacturing PMI
01 Feb 16:00	01 Feb 11:00 UTC-5 EST	Global Manufacturing PMI
02 Feb 22:00	03 Feb 09:00 UTC+11 AEDT	Australia Services PMI*
03 Feb 00:30	03 Feb 08:30 UTC+8 SST	Singapore PMI
03 Feb 00:30	03 Feb 08:30 UTC+8 HKT	Hong Kong SAR PMI
03 Feb 00:30	03 Feb 09:30 UTC+9 JST	Japan Services PMI*
03 Feb 01:01	03 Feb 01:01 UTC GMT	Ireland Services PMI*
03 Feb 01:45	03 Feb 09:45 UTC+8 CST	China General Services PMI*
03 Feb 04:15	03 Feb 08:15 UTC+4 GST	United Arab Emirates PMI

03 Feb 05:00	03 Feb 10:30	UTC+5.5	IST	India Services PMI*
03 Feb 06:00	03 Feb 09:00	UTC+3	MSK	Russia Services PMI*
03 Feb 06:00	03 Feb 09:00	UTC+3	EAT	Uganda PMI
03 Feb 06:00	03 Feb 12:00	UTC+6	ALMT	Kazakhstan Services PMI*
03 Feb 07:15	03 Feb 09:15	UTC+2	SAST	South Africa PMI
03 Feb 07:30	03 Feb 10:30	UTC+3	EAT	Kenya PMI
03 Feb 08:15	03 Feb 09:15	UTC+1	CET	Spain Services PMI*
03 Feb 08:30	03 Feb 10:30	UTC+2	CAT	Zambia PMI
03 Feb 08:45	03 Feb 09:45	UTC+1	CET	Italy Services PMI*
03 Feb 08:50	03 Feb 09:50	UTC+1	CET	France Services PMI*
03 Feb 08:55	03 Feb 09:55	UTC+1	CET	Germany Services PMI*
03 Feb 09:00	03 Feb 11:00	UTC+2	EET	Lebanon PMI
03 Feb 09:00	03 Feb 10:00	UTC+1	CET	Eurozone Services PMI*
03 Feb 09:00	03 Feb 09:00	UTC	GMT	Ghana PMI
03 Feb 09:30	03 Feb 09:30	UTC	GMT	UK Services PMI*
03 Feb 13:00	03 Feb 10:00	UTC-3	BRT	Brazil Services PMI*
03 Feb 14:45	03 Feb 09:45	UTC-5	EST	US Services PMI*
03 Feb 14:45	03 Feb 09:45	UTC-5	EST	US Sector PMI
03 Feb 16:00	03 Feb 11:00	UTC-5	EST	Global Services PMI*
05 Feb 04:15	05 Feb 07:15	UTC+3	AST	Saudi Arabia PMI
05 Feb 04:15	05 Feb 06:15	UTC+2	EET	Egypt PMI
05 Feb 09:00	05 Feb 12:00	UTC+3	AST	Qatar PMI
06 Feb 00:30	06 Feb 08:30	UTC+8	HKT	Asia Sector PMI
06 Feb 06:00	06 Feb 08:00	UTC+2	CAT	Mozambique PMI
06 Feb 08:30	06 Feb 09:30	UTC+1	CET	Italy Construction PMI
06 Feb 08:30	06 Feb 09:30	UTC+1	CET	France Construction PMI
06 Feb 08:30	06 Feb 09:30	UTC+1	CET	Germany Construction PMI
06 Feb 08:30	06 Feb 09:30	UTC+1	CET	Eurozone Construction PMI
06 Feb 09:30	06 Feb 09:30	UTC	GMT	Europe Sector PMI
06 Feb 09:30	06 Feb 09:30	UTC	GMT	UK Construction PMI
06 Feb 09:30	06 Feb 09:30	UTC	GMT	Global Sector PMI
07 Feb 07:00	07 Feb 07:00	UTC	GMT	UK House Price Index
07 Feb 09:00	07 Feb 09:00	UTC	GMT	Global Aluminium Users PMI
07 Feb 09:00	07 Feb 09:00	UTC	GMT	Global Copper Users PMI
07 Feb 09:00	07 Feb 09:00	UTC	GMT	Global Steel Users PMI
07 Feb 09:30	07 Feb 09:30	UTC	GMT	Global Electronics PMI
08 Feb 01:01	08 Feb 01:01	UTC	GMT	UK & English Regions Report on Jobs
08 Feb 01:01	08 Feb 01:01	UTC	GMT	Scotland Report on Jobs
09 Feb 04:15	09 Feb 08:15	UTC+4	GST	Dubai PMI
13 Feb 00:01	13 Feb 00:01	UTC	GMT	UK Regional PMI
13 Feb 01:01	13 Feb 01:01	UTC	GMT	Ireland Construction PMI

Notes

Press release of indices produced by S&P Global and relevant sponsors can be found at <https://www.pmi.spglobal.com/Public/Release/PressReleases>.

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

Last updated: 28 December 2022.

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 registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

Links to more resources

- [Sign up to receive updated commentary in your inbox here.](#)
- [Calendar of upcoming PMI releases](#)
- [Running commentary on the PMI survey findings](#)
- [PMI Frequently Asked Questions](#)
- [Background to the PMIs \(video\)](#)
- [Understanding the headline PMI and its various subindices](#)
- [PMI data use-case illustrations](#), from nowcasting to investment strategy
- [PMI podcasts](#)
- [How to subscribe](#) to PMI data

CONTACT US**Jingyi Pan**

Economics Associate Director
S&P Global Market Intelligence
Singapore

T : +65 6439 6022

jingyi.pan@spglobal.com

The Americas

+1-877-863-1306

EMEA

+44-20-7176-1234

Asia-Pacific

+852-2533-3565

spglobal.com/marketintelligence/en/mi/products/pmi.html