

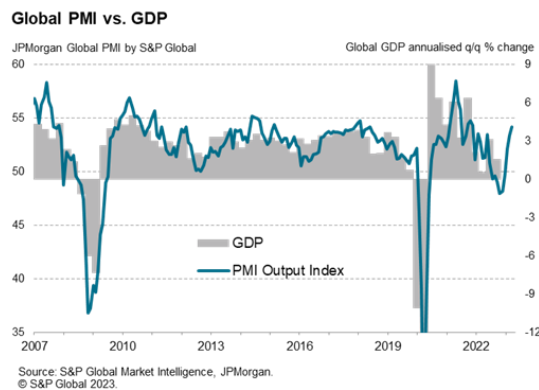
Monthly PMI Bulletin

Global growth continues to be buoyed by service sector expansion

Monthly summary

The global economic expansion accelerated at the start of the second quarter, buoyed primarily by faster services activity growth while manufacturing performance lagged. Consequently, developments on the inflation front likewise diverged, though a key question for the inflation outlook is how durable the ongoing service sector resurgence will be.

The [J.P.Morgan Global Composite Output Index](#) – produced by S&P Global – posted 54.2 in April, up from 53.4 in March. This marked the third consecutive monthly expansion of the global economy, at the fastest pace since December 2021. The latest reading is [indicative of global GDP rising at a quarterly annualized rate of approximately 4.0%](#).



Although both manufacturing and service activity grew at faster rates, the gap between the rates of expansion widened for a second straight month to signal an increasing sectoral divergence. This was mainly accounted for by faster service sector growth amid increased demand, especially within the consumer services sector, where tourism activity further surged at the start of the second quarter. This consumer services surge was especially prominent in Asia, following the removal of COVID-19 containment measures in mainland China, but also reflects the global economy's first year of unrestricted global travel since the pandemic.

Meanwhile manufacturing sector output rose for a third straight month, albeit only mildly. While new orders for goods remained in contraction territory, the healing of global supply chains enabled the improvement in output performance. That said, the lack of demand growth remains worrying, especially if the surge in demand for services wanes in the months ahead.

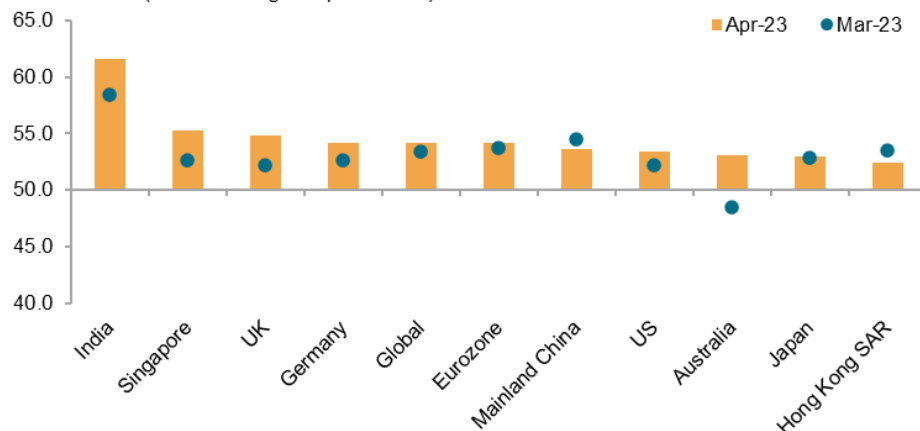
In short, our key takeaways from the April PMI are:

- 1) Global growth remained solid at the start of the second quarter, though accounted for mainly by service sector activity improvements
- 2) Supply chain pressures have further eased, supporting the expansion in manufacturing production, although factory output growth remained weak against a lack of demand growth
- 3) The divergence in manufacturing and services performance can likewise be seen in prices, with services-led price hikes keeping global inflation elevated, which may sustain present high interest rates even if rates would have likely peaked by the second half of 2023

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)



Source: S&P Global PMI surveys, au Jibun Bank, Caixin, CIPS, HCOB, JPMorgan, Judo Bank
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The Good, the Bad, and the Ugly | Key PMI developments

The Good: Supply chains on the mend

Global manufacturing supplier delivery times

Manufacturing PMI, suppliers' delivery times



Source: S&P Global Market Intelligence, JPMorgan.
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Companies worldwide reporting shortages of inputs

Survey index, 1 = long-run average



Source: S&P Global PMI surveys.
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- Average supplier delivery times shortened globally for a third consecutive month in April, improving at the fastest rate since 2009 according to the latest PMI surveys.
- This was accompanied by indications of reduced reporting of input shortages at the start of the second quarter. Incidences of reported shortages fell to just 1.6 times the long run average from the peak of nine-times in mid-2021.
- This had benefitted global manufacturers as they were able to clear their backlogs, supporting ongoing goods production. [\[Link\]](#)

– The Bad: Diverging demand trends

Global PMI new orders by sector



Source: S&P Global Market Intelligence, JPMorgan. © S&P Global 2023.

Global backlogs of work

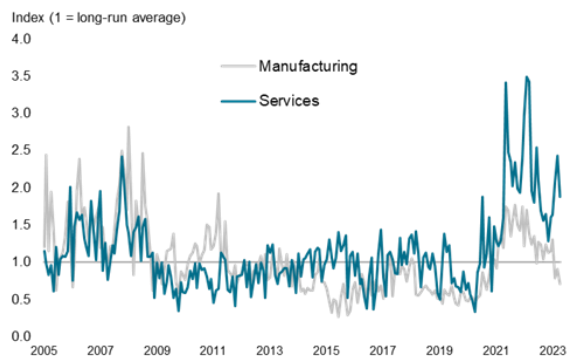


Sources: S&P Global, JPMorgan. © S&P Global 2023.

- Despite the improvements in supply chain conditions supporting goods production, the lack of demand growth within the manufacturing sector remains an issue. Global manufacturing new orders have now declined for the tenth consecutive month.
- This is further contrasted with stronger service sector demand as global spending continue the shift away from goods to services at the start of the second quarter.
- Additionally, the backlogs of work index also outlined the divergence between manufacturing and service performance with manufacturing backlogs remaining well in contraction territory to hint at the lack of additional work to sustain the current growth in manufacturing output.
- Should the service sector outperformance run out of steam, the global expansion may be at risk of sharply reversing its course.

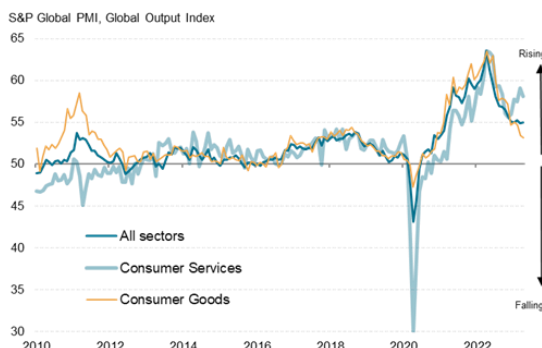
The Ugly: Service sector inflation pressures

S&P Global PMI: demand as a driver of higher selling prices



Source: S&P Global PMI surveys © S&P Global 2023.

Global PMI sector output prices



Source: S&P Global, JPMorgan. © S&P Global 2023.

- As a result of the divergence in sector performance, price trends have also deviated between the two. While service providers were able to charge higher selling prices on the back of higher demand, the same may not be said for manufacturers. The occurrences in which higher demand led to higher selling prices for the goods producing sector had fallen sharply past the long-run average in April, landing at the lowest level since September 2020. [\[Link\]](#)
- The deviation in price trends is especially prominent examining consumer goods and services with service sector inflation far exceeding that of goods.
- The concern for such deviation in price trends is the implication this would have for global interest rates, with service-led inflation potentially keeping rates higher for longer.

Global PMI heatmap

Manufacturing

		May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'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

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

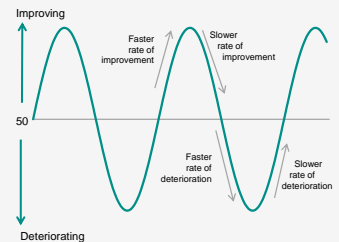
Services indices

- 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

		May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'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

Metal Users and Electronics

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

Source: S&P Global in association with relevant sponsors

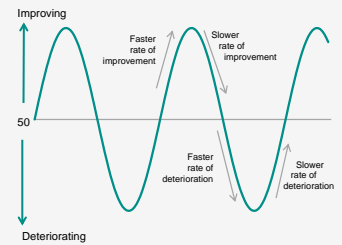
Composite indices comprise:

- 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:

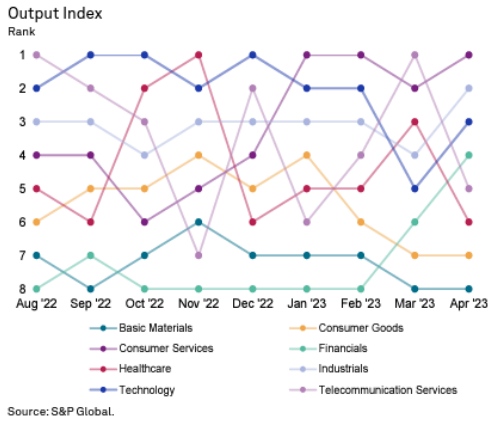
Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



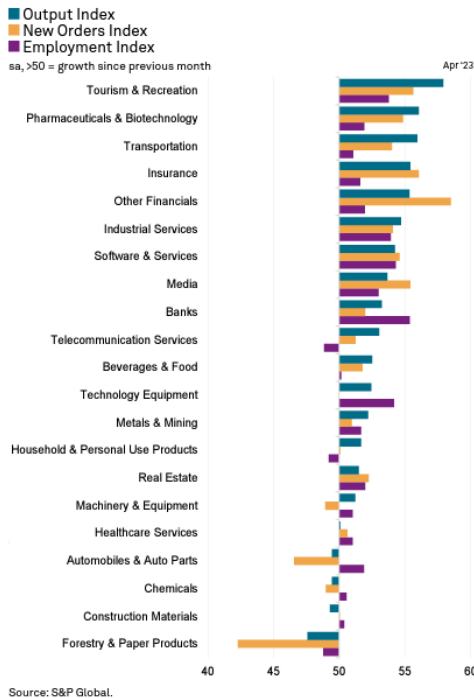
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Global Sector PMI

Latest S&P Global Sector PMI™ data revealed that improvements were seen across the sectors with most sectors posting higher business activity in April. Growth amongst the **eight industry groups** was led by *Consumer Services* once again. Only the *Basis Materials* sector recorded contractions and for a second straight month.



Meanwhile amongst the more detailed sectors, *Tourism & Recreation* continued to lead the pack as the best performers among the 21 categories tracked. On the other hand, *Forestry & Paper Products*, followed by *Construction Materials* struggled the most.



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	Factories slide back into decline and prices fall in Mainland China as boost from reopening economy fades	4-May	Chris Williamson
	Global factory output inches higher as supply improvements offset falling demand	4-May	Chris Williamson
	Electronics sector reports greatest improvement in supply chains since 2001	2-May	Chris Williamson
	Flash PMI data signal fastest developed world growth for 11 months, price pressures rise further	24-Apr	Chris Williamson
EMEA	Eurozone flash PMI signals strong start to second quarter thanks to resurgent service sector	21-Apr	Chris Williamson
	UK economic growth hits highest for a year according to April flash PMI surveys	21-Apr	Chris Williamson
US	US flash PMI signals further acceleration of economic growth in April, but resurgent demand also brings higher price pressures	21-Apr	Chris Williamson
APAC	Resurgent service sector in mainland China drives strong economic growth at start of second quarter	5-May	Chris Williamson
	India's economy continues to expand as inflation moderates	5-May	Rajiv Biswas
	South Korea resumes positive GDP growth in early 2023	2-May	Chris Williamson
	Philippines on Track to Become One Trillion Dollar Economy by 2033	24-Apr	Rajiv Biswas

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

Release calendar

UTC	Local	Product
09 May 14:00	09 May 10:00 UTC-4 EDT	US Investment Manager Index
22 May 23:00	23 May 09:00 UTC+10 AEST	Flash Australia PMI*
23 May 00:30	23 May 09:30 UTC+9 JST	Flash Japan PMI*
23 May 07:15	23 May 09:15 UTC+2 CEST	Flash France PMI*
23 May 07:30	23 May 09:30 UTC+2 CEST	Flash Germany PMI*
23 May 08:00	23 May 10:00 UTC+2 CEST	Flash Eurozone PMI*
23 May 08:30	23 May 09:30 UTC+1 BST	Flash UK PMI*
23 May 13:45	23 May 09:45 UTC-4 EDT	Flash US PMI*
26 May 08:00	26 May 10:00 UTC+2 CEST	Austria Manufacturing PMI
31 May 23:00	01 Jun 09:00 UTC+10 AEST	Australia Manufacturing PMI
01 Jun 00:01	01 Jun 01:01 UTC+1 IST	Ireland Manufacturing PMI
01 Jun 00:30	01 Jun 09:30 UTC+9 JST	Japan Manufacturing PMI
01 Jun 00:30	01 Jun 08:30 UTC+8 CST	Taiwan Manufacturing PMI
01 Jun 00:30	01 Jun 07:00 UTC+6.5 MMT	Myanmar Manufacturing PMI
01 Jun 00:30	01 Jun 08:30 UTC+8 PHT	Philippines Manufacturing PMI
01 Jun 00:30	01 Jun 08:30 UTC+8 MYT	Malaysia Manufacturing PMI
01 Jun 00:30	01 Jun 07:30 UTC+7 ICT	Thailand Manufacturing PMI
01 Jun 00:30	01 Jun 09:30 UTC+9 KST	South Korea Manufacturing PMI
01 Jun 00:30	01 Jun 07:30 UTC+7 ICT	Vietnam Manufacturing PMI
01 Jun 01:45	01 Jun 09:45 UTC+8 CST	China General Manufacturing PMI
01 Jun 05:00	01 Jun 10:30 UTC+5.5 IST	India Manufacturing PMI
01 Jun 05:00	01 Jun 07:00 UTC+2 CEST	Netherlands Manufacturing PMI
01 Jun 06:00	01 Jun 09:00 UTC+3 MSK	Russia Manufacturing PMI
01 Jun 06:00	01 Jun 12:00 UTC+6 ALMT	Kazakhstan Manufacturing PMI
01 Jun 07:00	01 Jun 10:00 UTC+3 TRT	Turkey Manufacturing PMI
01 Jun 07:00	01 Jun 09:00 UTC+2 CEST	Poland Manufacturing PMI
01 Jun 07:15	01 Jun 09:15 UTC+2 CEST	Spain Manufacturing PMI
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01 Jun 07:45	01 Jun 09:45 UTC+2 CEST	Italy Manufacturing PMI
01 Jun 07:50	01 Jun 09:50 UTC+2 CEST	France Manufacturing PMI
01 Jun 07:55	01 Jun 09:55 UTC+2 CEST	Germany Manufacturing PMI
01 Jun 08:00	01 Jun 11:00 UTC+3 EEST	Greece Manufacturing PMI
01 Jun 08:00	01 Jun 10:00 UTC+2 CEST	Eurozone Manufacturing PMI
01 Jun 08:30	01 Jun 09:30 UTC+1 BST	UK Manufacturing PMI
01 Jun 08:45	01 Jun 09:45 UTC+1 WAT	Nigeria PMI
01 Jun 13:00	01 Jun 10:00 UTC-3 BRT	Brazil Manufacturing PMI
01 Jun 13:30	01 Jun 09:30 UTC-4 EDT	Canada Manufacturing PMI
01 Jun 13:45	01 Jun 09:45 UTC-4 EDT	US Manufacturing PMI
01 Jun 15:00	01 Jun 09:00 UTC-6 CST	Mexico Manufacturing PMI
01 Jun 15:00	01 Jun 10:00 UTC-5 COT	Colombia Manufacturing PMI
01 Jun 15:00	01 Jun 11:00 UTC-4 EDT	Global Manufacturing PMI
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05 Jun 00:30	05 Jun 07:30 UTC+7 ICT	ASEAN Manufacturing PMI
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05 Jun 04:15	05 Jun 06:15 UTC+2 EET	Egypt PMI
05 Jun 04:15	05 Jun 08:15 UTC+4 GST	United Arab Emirates PMI

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05 Jun 07:15	05 Jun 09:15	UTC+2	SAST	South Africa PMI
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05 Jun 07:45	05 Jun 09:45	UTC+2	CEST	Italy Services PMI*
05 Jun 07:50	05 Jun 09:50	UTC+2	CEST	France Services PMI*
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05 Jun 09:00	05 Jun 09:00	UTC	GMT	Ghana PMI
05 Jun 13:00	05 Jun 10:00	UTC-3	BRT	Brazil Services PMI*
05 Jun 13:45	05 Jun 09:45	UTC-4	EDT	US Services PMI*
05 Jun 13:45	05 Jun 09:45	UTC-4	EDT	US Sector PMI
05 Jun 15:00	05 Jun 11:00	UTC-4	EDT	Global Services PMI*
06 Jun 00:01	06 Jun 01:01	UTC+1	IST	Ireland Services PMI*
06 Jun 00:30	06 Jun 08:30	UTC+8	SST	Singapore PMI
06 Jun 00:30	06 Jun 08:30	UTC+8	HKT	Asia Sector PMI
06 Jun 07:30	06 Jun 10:30	UTC+3	EAT	Kenya PMI
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06 Jun 08:30	06 Jun 09:30	UTC+1	BST	UK Construction PMI
06 Jun 08:30	06 Jun 09:30	UTC+1	BST	Global Sector PMI
07 Jun 06:00	07 Jun 07:00	UTC+1	BST	UK House Price Index
07 Jun 08:00	07 Jun 09:00	UTC+1	BST	Global Aluminium Users PMI
07 Jun 08:00	07 Jun 09:00	UTC+1	BST	Global Copper Users PMI
07 Jun 08:00	07 Jun 09:00	UTC+1	BST	Global Steel Users PMI
07 Jun 08:30	07 Jun 09:30	UTC+1	BST	Global Electronics PMI
07 Jun 23:01	08 Jun 00:01	UTC+1	BST	UK & English Regions Report on Jobs
07 Jun 23:01	08 Jun 00:01	UTC+1	BST	Scotland Report on Jobs
09 Jun 04:15	09 Jun 08:15	UTC+4	GST	Dubai PMI
11 Jun 23:01	12 Jun 00:01	UTC+1	BST	UK Regional PMI
12 Jun 00:01	12 Jun 01:01	UTC+1	IST	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.

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